



FEDERAL GOVERNMENT OF SOMALIA

NATIONAL DEVELOPMENT PLAN

2017 - 2019

FINAL - OCTOBER



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FORWARD BY THE MINISTER

The process of crafting the first Somalia National Development Plan (NDP) in 30 years was both exciting and complex. For more than a year, the capable team at the Ministry of Planning & International Cooperation (MoPIC) worked tirelessly to envision a development plan consistent with Somalia's steady recovery from 25 years of state collapse, persistent conflict and a shattered economy.

From outset, we knew that we needed to formulate a realistic NDP, both in terms of cost and in implementation capacity of the Federal Government of Somalia (FGS). The NDP covers three fiscal years (2017-2019) instead of the traditional five years; our aim was to create a solid basis for future plans. After three decades of no development agenda, we had to be conservative in our outlook. Furthermore, the NDP is compliant with both the Sustainable Development Goals (SDGs) and the Interim Poverty Reduction Strategy Paper (iPRSP), a global poverty eradication scheme that also partially satisfies the global debt forgiveness program, which the FGS is aggressively pursuing with international financial institutions led by the IMF.

Since September 2013, the New Deal Compact for Somalia served as the country's comprehensive development and political roadmap. For nearly three years, Somalia became the only country in the world to have fully implemented the New Deal program. Somalia was seen as a model among the "g7+ countries", a group of fragile nations recovering from years of conflict that signed up to the New Deal. Among the many benefits of the Compact was that it built for Somalia a strong foundation from which we can articulate a realistic NDP. In many ways, the Compact has become a prerequisite and a harbinger for fragile countries like us to craft their own NDP.

Considering the unique socioeconomic and political situation of Somalia, we put heavy emphasis on engaging domestic stakeholders throughout the process. As a new federal country, we conducted extensive consultations across all federal member states (except Somaliland). Through this exercise, we learned both the similarities and dissimilarities of the Somali people in their aspirations for sustainable development. Some put water and roads as their main development priority, while others emphasized fishing, farming and livestock. However, affordable and reliable energy has become a common theme among all groups.

Unlike traditional development plans, we included politics and security priorities into the NDP. It is difficult to disassociate political inclusivity, security sector reform and the rule of law from our three-year development agenda, given our unique situation. We felt that progress in these areas must go in tandem with development priorities.

The task of writing the NDP was daunting and the challenges were mammoth. A primary impediment was the paucity of quantitative data upon which to build both the macroeconomic and fiscal frameworks, which are the crux of the NDP. Equally scant was sectoral information necessary to make assumptions about the state of the economy and hence articulate economic recovery plan.

We overcame these serious challenges by using innovative approaches to gather the little data scattered across various national and international stakeholders, and glean qualitative information from many groups and agencies. The upshot is the first NDP in 30 years, from which future plans can be built upon.

Taking into account the lessons we learned from the implementation of the New Deal Compact for Somalia, we developed a comprehensive results framework, monitoring and evaluation component as well as an implementation plan for the NDP. Taken together, these strategies are meant to ensure proper and measurable application of the NDP over the next three years. Our projection is that, if properly implemented, the NDP will trigger a healthy economic growth of about 3%-5%.

As the Compact expires in August 2016, we made sure that there will not be a gap in the development priorities of Somalia. Together with our partners, we have developed a renewed 'Mutual Accountability Framework' that governs the working relationship with donors throughout the lifetime of the NDP. Much will change as we transition from the Compact to the NDP, but many processes will remain the same. For instance, the Somali Development and Reconstruction Facility (SDRF), a monthly forum that brings government and donors together around implementation of the Compact, and the High Level Partnership Forum (HLPF), an annual forum that reviews progress, will be sustained over the next three years.

However, the Federal Government will take the leadership in priority setting in terms of the overall development agenda. Government leadership, ownership, coordination and implementation will increase exponentially under the NDP.

Despite MoPIC's leadership in the drafting of the NDP, the process has been inclusive. Other federal agencies, federal member states, civil society including women and youth groups and, crucially, the private sector, have all contributed to its success. International partners have also played an enabling role.

Finally, we must express my deepest gratitude to the leadership of the Federal Government—the President, the Prime Minister and the Speaker of the Parliament—for giving us the latitude and flexibility to imagine this NDP. We also appreciate their moral, political and material support throughout the process.

We deeply appreciate the contribution in time, expertise and resources the Arab Planning Institute [API] provided to the plan development process.

Equal gratitude goes to the great MoPIC team, led by the able Permanent Secretary Abdi Dirshe, for their tireless dedication to meet our crushing deadlines including DG Planning Sadik Farah, Maryam Mohamed, Hassan Abukar, Maslah Wehelie, Abdiqadir Diriye, Mohamed Abdullahi, Hashim Sheikh Abdinoor, Mohamed Noor, Zakaria Hassan, Alas Abdullahi & Abdiaziz Siad as well as the too numerous to name civil servants at the Ministry of Planning.

Special thanks goes to respective pillar team-leaders namely Abdirahman Mohamed Sheikh Abdi in the critical role he played in the social and human development pillar, Abdillahi Mohamed Moalin "Farimos" on his role in coordinating the infrastructure pillar, DG of Statistics Mohamed Moalin on his role in developing the resilience pillar, Hodan Osman & Hussein "Aato" on their role for the Macro-Economic Pillar, we appreciate the full participation of the Ministry of Gender and Human Rights in developing the NDP and recognize the invaluable contributions of Mohamed Elmi in writing this document.

Thanks also goes to Dr. Ali Galool, Raheem Mohamed, Senior advisor to the Minister Hassan Haji and Ruby Khan for their tireless efforts in developing the productive sector contribution to the NDP and Dr. Abdihamid Ibrahim in developing the health sector contribution to the NDP.

We are also grateful to the different members of the Federal Members States for all the efforts they put into developing this document. We also appreciate the contributions of the membership and leadership of the different PSG's in particular the considerable work of Alessia Riccardi & Mohamed Barre.

I would also like to acknowledge the role played by Mr. Khadar Mahmoud Ahmed & Mohamed Said who worked on the final editing of the entire NDP document; lead the development of the social and human development pillar and the Plan Management, Implementation, Monitoring and Reporting Chapters of the NDP.

Finally we especially recognize the extraordinary work of Dalmar Hassan Kanyare, the overall coordinator and architect of the NDP for his incredible commitment, discipline and sheer determination to work with often disparate stakeholders in order to produce the NDP. Without his leadership and drive, the NDP would not have been here.

Sincerely,



A handwritten signature in black ink, appearing to read "Abdill".

Abdirahman Yusuf Ali Aynte, Minister
Ministry of Planning and International Cooperation

A handwritten signature in blue ink, appearing to read "Prof. Abdullahi Sheikh Ali".

Prof. Abdullahi Sheikh Ali, Deputy Minister
Ministry of Planning and International Cooperation

Abbreviations

MPTF – MULTI PARTNER TRUST FUND
NDP- NATIONAL DEVELOPMENT PLAN
MTFS – MID TERM FISCAL STRATEGY
NDC – NEW DEAL COMMITTEE
M&E – MONITORING & EVALUATION
IPRSP – INTERIM POVERTY REDUCTION STRATEGY
SDG- SUSTAINABLE DEVELOPMENT GOAL

EXECUTIVE SUMMARY

This National Development Plan (NDP) covers the fiscal period 2017 to 2019. It is the first NDP crafted by the central government of Somalia since 1986. The NDP builds on the solid foundations laid by the New Deal Compact for Somalia, which articulated national priorities during the period 2014-2016.

The NDP stipulates the Somalia's short to medium term strategic direction, development priorities and proposed implementation mechanisms including the use of development aid. The Plan provides an analysis of Somalia's current development status, challenges and opportunities. The theme of the NDP is to accelerate socio-economic transformation in order to achieve the stated objectives for poverty alleviation, economic revival and societal transformation in a socially just and gender equitable manner.

The Plan has a strong focus on tackling poverty. There is a wealth of evidence[1] that shows that gender and other inequalities are not simply consequences, but rather determinants of poverty, and that increasing gender equality leads to economic growth, human development, poverty reduction and that it positively affects lasting peace and post-conflict recovery. The implementation of the NDP will be underpinned by activities that will help create a conducive environment necessary for sustainable development. That will entail making robust yet sustained improvements on the political, security, governance, social and economic conditions of the country. It will also entail a continuous public-private dialogue between and within government and citizens, the private sector.

Among other benchmarks, the NDP aims to achieve the following results:

1. Secure environment, more open politics and reconciliation;
2. Reduced abject poverty;
3. More resilient communities that can withstand internal and external 'shocks' including cyclical droughts and other natural disasters;
4. Vibrant economic sector, with particular focus on agriculture, livestock and fishing;
5. Increased availability and accessibility of quality of basic education, health, water and sanitation services;
6. Improved health outcomes, reduced maternal and child mortality, reduction in malnutrition rates as well as prevention and control of communicable and non-communicable diseases;
7. Increased employment opportunities and decent work particularly for the youth;
8. Federal political and economic framework that empowers the federal member states to deliver services and economic opportunities to the citizens of Somalia in a secure environment;

Each of these strategic focused areas aim to be realized in the way that promotes social justice and gender equality so that development dividends are available to and shared by all, and reduce, rather than exacerbate existing inequalities.

During the three-year cycle of the NDP, priority investment will be made in the areas of security, the rule of law, governance, infrastructure, clean water, energy - including most importantly renewable energy, and promoting resilience. A great deal of emphasis is put on reviving Somalia's traditional economic sectors, such as agriculture, livestock and fishing utilizing the strengths of the private sector. With the longest coast in Africa and a near total collapse of road networks, sea transportation will be revived to facilitate movement of goods and people within—and outside—Somalia.

All of this will be underpinned by strong governance, particularly in the areas of inclusive and democratic institutions, political participation, promotion of a vibrant civil society, transparent and accountable public administration, rule of law, protection of human rights and promotion of gender equality and women's empowerment. The plan also recognizes the role women have played and will continue to play in politics, community mobilization and peace building in Somali society, and their vital role in supporting peace and human security. The plan promotes their economic empowerment and participation in political and public decision making processes.

The NDP also recognizes the need to address the development needs of the Somali population who are displaced inside the country, or returning from surrounding countries.

The approach to development of the NDP recognizes the early stages of development of the new Federal Member States and relative lack of basic planning data. Our starting point is the need to address and incorporate the key state building and peace building objectives of a nation recovering from conflict and wishing to move onto a fast track development trajectory.

Recognizing the importance of inclusivity and legitimacy, the NDP is based on extensive consultations with wide variety of stakeholders, starting with line ministries at the Federal Government, national agencies, federal member states, civil society, NGOs, private sector, youth and women’s groups. During the first quarter of 2016, consultations were held in Garowe, Kismayu, Baidoa, Adaado and Benadir (the latter including representatives from Hiiraan and Middle Shebelle regions). Separate consultations were also held with non-state actors, including NGOs, private sector, youth and women’s groups. Furthermore, consultations were also held with local NGOs, international NGOs, UN Country Team and development partners.

The NDP satisfies the criteria for **compliance with the Interim Poverty Reduction Strategy Paper (iPRSP)**. The Government is completely committed to poverty reduction and to progress towards meeting the SDGs, albeit the SDGs have been ‘localized’ to recognize the Somalia realities. Making progress on the Sustainable Development Goals (SDGs) global framework can assist Somalia integrate into the increasingly globalized economy.

Ultimately, the success or failure of the NDP will be measured by the extent to which the lives of the Somali people improve over the next few years. To this end, the NDP comes with a robust monitoring and evaluations framework designed not only to measure what we have done, but also to act as an early warning system.

This Plan consists of thirteen chapters addressing all social and economic sectors in Somalia. The first chapter provides the background information, the planning processes and methodology used, the stakeholders’ consultations at national and sub-national levels as well as the overall vision, mission and goals of the plan.

The second chapter critically examines the current political, security, and governance situation. It provides an overview of the political, conflict, social and economic context that shapes the policies, plans and resource allocations set out in the Plan, and how this context affects the prospects for successful implementation of programs. The chapter also reviews overall strategic architecture that will frame the future relations between Somalia, its people and the international community. The proposed architecture for the next three years embodies the spirit of our renewed partnership. The priorities set out in chapter 2 reflect the progress made in the five Peace building and State building Goals (PSGs) of the New Deal and the Somali Compact as we move towards peace, recovery and development. The commitments made here confirm that the NDP is also a key political document which will also strengthen the mutual commitments between the Federal Government and its development partners.

The priorities in Chapter 2 link to and reinforce the plans and strategies of the government set out in the subsequent chapters. The government’s objectives and priorities are contained in 6 planning pillars; the coverage of each of these pillars is outlined below:

Chapter 3 outlines the development vision, objectives and development priorities. This chapter also sets out the detailed provisions of the different pillars and sectors. It sets out the policy agenda in each sector, the context, the reform and development programs, required resource allocations and the main performance targets.

Chapter 3 contains a three-year macro-economic framework and related policy matrix. The chapter is illustrated by summary tables of the macro-economic framework.

Chapter 4 addresses areas of governance and public administration. The NDP focuses on strengthening the capacity of Federal Government for policy analysis and development, and socio-economic development management, including the infrastructure necessary for the institutional and human resources development. Particular attention is given to strengthening governance systems and institutions, administrative restructuring, civil service reform, human resources development and public administration, improving performance of the public sector, increasing public- and private-sector interaction, promoting management innovation, improving the management of development programmes, enhancing government legal capacity, and strengthening the regulatory framework, resource mobilization, revenue administration, financial management, and transparency and accountability.

Chapter 5 contains a description of the existing extent and patterns of poverty, the current poverty situation, and the participatory processes already undertaken. Chapter 5 then sets out the main elements of the proposed poverty reduction strategy including a description of the policy measures necessary to promote sustained, rapid growth (including macroeconomic stability) and to ensure that the poor participate in that growth in a gender equitable manner. Chapter 5 also summarizes the national programmes

that are designed to assist the poor. The policy matrix provides a summary presentation of the NDP's poverty reduction strategy indicating the time-frame for on-going policy initiatives.

The government is clear that these policy commitments and targets are tentative and will need to be revised when the I-PRSP component of this plan is replaced by a full PRSP. The government's near-term priorities are however, clearly set out. The Plan also provides for (with donor support) mechanisms for gender-sensitive monitoring and evaluating its strategy, the effectiveness of the policies and programs in reducing poverty, and the current institutional arrangements for ensuring transparency and accountability in the use of public resources.

Chapter 5 also contains a timeline and proposed consultative process by which a full PRSP will be developed and the assistance requested from International Community, including the IFIs, other multilateral/ bilateral agencies, and other partners. Chapter 5 and Chapter 13 identify the gaps in poverty data and analysis, the recommendations on how the government proposes to fill these gaps (including TA and financing from development partners), and milestones for assessing progress in this work.[2]

Chapters 6, 7, 9, 10 and 11 contain the pillar proposals; Chapter 8 examines the spatial dimensions of the National Plan and exposes regional disparities, differences in economic potential and regional comparative advantages and priorities as identified through regional consultations

Chapter 12 addresses the current challenges for maximizing aid effectiveness in Somalia in the context of the NDP. This chapter takes as its starting point the commitment to social and economic justice, our mutual obligation to help those in need and the inclusion of the poorest and most vulnerable in society. These principles are central to the use of the aid budget. The chapter identifies the guiding principles, roles, and responsibilities through which the Government of Somalia will manage within the annual budgetary cycle the relationship with its Development Partners (DPs) and the external assistance they provide, within the context of the development priorities established in the NDP.

Chapter 9 addresses management and implementation of the NDP. It includes sections on M&E, SDG indicators, monitoring deliverables, strengthening the foundation for future statistical analyses and risk management.

Cross-cutting issues

Most development plans contain a list of cross-cutting issues including gender, capacity development, human rights and environment among others. We have chosen not to do so. First, because we believe these issues are core development challenges and deserve their place in the NDP in their own right. Secondly, because often the cross-cutting issues do not get the attention they deserve as it is not clear what actually is intended to be realized, who is responsible, how budgets are allocated and how results will be monitored.

CHAPTER I

BACKGROUND AND INTRODUCTION

1.1 CONTEXT ANALYSIS

Somalia is a complex political, security and development environment, and much of its recent past has been marked by poverty, famine and recurring violence. However, in 2012, with the establishment of permanent political institutions and important military offensives, Somalia entered into a new period; a period where longer term peace seems possible. After decades of conflict and instability, a federal government was established, built through national dialogue and consensus. When this Federal Government was formed, Somalia was divided and with no clear path to reconciliation and unification Somalia faced the significant challenge of simultaneously building frameworks and institutions, whilst needing to immediately deliver tangible benefits to the Somali people.

The challenges that Somalia faces are thus complex, multifaceted and differ according to various political, social and regional contexts. The National Plan recognizes this fact; the strategy set out in this chapter seeks to address these challenges and effectively lead Somalia on a path of recovery, development and a durable peace.

The socio-economic situation of the country is very poor. Poverty cuts across sectors, location, group and gender, and its forms and causes vary. An understanding of Somalia's geography, recent trends in its economy and consequences of the civil strife is important to determining the nature and extent of its poverty. Approximately, 69% of Somalia's population lives below the poverty line. Poverty in Somalia is more pronounced in the IDP camps estimated to be 88% followed by rural areas with 75% and urban areas with areas 67%. At regional level, two specific regions of Somalia; Somaliland, located in the North-West and Puntland, located in the North East, experience more stability with regard to socio economic conditions. Stability in the two areas may have contributed to some improvement in poverty reduction. On the contrary, the Southern part of Somalia is comparatively poorer and suffers from unstable economic conditions and fragile security conditions. The southern part of Somalia, where conflict and confusions reign supreme, is subjected to food shortages and suffers from lack of proper infrastructure.

The poor socio-economic and extreme poverty in Somalia can be attributed to a number of factors. The prominent ones being absence of an active and strong central government, civil disputes, natural calamities like floods and droughts. Somalia, witnessed many inhibiting factors including the downfall of the government, and outbreak of civil war, which further aggravated the problem of poverty in Somalia.

Inequitable access to the means of production (land and capital), the skewed distribution of wealth, reduced access to economic goods and services and remunerative employment are all causes of poverty. Poverty adversely affects participation in social and political processes and denies life choices while the poor are particularly vulnerable to natural disasters.

Another key aspect linked to the poverty is that Somalia's demographic profile shows a pronounced youth bulge. According to the High Frequency Survey results, Somalia has a very young population. Approximately 50% of the population is below the age 15 years. This situation is unlikely to change in the near future due to a high fertility rate. It has been and probably will continue to be the major source of conflict in Somalia, where two-thirds of youth are unemployed – one of the highest rates of unemployment in the world. This is among the factors fueling Al-Shabaab's appeal.

Many young Somali are trapped in an environment of violence, fear, unemployment and poverty. This both erodes their hopes for human development and makes them more likely to become part of conflict. Experiences from Somalia and elsewhere show that when large members of young people are jobless and have few opportunities for positive engagement, they become a ready pool of recruits for violent extremists.

The major structural drivers underlying youth engagement in violent conflict in Somalia are high youth unemployment and lack of livelihood opportunities. Insufficient, unequal and inappropriate education and skills combined with poor governance and weak political participation and a legacy of past violence. Other factors comprise forcing youth to join violent groups, often due to a

lack of alternative livelihoods. Immediate triggers include political events, abuses by security forces, sudden economic crisis, and personal loss and drama.

Other factors include lack of education and poor access to social services. The poor are clustered in certain socio-economic categories that include large family size, small farmers, pastoralists, agricultural laborers, casual laborers, unskilled and semi-skilled workers, female-headed households, IDPs, the physically handicapped, orphans and street children. The average size of the household is estimated to be 5.3; among these the poor have larger families 7 persons compared to the non-poor with 4.8 persons. While in general IDPs households have larger size household than urban and rural.

Malnutrition prevails throughout Somalia. The majority of women in Somalia are uneducated. Somalia lacks access to social services, poor awareness of health programs. Maternal mortality rates are among the highest in world. Studies by UNICEF and others reveal that pregnancy and childbirth are two factors, due to which as many as 45 women die every day in Somalia. People are suffering and dying due to hunger and illness is steeply on the rise. According to OCHA (2015) more than two thirds, or 68 per cent, of the people who are in crisis and emergency are internally displaced and nearly 215,000 children aged under five are acutely malnourished, of whom almost 40,000 are severely malnourished and face a high risk of disease and death.

According to the results of the 2002 socioeconomic survey and other recent data from studies conducted by NGOs and development partners it was possible to estimate that on average about 73% of Somali population live below the poverty line of \$2 per day. While the preliminary results of the high Frequency Survey of 2016 indicated on average 69% of the Somali live below the poverty of \$1.9 per day. The 2002 results indicate that poverty in Somalia was higher in rural area (about 80% of people living below the poverty line) compared to 61% in urban areas. A high percentage of urban people living below the poverty line are also observed in 2002 study. This is explained by the fact that urban consumption is mostly derived from imported and expensive products, combined with extremely high unemployment rates (estimated at 65% in 2002) also contributing to poverty.

Preliminary results of Household Survey (Higher Frequency 2016) suggests that most of the poor people are concentrated in the urban areas around 61% of which Mogadishu has 12% and rural area take 28%. This is a new pattern of poverty distribution compared to the one witnessed in 2002. This was caused by the change in the migration patterns caused by civil conflict during the considered period. There was a huge movement of the population from the rural to urban, as poor rural people, due to deteriorating security conditions, were forced to leave their property and move to urban and other safe area to look for safety, better living conditions and employment opportunity. These include those who are now living in IDP camps.

The **climate** in Somalia is arid or semi-arid. The bimodal rainfall pattern has two rainy seasons, the GU (April to June) and the Deyr (October to December), and two dry seasons, the Hagee (July to September) and the Jilaal (January to March). The population relies on the long GU rains and the shorter, but important Deyr rains, for agricultural production, pasture regeneration and replenishment of rivers, dams and ground water supply. Traditionally, the GU was the main rainy season. However, there has been a general decline in long rains, explaining the frequency of drought and floods in the Horn of Africa. Historical trends show droughts occur regularly at intervals of 2-3 years in the Deyr and 8-10 years in consecutive Deyr and GU seasons, extending seasonal hardships. As a consequence, the importance of the two seasons for agricultural production has changed. While traditionally the GU harvest accounted for around 75 per cent of the total agricultural production in Somalia, the analysis of annual cereal production patterns in southern Somalia indicates that this rule does not apply with regularity any more. For instance, in 2011, the pattern was reversed, and the Deyr harvest accounted for approximately 80 per cent of the yearly agricultural production. Conversely, in 2010, over 90 per cent of the total cereal production came from the GU harvest.

Somalia is a **food-deficit country**. Even good harvests, when available, provide only around 40-50 per cent of per capita cereal needs.¹ Therefore, commercial food imports play an important part in meeting the national food requirements. Over the past five years, local agricultural production normally provided only around 22 per cent of per capita cereal needs and therefore commercial food imports and food assistance play an important part in meeting the national food requirements. In recent years, assessments have estimated that approximately 25 per cent of the population did not have adequate access to sufficient food, with significant, but distinct, seasonal hardships during the two lean seasons.

¹WFP, PRRO 200443 Project Document, November 2012.

Somalia is dominated by **two livelihood systems**, pastoralism and agro-pastoralism. A small proportion of the riverine population along the Juba and the Shebelle rivers depends on settled agriculture. Fishing only represents a very small livelihood activity, despite Somalia having one of the longest coastlines in Africa. In urban centers, trading activities dominate. Finally, Somalia has one of the largest concentrations of internally displaced persons (IDPs) in the world. UNHCR estimates that there are currently around 1.1 million IDPs in the country. These include newly displaced and long-term IDPs, destitute pastoralists and returnees from within the country or from outside.

The **seasonal calendar** applies to both key population groups, although they are affected differently. For instance, the main lean season for pastoralists corresponds to the harvest season of agro-pastoralist livelihood groups, while the main hunger season for agro pastoralists is during the GU rainy season, which is the peak season for livestock calving, lambing and kidding.

There are 14 purely pastoralist livelihood zones in Somalia, which are located mainly in the arid regions in the central and northern parts of the country. For **pastoralists** the rainy seasons represent better times of the year, as water and pasture are more available, hence improving livestock body conditions and milk production. Milk availability improves particularly in the periods of goat/sheep lambing (October/November) and camel kidding (June). Below-average rainfall can result in reduced water and pasture availability, which can lead to abnormal livestock migration. During the dry seasons, pasturelands are depleted and people begin to move in search of water and grazing land for their livestock. The peak time for water shortages in pastoral areas is the end of the Jilaal dry season (mid-February to late March). The peak export seasons for livestock coincides with the period of Muslim festivities, and usually spans from September to December, depending on the year.

The main agricultural production areas are situated in southern Somalia and parts of the northeast.

The main food crops grown in Somalia are maize, sorghum, cowpeas and beans. **Agro-pastoralist communities** largely depend on the seasonal performance of the rains. Harvests come in once the rainy seasons have passed and conditions are dryer, usually in August (GU harvest) and January (Deyr harvest). The production amounts will determine when their stocks will deplete and, hence, when their lean season starts. The peak hunger season in cropping areas is towards the end of the GU rains (May/June). While the amount of rainfall received by agricultural production areas is very important – below-normal rainfall is likely to result in below-normal production, thus reducing incomes, and accelerating stock depletion – the distribution of rainfall is equally if not more determinant. Erratic rainfall can lead to crop damage, particularly in the case of flash floods. However, floods can also lead to excess moisture and have a positive impact on off-season harvests.

The **urban** populations access income mainly through trade, casual Labour and social support. Remittances from the diaspora are also an important source of income, and internationally-imposed restrictions and/or value fluctuations can negatively impact on household income. Due to the marginal importance of agricultural and farming activities in urban settings, urban livelihoods are highly market-dependent in order to meet their food needs, and thus also affected by seasonality. For instance, during the rough seas season (June to September), sea transport is affected and, thus, prices for imported commodities increase. Water prices also peak during the dry seasons. Finally, food prices depend on the local production, which highlight the interdependence between urban and rural livelihoods. Above-average crop production is likely to have a positive impact on the food security of urban populations. On the other hand, drought can affect urban livelihoods in two ways. First, food prices increase due to reduced food availability. Second, recurrent droughts (and insecurity) have led to massive population displacements towards urban centers over the last years, increasing stress on urban food and Labour markets.

Agriculture is an important sector of the economy in Somalia and can be divided into three sub-sectors: nomadic pastoralism; rain fed subsistence farming; and irrigated agriculture. Nomadic pastoralism focuses on rearing goats, sheep, cattle and camels. This subsector is the largest and is the backbone of the country's economy and supports the largest part of the population which practice pastoralism system under harsh climatic conditions.

The second sector is rain fed subsistence farming which accounts for 90% of the total area cultivated. Rain fed agriculture is practiced by small scale farmers in the South and Northwest in the two rainy seasons GU and Deyr. These farmers produce sorghum, maize, and sesame, and often hold a good number of livestock. Production under small scale farms is however below the potential level and it is necessary to introduce new farming techniques so that farmers can take advantage of new technology and improved inputs to increase their production and satisfy family and market food needs.

The areas where agriculture is practiced receive rainfalls distributed in two rainy seasons locally known as GU and Deyr.

The third sector is large scale irrigated farming which accounts for 10% of the total area cultivated. It is practiced along the lower Jubbah and Shebelle rivers. In the recent past, commercial crops such as sugar cane, bananas, grapefruits and rice which were

successfully cultivated in the south along the two rivers have tremendously decreased or almost ceased to be cultivated. In the current setting, the major crops produced in the irrigated farms are banana, maize, rice, sesame, grapefruits, mangoes, oranges, lemon, guava, papaya, date palms, sesame, and vegetables such as tomatoes, lettuce, onions, watermelon, peppers, cabbage, and sweet melon. Small scale irrigated farms are also scattered in the northwest and northeast part of the country near water sources (Oasis farming).

Presently, only a small part of the high potential areas along the floodplains of Juba and Shebelle is utilized for agricultural production, hence there is a big potential for expansion and development. In fact, existing pre-war irrigation project along Juba and Shebelle, such as Mareerey Juba Sugar Project; Jowhar sugar project; Mogambo Rice Irrigation Project near Jamaame; Fanole Dam Project located near Jilib; Arare Banana Irrigation Project; and Baardhere Dam Project and many others are not in production. In a few cases, some of the essential irrigation infrastructure such as barrages, primary and secondary canals, culverts, and feeder roads have been rehabilitated and small areas of some of the schemes are in use. The Juba and Shebelle rivers have large high flow volumes that can be used for irrigation and therefore a considerable potential to increase productivity through rehabilitation of the irrigation schemes.

Historically, Somalia's economy has been dominated by livestock trade and crop production which also serve as pillars for livelihood development and sustainability among pastoralists and agro pastoralists. In 2004, 67 percent of the population lived in rural areas out of which 55 percent were engaged in either livestock and /or crop production. Currently, agriculture (crop and livestock) dominates the economy, not only in terms of meeting the daily food requirements but also income generation through trade and the provision of Labour.

The World Bank group (2016 data on Somalia - Agricultural sector survey) estimates that agriculture provides 60 percent of Somalia's GDP, 80 percent of its employment and 90 percent of its exports; success in this sector is therefore critical to Somalia's economic growth. The economic contribution of livestock production surpasses crop production and accounts more than 60% of the gross domestic product (GDP) and about three-fifths of Somalia's foreign exchange earnings, while crop production contributes less than 20% of the GDP. It is estimated that less than 35% of the land is suitable for crop production².

In 2013 the country ran a trade deficit of 39 percent of Gross Domestic Product (GDP), after importing goods and services worth 62 percent of GDP and exporting goods worth only 14 percent. The largest recorded imports are agricultural commodities sugar, wheat and wheat flour, rice, and cooking oil.

Exports are dominated by livestock trade followed by charcoal, fish and hides and skins. Export data collected (FSNAU, 2014) shows that in 2014 some 5 million livestock were exported to the Gulf States. This included 4.6 million goats and sheep, 340,000 cattle and 77,000 camels; valued conservatively at around US\$360 million. The trade deficit was financed through remittances (equivalent to 41 percent of GDP) and direct donor support (equivalent to 9 percent of GDP). These deficits signal important opportunities for Somalia to produce sustainably for the domestic economy and boost trade relations locally as well as internationally.³

Fisheries constitute the third largest exports in Somalia. Landings at present are estimated at 15,000 to 20,000 MT a year. Fisheries employ some 30,000 persons full time and 60,000 part-time workers in the form of traders, processors, and gear and vessel manufacturers. Total economic value of domestic fisheries, after value is added through the supply chain is US\$135 million per year.

Gender discrimination in Somalia is an old issue and is particularly pronounced in the areas controlled by Al-Shabaab. In Somalia's clan – based and patriarchal social environment, girls are often subject to parental restrictions on education, and there are similar trends of exclusion visible among social minorities. Socio-cultural factors and norms emphasize the unequal power status of men and women in Somalia. Traditions favored male dominance, resulting in low social status of women; yet, women bear heavy responsibilities - which are largely illiterate, in poor health conditions and powerless. Their traditional role is to bear children, do housekeeping, yet in nomadic society housekeeping also includes caring for small animals, fetching firewood, water and building and dismantling the portable houses (Munduls) when family moves from one grazing area to another. In settled agricultural communities, women undertake most of the farming activities, such as planting and cultivating crops and rearing children and marketing produces. In urban areas many women have full responsibility for the household since their husbands

²<http://faoswalim.org/land/land-use>

³The self-sufficiency ratio (SSR) is defined as: $SSR = \frac{\text{production} \times 100}{\text{production} + \text{imports} - \text{exports}}$. The SSR indicates the extent to which a country relies on its own production resources. Somalia's SSR=32% in Jan-Dec 2016 projection period

have migrated or are involved in clan militias and other related security activities. The majority of urban poor are women and children.

Somalia's demographic profile shows a pronounced youth bulge. This situation is unlikely to change in the near future due to high fertility rate. It has been and probably will continue to be the major source of conflict in Somalia, where two-thirds of youth are unemployed – one of the highest rates of unemployment in the world. This is among the factors fueling Al-Shabaab's appeal. Around 50% of young Somali are less than 15 years (see figure 4) and trapped in an environment of violence, fear, unemployment and poverty. This both erodes their hopes for human development and makes them more likely to become part of conflict. Experiences from Somalia and elsewhere show that when large members of young people are jobless and have few opportunities for positive engagement, they become ready pool of recruits for violent extremists. The major structural drivers underlying youth engagement in violent conflict in Somalia are high youth unemployment and lack of livelihood opportunities. Insufficient, unequal and inappropriate education and skills combined with poor governance and weak political participation and a legacy of past violence. Other factors comprise forcing youth to join violent groups, often due to a lack of alternative survival. Immediate triggers include political events, abuses by security forces, sudden economic crisis, and personal loss and drama.

All major economic activities were disrupted by the civil war, which led to the collapse of agriculture, manufacturing and related activities. It is estimated that during 1991 – 2005 GDP fell on average by about 4% annually. Recently it is believed that GDP started to recover in 2001/02, but per capita GDP is still far below the average for Sub-Saharan Africa countries and that of post conflict countries, such as Rwanda and the Republic of Congo. War related disruption in agriculture and livestock sector exacerbated the impact on the poor people, since almost two-thirds of employment originate from this and related sectors. In terms of macroeconomic costs of civil war, assuming a steady growth rate of 2 percent – comparable to that experienced during the mid – and late 1980s - economic real per capita output and income in 2002 could have been at least a third higher than what it was before the civil war.

Comparing the estimates of people living below the poverty line between Somalia and other post conflict countries, Somalia has the fifth highest rate (69%) after Malawi (71%), DRC (77%), Burundi (77%), South Sudan (77%) and Madagascar (82%). This is too high considering the huge inflows of remittances estimate to be 60% of Somali GDP that could contribute to mitigate the loss in output and income. Somalia rank badly on most socio -economic indicators included the UNDP human development indicator.

The endorsement of the 2012 Provisional Constitution of the Federal Republic of Somalia was a ground-breaking achievement. It put in place an overarching, nationally endorsed legal framework to guide Somalia's efforts to rebuild the nation in accordance with the rule of law. Review of the Provisional Constitution is a process central to solidifying the political settlement and the success of the transition of Somalia from decades of war and conflict into a stable and peaceful country.

In accordance with the Provisional Constitution, a Parliamentary Constitutional Implementation and Oversight Committee and an Independent Constitutional Review and Implementation Commission (ICRIC) were established in 2014 to progress the review, though each body requires substantial institutional and capacity support to enable them to discharge their mandates. A new Ministry responsible for Constitutional Affairs was also established as part of the new 2015 Cabinet.

Progress with the constitutional review process in 2014 was slow, due to a range of political and security factors. However, the New Deal Compact^[1] agreed to prioritize the constitutional review, and the Government's own Vision 2016 Framework^[2] also endorsed the importance of the process. Over the next 12-18 months, the Ministry of Constitutional Affairs, the Oversight Committee and the ICRIC will need to work to bring together stakeholders across and at all levels of government and the community to build consensus around a range of outstanding constitutional issues. For the next three years, the Constitutional review process aims to achieve the following outputs:

1.2 OVERVIEW OF THE NDP

This National Development Plan (NDP) covers the fiscal period 2017 to 2019. It is the first NDP crafted by the central government of Somalia since 1986. The NDP builds on the solid foundations laid by the New Deal Compact for Somalia, which articulated national priorities between 2014-2016.

The NDP stipulates the Somalia's short to medium term strategic direction, development priorities and proposed implementation mechanisms including the use of development aid. The Plan provides an analysis of Somalia's current development status, challenges and opportunities. The theme of the NDP is to accelerate socio-economic transformation in order to achieve the stated objectives for poverty alleviation, economic revival and societal transformation in a socially just and gender equitable manner.

The Plan has a strong focus on tackling poverty. There is a wealth of evidence[1] that shows that gender and other inequalities are not simply consequences, but rather determinants of poverty, and that increasing gender equality leads to economic growth, human development, poverty reduction and that it positively affects lasting peace and post-conflict recovery. The implementation of the NDP will be underpinned by activities that will help create a conducive environment necessary for sustainable development. That will entail making robust yet sustained improvements on the political, security, governance, social and economic conditions of the country. It will also entail a continuous public-private dialogue between and within government and citizens, the private sector.

Among other benchmarks, the NDP aims to achieve the following results:

1. Secure environment, more open politics and reconciliation;
2. Reduced abject poverty;
3. More resilient communities that can withstand internal and external 'shocks' including cyclical droughts and other natural disasters;
4. Vibrant economic sector, with particular focus on agriculture, livestock and fishing;
5. Increased availability and accessibility of quality of basic education, health, water and sanitation services;
6. Improved health outcomes, reduced maternal and child mortality, reduction in malnutrition rates as well as prevention and control of communicable and non-communicable diseases;
7. Increased employment opportunities and decent work particularly for the youth;
8. Federal political and economic framework that empowers the federal member states to deliver services and economic opportunities to the citizens of Somalia in a secure environment;

Each of these strategic focused areas aim to be realized in the way that promotes social justice and gender equality so that development dividends are available to and shared by all, and reduce, rather than exacerbate existing inequalities.

During the three-year cycle of the NDP, priority investment will be made in the areas of security, the rule of law, governance, infrastructure, clean water, energy - including most importantly renewable energy, and promoting resilience. A great deal of emphasis is put on reviving Somalia's traditional economic sectors, such as agriculture, livestock and fishing utilizing the strengths of the private sector. With the longest coast in Africa and a near total collapse of road networks, sea transportation will be revived to facilitate movement of goods and people within—and outside—Somalia.

All of this will be underpinned by strong governance, particularly in the areas of inclusive and democratic institutions, political participation, promotion of a vibrant civil society, transparent and accountable public administration, rule of law, protection of human rights and promotion of gender equality and women's empowerment. The plan also recognizes the role women have played and will continue to play in politics, community mobilization and peace building in Somali society, and their vital role in supporting peace and human security. The plan promotes their economic empowerment and participation in political and public decision making processes.

The NDP also recognizes the need to address the development needs of the Somali population who are displaced inside the country, or returning from surrounding countries.

The approach to development of the NDP recognizes the early stages of development of the new Federal Member States and relative lack of basic planning data. Our starting point is the need to address and incorporate the key state building and peace building objectives of a nation recovering from conflict and wishing to move onto a fast track development trajectory.

Recognizing the importance of inclusivity and legitimacy, the NDP is based on extensive consultations with wide variety of stakeholders, starting with line ministries at the Federal Government, national agencies, federal member states, civil society, NGOs, private sector, youth and women’s groups. During the first quarter of 2016, consultations were held in Garowe, Kismayu, Baidoa, Adaado and Benadir (the latter including representatives from Hiiraan and Middle Shebelle regions). Separate consultations were also held with non-state actors, including NGOs, private sector, youth and women’s groups. Furthermore, consultations were also held with local NGOs, international NGOs, UN Country Team and development partners.

The NDP satisfies the criteria for **compliance with the Interim Poverty Reduction Strategy Paper (iPRSP)**. The Government is completely committed to poverty reduction and to progress towards meeting the SDGs, albeit the SDGs have been ‘localized’ to recognize the Somalia realities. Making progress on the Sustainable Development Goals (SDGs) global framework can assist Somalia integrate into the increasingly globalized economy.

Ultimately, the success or failure of the NDP will be measured by the extent to which the lives of the Somali people improve over the next few years. To this end, the NDP comes with a robust monitoring and evaluations framework designed not only to measure what we have done, but also to act as an early warning system.

The NDP will be implemented across the Federal Government and federal member states. The NDP is formulated for a 3-year period (2017-2019) for three reasons:

1. The dynamic nature and evolution of Somali economic recovery and the speed and uncertainty that characterizes these recovery processes, requires formulating a strategic plan shorter than the conventional 5-year timescale. This will help ensure the government revises and accommodates the likely dynamic changes and restructuring in the economy
2. The Plan evolved as a natural progression from the New Deal Compact. The government has decided it is wiser to make the plan period at the same length of the compact, and
3. For the time being the Plan has been designed to be in line with the expected adoption of a medium term budgeting framework (MTBF) by the Ministry of Finance (MOF) starting at the beginning of fiscal year 2017, when the Public Finance Management (PFM) Vision 2020 commences.

The government expects the 2017 budget to be based on the expenditure priorities detailed in this plan, ensuring the sought-after alignment and consistency between the two key nationally owned documents. However, the government recognizes that it has to overcome numerous obstacles, including the paucity of realistic national Somali statistical data to quantify and forecast the main macroeconomic and sectoral variables over the plan period.

1.3 APPROACH AND METHODOLOGY

The Ministry of Planning and International Cooperation (MOPIC) led the process of preparing the NDP. Formulating a realistic development plan for the country relies on adopting a realistic approach for analysis and for reasoning. The Ministry has, from the inception, decided to develop the NDP, after more than two decades of political unrest and economic uncertainty, based on full inclusion and a participatory approach.

To guide the consultations process, the Ministry of Planning and International Cooperation (MoPIC), the lead federal agency for the NDP, formed the **National Advisory Council (NAC)**, comprising of key federal agencies, such as the Ministries of Finance, Interior, Youth, Women and Central Bank. Also including the NAC are representatives from existing and emerging federal member states, private sector, civil society, youth and women's groups.

The NDP is therefore rooted in feedback from citizens that has enabled establishment of a vision and broad objectives to achieve, amongst other things; a secure, stable country where citizens enjoy civil, human, social, economic, political and environmental rights, with an aspiration for real recovery of the economy; building the economy on comparative advantages and international competitiveness. Consultation is premised on the principle that everyone can participate in a federal, decentralized, but socially integrated governance system. Such a system can provide justice and fair opportunities for development and work, in which the private sector, civil society and international supportive agencies are active partners in these development efforts. Ultimately this leads the advancements in all scientific, cultural, intellectual and environmental sustainable fields.

MOPIC formed a higher committee, for leadership and oversight of the preparation of the SNDP document. This committee is chaired by H.E. the Minister of Planning and International Cooperation and consisted of the Deputy Minister, the Permanent Secretary, Senior Planning Officers at the Ministry including UNDP assigned international plan preparation and Macroeconomic Planning Lead Expert.

The NDP designated consultation forums

The NDP preparation discussion stage, plan related documents and plan themes, philosophy, strategy, and content have all been and continue to be presented to and discussed within these established forums:

- i. National Advisory Council
- ii. Line Ministries Directors General (DGs)
- iii. Somali Regional/State Ministerial Planning Groups
- iv. Somali Macro-Fiscal Technical Working Group –MOPIC, MOF and CBS-
- v. International Development Partners and Donors Special Meetings
- vi. Various Peace building and State building Working Groups (PSG WGs) Meetings
- vii. International Conferences and Gatherings

In addition, a dedicated M&E Working Group was established to help developing the result and M&E framework.

The Plan's preparation is based upon a foundation rooted in clearly defined and realistically driven themes, strategic objectives, coherent, consistent and implementable contents within the next three years (2017-2019). A number of specialized documents to formulate and produce the NDP have been prepared, presented, discussed, finalized and disseminated. These preliminary documents have been structured and written in a clear manner to facilitate a full understanding amongst decision makers and all NDP stakeholders. The final version of the Plan is simplicity, practicality and realism. NDP preparation documents include:

- a. NDP Guidelines and Work-Plan Time Schedule
- b. NDP Theme and the Sequence of the Preparation Process
- c. MOPIC Vision for National Development Plan; Pillars, Objectives, Components and Emerging Functions
- d. Somali National Development Plan's draft Chapters, Pillars, Responsibility Matrix and Sectoral Plans' Manual and specified Contents
- e. Source documents include the New Deal documents, the Compact, PFM Roadmap, the ERP, macroeconomic forecasts, SRDF reporting and M&E documents, statistical reviews, central bank data, the Medium Term

Macroeconomic Framework (MTMF) and the Medium Term Fiscal Framework (MTFF) for the Somali economy during the Plan period (2017-2019).

- f. Various statistical templates were prepared for sector, fiscal, monetary (financial), purposes. These templates were used for multiple surveys including the rapid household survey.
- g. Background documents and presentations have been prepared to support Regional/State Plan Consultations and talking points

Whilst the government has made every effort to make the best use of the available data, undoubtedly the NDP would have benefited greatly by having better and more realistic statistical data, particularly the statistics needed for establishing national accounts components including, amongst other things, deriving Somali gross domestic product (GDP), private consumption, government consumption, total investment, exports of goods and services and imports of goods and services into Somalia. This would have helped in creating a more accurate review of the various sectors value-added and their relative importance and share in total GDP of Somalia. Chapter 13 consequently focuses attention on the importance of developing the statistical sector in Somalia.

The process of drafting has been managed by the MOPIC through the establishment of sectoral planning focal points within the Ministry. MOPIC staff underwent a comprehensive capacity development programme on modern national planning approaches. The draft documents of the various sectors sections of the NDP have been prepared by Line Ministries. These drafts have been restructured and edited by MOPIC for consistency, coordinated and then integrated into the NDP.

Capacity development in planning and national development plan formulation and preparation commenced in November 2015. Since then, on-the-job training on plan-making has been carried out for selected national professionals and planners at the Ministry of Planning and International Cooperation (MOPIC). Training of 12 MOPIC planners on national development plan formulation, preparation of strategic national, sectoral and regional development planning themes and policies, understanding the national development plan's structure, contents and methodological approach. MOPIC staff formed the core of the plan preparation/sectoral planning focal points. In addition, 110 national professionals from all line ministries (LMs) and government agencies, received practical training on sectoral plans, sectoral objectives, strategies, sectoral policies, sectoral programmes, sectoral development priorities, how to coordinate a given sector plan's contents with other sectors plans and priorities, the required statistical data for the plan and how to use them in planning for the sectors future outlook, the execution and implementation of the plan's objectives and priorities, resources requirements, follow-up and monitoring and evaluation of the plan implementation and achievements.

NDP Consultations

MOPIC has carried out a number of constructive consultations with many of Somalia development partners and stakeholders. Multiple consultations have taken place with bi-lateral and multi-lateral international organizations and institutions, and above all with the UN agencies. MOPIC has also consulted with:

Line Ministries and Sectoral Planning Consultations: have been carried out on regular basis with the line ministries planning units and directors of planning, of various sectoral ministries and government agencies. These consultations have been enhanced and further developed, with the active participation and role of the trained MOPIC sectoral planning focal points, and their continuous interaction with their LMs counterparts, on issues that related to the NDP preparation on sectoral basis.

Somali Regions/States Plan's Consultations; The most important and inclusive plan and planning consultations - planned, organized and executed by the MOPIC's planning team - over the last two months have been with all the Somali regional states. The States have been visited and consulted, with the exception the Regional State of Somaliland.

Consultations were based upon a comprehensive description of the planning process specified in a Planning Agenda. The agenda was structured and prepared, by the Federal MOPIC, reviewed by the regional MOPIC and related participants and agreed upon

by all concerned parties. The agenda became the guiding document for the plan preparation and regional consultations discussions. The agenda was comprehensive in nature and contents and covered important planning aspects and development issues; tackling regional potentialities; local needs; sectoral development pivots; regional and spatial comparative advantages; regional planning processes; situation analysis; prospects for delineating regional development programmes; sector priorities; resources requirements; statistical data available and required.

The average attendance at each of the regional consultation meetings was in the range of 130-200 from the main regional capitals and the region's districts. Attendees were mainly drawn from:

- I. Regional MOPIC and other Government State Ministries, Departments and Agencies;
- II. Sectoral planners at the regional level;
- III. Civil Societies;
- IV. Women Associations;
- V. Youth Associations;
- VI. International Development Partners;
- VII. NGOs (both NGOs and INGOs);
- VIII. Private Sector Entities;
- IX. Industrialists;
- X. Community Elders;

The consultations methods and approach were designed and structured in such a way to obtain and capture as much information, knowledge, ideas and data, in the time available. Accordingly, the modalities and the approach that being adopted and applied, and hence, to steer and motivate the national dialogue, were achieved through:

- a. Speeches
- b. Lectures
- c. Power Point Presentations on Planning, SNDP, Contents, Strategies and Priorities
- d. Regional Technical Sectoral and Thematic Working Groups
- e. Interactive Questions and Answers with detailed Clarifications
- f. Information and Statistics Gathering

Notwithstanding the above practical approach, **Regional Technical Working Groups** were organized around the plan's main pillars, the sectionalisation scheme and the PSG Working Groups Themes. Each of these groups was supervised by members the MOPIC planning focal points. Finally, the outcomes of these deliberations were organized, documented and presented, to the audience, by each of the working group leaders, and these leaders were from and within the host region.

1.4 STRATEGIC DIRECTIONS

1.4.1 Vision

“A sovereign people working together to lay the foundation of future growth”

1.4.2 Values and Principles

- Sovereignty
- Political will
- Good governance
- Gradual shift from humanitarian interventions to planning for long term sustainable and equitable development
- Effective implementation, monitoring and evaluation
- Political neutrality of Civil society and the NGO sector

1.4.3 Policy Priorities

- I. Make significant strides towards a society with an open and inclusive political system, including one person – one vote elections in 2020;
- II. Make significant inroads towards a society where our citizens can live in security, including larger proportion of our territory under firm government control, a reduction of terrorist attacks and reconciliation of communities that have been or are living in adverse relations;
- III. Ensure the implementation of a solid ‘rule of law’ engagement in society;
- IV. Reduce abject poverty – we hope to reduce the poverty incidence by 2% annually;
- V. Stimulate a vibrant economic sector, with particular focus on agriculture, livestock and fishing – we hope to achieve a stable growth of 3 -5 % annually;
- VI. Increase employment opportunities and decent work particularly for the youth – we hope to create through steady economic growth at least 500,000 stable jobs;
- VII. More resilient communities that can withstand internal and external ‘shocks’ including cyclical droughts and other natural disasters through integrated approaches towards risk management and development;
- VIII. Increase availability and accessibility of quality of basic education, health, water and sanitation services.
- IX. Improve health outcomes, reduced maternal and child mortality, reduction in malnutrition rates as well as prevention and control of communicable and non-communicable diseases;
- X. Rebuild the Somali National Armed Forces and the Police Force;
- XI. Develop a solid federal political and executive framework that empowers the federal member states to deliver services and economic opportunities to the citizens of Somalia in a secure environment;

i.

CHAPTER II

CONSOLIDATING PEACE, INCLUSIVE POLITICS, SECURITY AND RULE OF LAW

2.1 INTRODUCTION

Somalia is a complex political, security and development environment, and much of its recent past has been marked by poverty, famine and recurring violence. Somalis have been divided on the political front and did not have a clear path to reconciliation and political unity. However, in 2012, with the establishment of permanent political and executive institutions, the adoption of the Provisional Federal Constitution (PFC) as well as important military offensives and security gains, Somalia entered into a new period; a period where longer term peace seems possible. After decades of conflict and instability, a federal government was established through national dialogue and consensus. This new Federal Government faced significant challenges of simultaneously building frameworks and institutions, not just at the federal but also at the federal member state level, whilst needing to immediately deliver tangible benefits to the Somali people.

The challenges that Somalia faces are thus complex, multifaceted and differ according to various political, social and regional contexts. The National Development Plan (NDP) recognizes this fact; the strategy set out in this chapter seeks to address these challenges and effectively lead Somalia on a path of recovery, development and a durable peace.

The general approach of the Government to peace, security, development, and access to justice is based upon the understanding that human security, state security and development as well as, conversely, insecurity and underdevelopment are mutually reinforcing. Insecurity and a lack of development in Somalia may encourage violent conflict which in turn can hamper and delay the political formation and stability that all Somalis wish to see. In addition, insecurity can also prompt the emergence of unconventional security structures, destroy local governance structures and limit service delivery. The FGS will continue to support peace initiatives nationally at the federal, federal member state, and district levels. The FGS supports the local Peace and Stability Committees that bring together the justice sector, the police, and local authorities with local NGOs, youth, women, Elders, traditional leaders, religious leaders, and members of the business community. These Committees provide the know-how, structure, and tools to empower local communities to develop and implement reconciliation and community-based activities.

In this context, it is critically important that the constitution is reviewed and adopted in an inclusive and transparent manner, which would set up the institutional and legal framework for Somalia, defining the nature of relations between the center and regions, determining the status of Mogadishu and crystalizing the type of federation Somalis wish to build. This process will respect the views of all Somalis.

The FGS will continue to establish joint priorities reached through dialogue, further strengthening our cooperation and coordination between the FGS, the regions and the international community. Our approach incorporates and builds on the Somali Compact and our experiences with the Compact, recent policy documents of the FGS, including the National Security Policy and previous policy documents such as the Six-Pillar Policy and Vision 2016.

Of specific importance in this chapter is respect for Human Rights and Gender Equality. Somalia has suffered a human rights crisis for more than two decades. This has been characterized by serious violations of human rights and humanitarian laws. Women's rights are routinely violated and adversely affected by prevailing insecurity and the absence of appropriate legal protection. This is a situation that will be addressed urgently. We cannot build a free, democratic and inclusive society in the absence of these basic rights.

Somali women's participation in political processes, state formation and reconciliation processes is hindered by their subordinate position and role within clan structures and lack of adequate institutional support and engagement. Women and girls suffer most from Gender Based Violence and the justice system remains as yet ill-equipped to provide effective options for women victims of

armed conflict and survivors of gender based violence. Accordingly, attention to human rights and gender equality is mainstreamed throughout the NDP.

Box 2.1 – Key issues and concerns in Gender

The core issues and concerns regarding gender mainstreaming are summarized below:

- Gender and clan based discriminatory and exclusive political process;
- Low level/inadequate spaces provided for women and other marginalized groups in peace and reconciliation processes of the country;
- Protection of women, and young girls in the context of the armed conflict and against violence;
- Respect for the rule of law and all human rights (protection) of IDPs and stateless women, girls and young people;
- Ratification /domestication and enforcement of international human rights instruments;
- Development of human rights-compliant legislative and policy frameworks, including at the level of the Constitution, establishment of a national human rights institution, and the strengthening of civilian police and the judiciary;
- High level of illiteracy, and limited information on human rights of women, including access to justice when violated.

This chapter is divided into three sections and considers:

- Inclusive politics,
- Security including stabilization activities,
- Rule of law and access to justice

The different sections together support the over-arching objective of deepening peace building, preventing conflict, improving security, and bringing about a process of rapid economic development to reduce poverty and build stability. The Government sees these elements as part of an overall formula to promote and build the stability that will encourage investment, make Somalis feel safe, empower the regions, and build national resilience to existing and future shocks. Figure 2.1 demonstrates our approach.

2.2 Inclusive Politics

Situation Analysis

Figure 2.1 Somalia – A Framework for creating a virtuous cycle of stability and development



Somalia is at a turning point. The Federal Government of Somalia (FGS), which came to power in September 2012, is led by a legitimately elected President, and a Prime Minister and Government that were nominated and endorsed by a representative Parliament in accordance with the Provisional Constitution. During the four-year mandate of the FGS, significant progress has been made. However, much work remains to be done in order to achieve a common vision of the federal system in Somalia.

After 25 years of conflict and political instability that largely destroyed the country’s physical and socio-economic infrastructure, the government apparatus as well as the security institutions, Somalia has turned a page. The enduring nature of the conflict has generated extreme poverty, vulnerability and a complex set of political and social grievances that remain a threat to the country’s

stability. The August 2012 transfer of power from a transitional to a full federal government generated domestic political momentum and triggered international re-engagement. Today, Somalia is undergoing a transition that represents the best chance it has had for decades for peace and state-building. In order to consolidate and accelerate the transition from conflict to peace and security, the Federal Government of Somalia (FGS) has launched a comprehensive approach toward consolidating peace, security and development into the new National Development Agenda.

With previously established Somaliland and Puntland states, three new federal member states have been formed during the present mandate: Jubbaland, Southwest and Galmudug. Work is underway to form the final federal member state, comprising of the Hiiraan and Middle Shebelle regions.

The current FGS mandate concludes in October 2016, and a new political transition is taking place. The work to review the constitution is still ongoing. Unfortunately, the universal (general) elections were not possible to undertake in 2016, not least because of insufficient preparation and planning. However, all newly established federal member states agreed to install their political and executive institutions and peaceful transfers of power have occurred in both Puntland, in the northeast, and Somaliland, in the northwest, during the last four years, strengthening the emerging culture of peaceful democracy in Somalia.

Challenges

The political process in Somalia faces significant challenges, directly related to the consequences of 25 years of conflict. Key among them is:

- a) A polarized society and deep mistrust between different groups in society
- b) Contested political space both at the federal and state levels
- c) Parts of the country that remain under strong influence of insurgents
- d) A constitution that still requires further alignment with citizen's expectations
- e) A division of roles and responsibilities within the executive branch and between the federal government and states that still need to be outlined
- f) A structure for the management of natural resources that still needs elaboration
- g) Little capacity for domestic revenue generation due to outdated tax laws

It is important to note is that with more than half the population being younger than 30 years of age, the majority of Somalis have no living memory of open politics or functioning government institutions. The expectations concerning the political (and federation) process therefore vary enormously across age groups.

The strategy to address these complex challenges and effectively lead Somalia on a path of recovery, development and durable peace, must include: focused and committed leadership, solid government structures capable of delivering basic services, peoples' trust, mediation and community participation, sound civic dialogue, and good and friendly international relations based on mutual respect.

Despite the enormous challenges, there are a number of **opportunities** to consolidate the gains and make progress towards a durable political settlement in the coming three years. Among others, the main opportunities are:

- a) Significantly improved public political participation across the country;
- b) Overall developing state capacity despite serious limitations;
- c) Vibrant civil society;
- d) A nearly completed federal structure;
- e) Robust international support for a strong, democratic and stable Somalia at peace itself and with its neighbors.
- f)

2.2.1 Situation Analysis

Somalia is at a turning point. The Federal Government of Somalia (FGS), which came to power in September 2012, is now led by a more legitimately elected President, and a Prime Minister and Government that was nominated and endorsed by a more representative Parliament. During the four-year mandate of the FGS, much has been achieved. However, much work remains to be done in order to achieve a common vision of the federal system in Somalia.

Three federal member states have been formed during this mandate: Jubbaland, Southwest and Galmudug. Work is underway to form the final federal member state, comprising of Hiiraan and Middle Shebelle regions.

The current FGS mandate concludes in August 2016, and a new political transition is taking place. A permanent Constitution is still to be agreed upon by key stakeholders and universal (general) elections were deemed impossible for 2016 due to lack of sufficient preparation and planning on the part of FGS. However, peaceful transfers of power have occurred in both Puntland, in the northeast, and Somaliland, in the northwest, during the last four years, strengthening the culture of democracy in Somalia.

After 25 years of conflict and political instability that have largely destroyed the country's infrastructure and security institutions, Somalia has turned a page. The enduring nature of the conflict has generated extreme poverty, vulnerability and a complex set of political and social grievances that remain a threat to the country's stability. The August 2012 transfer of power from a transitional to a full federal government generated domestic political momentum and triggered international re-engagement. Today, Somalia is undergoing a fragile transition, which represents the best chance it has had for decades for state building. In order to consolidate and accelerate the transition from conflict to peace and security, the Federal Government of Somalia (FGS) has launched a comprehensive approach toward consolidating peace, security and development into the new National Development Agenda.

2.2.2 Challenges

The challenges that Somalia faces are complex, multifaceted and differ according to various political, social and regional contexts. The strategy to address these challenges and effectively lead Somalia on a path of recovery, development and durable peace, must include: focused and committed leadership, solid government structures capable of delivering basic services, peoples' trust, mediation and community participation, sound civic dialogue, and good and friendly international relations based on mutual respect.

More specifically, the political process of Somalia faces enormous challenges. Key among them is: a) deeply polarized society and deep mistrust. b) Contested political space both at the federal and state levels. c) Government's severely limited writ beyond the capital Mogadishu and few urban centers. d) Vague constitution and unclear division of power within the executive branch, and between the federal government and states. e) Contested natural resources.

2.2.3 Opportunities

Despite the enormous challenges, there are a number of opportunities to consolidate the gains and make progress towards a durable political settlement in the coming three years. Among others, the main opportunities are: a) Significantly better public political participation across the country; b) Overall developing state capacity despite serious limitations; c) Vibrant civil society; d) Nearly completed federal structure; and e) Robust international support for a strong, democratic and stable Somalia at peace itself and with its neighbor's. Over the coming three years, Somalia plans to consolidate its democratization agenda through implementation of the National Development Plan (NDP). The democratic agenda is ambitious, and aims to introduce multiparty democracy by 2020.

2.2.4 Vision

"Strong, peaceful, democratic and stable state capable enough of delivering basic services to its citizens and committed to protect their fundamental rights"

2.2.5 Mission

In order to realize this vision, the Federal Government of Somalia (FGS) will strengthen, expand and consolidate security, democracy, decentralization and rule of law through enactment of political parties' law, enactment of an electoral law and registration of political parties.

2.2.6 Goal

Achieve a stable and peaceful federal Somalia through inclusive political processes and effective decentralization

2.2.7 Strategies

In December 2015, the Council of Ministers endorsed the “Political Party Law” and submitted it to the Federal Parliament for approval. As of May 2016, the Parliament has not approved the Political Party Law. Also in December 2015, the Council of Ministers passed the National Independent Electoral Commission (NIEC) and the Parliament approved it soon after. Among other responsibilities, the NIEC has the mandate to ensure overall registration of parties and that these political parties meet minimum requirements. However, the NIEC cannot start its task without the Political Party Law and National Electoral Law, both of which are still sitting in the federal Parliament.

The agenda for inclusive politics

Building on experiences of the past few years and the opportunities, over the coming three years, the Government will consolidate the current agenda for achieving ‘inclusive politics’.

1. **Democratization**
2. **Finalizing the Constitution**
3. **Decentralization – implementing the federation process.**

Each of the main components has a comprehensive program and plan of action, outlined below.

2.2.7.1 Democratization

Democratization is an essential component in building a viable state. The government is fully committed to the basic principles that underscore democracy, including guaranteeing citizens’ and human rights, separation of powers and judicial independence, a sound system of political representation and a participatory approach in state affairs. The aim is to build a federal state that is owned by the people of Somalia and works for the benefits of the people of Somalia. This entails that the people of Somalia need to be able to take part in it and trust that the management of the state affairs is in their best interest, in a transparent and accountable manner and where citizens are being treated equally regardless gender, religion, political or ethnic affiliation. An important part of this approach is to stimulate a vibrant civil society.

In this context, the democratization agenda for the coming three years consists of 2 components:

- Political representation – electoral system
- Stimulate a vibrant civil society

The plans concerning rule of law as well as the management of the state affairs are being dealt with in different sections of the NDP.

2.2.7.2 Political representation – the electoral system

The present system of political representation is based on an interim solution intended to kick-start the democratic process and reasonably ensures that different parties in society, based on clan affiliation, are represented in the political structures. The commitment remains to move towards a system of one person – one vote in a multiparty democracy. The system will be introduced by 2020. The Government is firmly committed to gender equality. As also outlined in other chapters, equal representation means 50% of either gender. In those areas where either gender is represented with less than 30%, dedicated action will be undertaken to redress the situation. Hence, the minimum representation of 30% of either gender will be enshrined in the political representative bodies in our regulations.

The immediate agenda consists of three (inter-related) legal instruments: a) Enactment of Political Parties Law, b) Enactment of an Electoral Law, and c) Registration of political parties.

In December 2015, the Council of Ministers endorsed the “Political Party Law” and submitted it to the Federal Parliament for approval. In May 2016, the Federal Parliament approved the Political Party Law. Also in December 2015, the Council of

Ministers passed the National Independent Electoral Commission (NIEC) and the Parliament approved it soon after. Among other responsibilities, the NIEC has the mandate to ensure overall registration of parties and that these political parties meet minimum requirements.

However, a sound legal environment is insufficient to guarantee the electoral system to function appropriately. Two essential parts of the equation are:

- *The electoral registration*, determining who can vote and who cannot. Establishing this system will take time and significant resources. In close coordination with international partners, and as soon as possible, a programme to implement this task needs to be developed.
- *Citizen engagement* ultimately determines the trust the citizens will have in the political system. This is fundamental; The government realizes that the citizens believe and trust that their voice will be heard and appropriately represented through those they vote into power. The government will continue to reach out to the citizens and develop a dedicated engagement approach, giving the citizens a voice in the system design as well as full insight into the various steps that are involved.

2.2.7.3 Stimulate a vibrant civil society

Civil society in Somalia has developed in a very positive manner over the past few years. A new set of organizations have emerged, either focusing on specific interest groups, specific service areas or functioning as a think tank or independent countervailing power to the state. The developments are truly promising as vibrant civil society is an essential ingredient in a democratic country.

Within the context of this three-year NDP further support to the growth of civil society is planned. The support will help stimulate participation in politics and interest in the execution of state functions in a peaceful manner, respectful of the law, and tolerant of the different views of other groups and individuals. Legislation will be developed providing an appropriate legal framework for the civil society organizations.

Of specific importance are the arrangements concerning civil society organizations' involvement in service delivery in the country. Secondly, the government has adopted a participatory approach in policy development, where hearings, consultations and co-design approaches are already implemented, for instance in the development of the NDP. These approaches will be further strengthened and equally be subject of procedural development to ground them more solidly into the government's *modus operandi*.

2.2.7.4 Finalizing the Constitution

The endorsement of the 2012 Provisional Constitution of the Federal Republic of Somalia was a ground-breaking achievement. It put in place an overarching, nationally endorsed legal framework to guide Somalia's efforts to rebuild the nation in accordance with the rule of law. Review of the Provisional Constitution is a process central to solidifying the political settlement and the success of the transition of Somalia from decades of war and conflict into a stable and peaceful country.

In accordance with the Provisional Constitution, a Parliamentary Constitutional Implementation and Oversight Committee and an Independent Constitutional Review and Implementation Commission (ICRIC) were established in 2014 to progress the review, though each body requires substantial institutional and capacity support to enable them to discharge their mandates. A new Ministry responsible for Constitutional Affairs was also established as part of the new 2015 Cabinet.

From the start it was foreseen that the constitution that was adopted would need to be reviewed with the ongoing process of state building providing the building blocks. The process to review started in 2014, but progress has been slow, due to a range of political and security factors. Both the New Deal Compact and the Government's own Vision 2016 Framework highlighted the importance of the review to establish a constitutional framework that appropriately enshrines the political agreements within the particular Somali context. The commitment to develop such a constitution is reaffirmed in the NDP.

Some important work has been already done by the Oversight Committee of the Federal Parliament (OC) and the Independent Constitutional Review and Implementation Commission (ICRIC). These mandated institutions have reviewed the chapters of the PFC and put forward their recommendations, identifying a number of issues that require further debate. The Ministry of Constitutional Affairs, the Oversight Committee and the ICRIC will bring together stakeholders across all levels of government

and the community to build consensus around the outstanding issues. The cooperation between these parties is based on the MoU between the MoCA, the Oversight Committee and the Review and Implementation Commission signed on 8 March 2015.

The intention is to have a new constitution developed and endorsed by all concerned parties before the end of 2019. For the next three years, the Constitutional review process will entail the following steps:

- Engage National stakeholders and the international development partners to agree on the Somalia Constitutional Review Master Plan, with an appropriate division of Labour between the parties involved building further upon the arrangements already agreed upon.
- Undertake political dialogue, negotiations and broad-based consensus building concerning the review of the constitutions
- Undertake civic education and public consultation processes to build awareness, understanding of and support for the federal constitutional review process and the final constitution
- Submit the agreed upon constitution for review, debate and enactment by parliament

Experience in the past years have demonstrated that, while expert support is important to guide and structure the debate, the actual debate on the constitution needs to be highly inclusive to ensure the outcome is widely supported in society. The key agents involved in the process (MOCA, ICRIC and others) will work towards ensuring this inclusive approach. It is foreseen that series of regional consultations will be held, where representatives of the public sector as well as the private sector, civil society, academia and citizens who wish to voice their opinion on personal title can actively engage in the discussions and the shaping of the new constitution. The constitution represents a new social contract for the country and needs to have broad-based ownership accordingly. While the agencies leading the effort on the national side will require substantial support to implement the process, it is also important the support is extended to non-state parties to raise the capacities that allow high level understanding of the issues at hand and stimulate a productive debate.

2.2.7.5 Decentralization – the federation process

The FGS is solidly committed to Federalism as the guiding principle to shape the future of Somalia. Most parties strongly believe that the federal structure promotes national unity and will benefit all the people of Somalia by distributing power and resources more fairly around the country, bringing government closer to the people, and allowing local communities some control over their own affairs. Local authorities are better able to know and respond to the immediate needs and interests of their citizens. This approach will also strengthen the democracy and enhance a peaceful future of our country, as is documented in the Wadajir Framework.

Guided by Vision 2016, a three-tier federal structure has been adopted - Federal, State and District level. Where over the past few years, the establishment of the new Federal Member States has almost been completed; significant work remains to be done on the District level and importantly on the precise role and responsibility distribution between the different levels of government. Somalia supports the subsidiarity principle; each government function should be performed by the lowest level of government that is capable of performing that function effectively, while maintaining sufficient coherence within the state and society structures. Some functions are best centralized on federal level like the printing of currency and national fiscal policy, conducting foreign policy, managing trade and borders, providing for the nation’s defense, and constructing nationally important infrastructure. Other local matters, such as community services, local roads, are best managed by State or District governments.

Establishing a functioning federal system is a long-term process, adaptations are most likely to be necessary on a continuing basis as new developments emerge and new opportunities to manage affairs more efficiently and effectively emerge. However, while a certain level of flexibility is desirable, at the same time there is a need to establish coherent and agreed upon structures that will allow the further development of the governance structures and move confidently into introducing managerial arrangements that will provide the benefit (of services) to citizens and ensure sufficient transparency and accountability within that system.

During the lifetime of the NDP, two priorities are addressed:

- Reaching political agreement on the principles that underlie the distribution of roles and responsibilities over the three tiers of government
- Translating these political agreements into executive (management) arrangements throughout the government structures.

While there have been significant strides over the past few years in agreeing the broad structure of Federalism, the process is not yet finalized. Issues like land management, legal competencies, natural resource management, fiscal federalism, revenue sharing and expenditure management still need significant work and discussion before they productively can be translated in a coherent system of executive management arrangements.

This process of deepening federalism is directly related to the finalization process of the constitution. A number of the political agreements (for instance the structure of the state, essential authority decisions) will be enshrined in the constitution. Hence, a close coordination between the federalism process and the constitution process will be ensured.

The formation of the National Leadership Forum (NLF) in 2015 was a significant step as a practical means to deepen political engagement between the existing and emerging federal member states and the Federal Government. With the formation of a new federal government, robust discussions and consultations as to inter-governmental relations in fiscal, resource sharing, and security matters will take place to define and consolidate the relationship between the federal center and the federal member states.

In order to structure the process and at the same time ensure a solid and inclusive approach, the high level leadership debate through the National Leadership Forum will be complemented by citizen outreach and public debates. The agenda setting for the debate will be supported by a technical support arrangement which will provide options and models, providing examples and lessons learned from global experience.

In view of the complex recent history of Somalia, the political debate needs to be complemented by a conscious effort to reconcile the people within our state building efforts. The civil war, the violence, the destruction of property, the displacement of people has led to a situation where not all communities find it easy to talk to each other and have full confidence in each other. Any political solution we may find will need to take these into consideration. Dedicated efforts will continue to bring communities together, to reconcile differences to find solutions for grievances and pain that may have been inflicted.

2.3 DEVELOPING THE EXECUTIVE

Political agreements will need to be translated into executive (management) arrangements throughout the government to become operational. This process is described more in detail in the Public Sector Management chapter (Chapter 6), with a clear focus on the core of government functionalities, including public finance management, civil service and administrative reforms, human resource management, and coordination mechanisms.

While the outcome of the political agreements is not yet known, what is certain is that the different government levels will have different levels of responsibilities and authority. Without strong guidance and collaboration this may lead to a dysfunctional governmental system (for instance in bookkeeping arrangements, tax levels, service standards) where it will become very complicated to ensure equitable development over the territory. The Federal Government will seek to stimulate the emergence of harmonious core administrative systems. This coherence will not only stimulate nation-wide transparency and accountability; it will also have significant impacts on costs of running the system.

One of the key NDP priorities is to ensure that the citizens benefit from the establishment of the governance structures and have improved access to high quality services. The decisions concerning the responsibilities of the state structure on the different levels will to a significant extent be determined by the preferred service delivery model where various collaboration arrangements between the state, the private sector and civil society organizations will need to be developed. While the principles underscoring such arrangements are part of our political debate, the resulting service delivery arrangements require legal, regulatory and organizational backing. The government will promote strong and inclusive mechanisms where the various options can be debated and where informed decisions can be made.

The Wadajir National Framework for Local Governance, which was adopted in November 2015, outlines a series of measures focusing on the third-tier of the government structure: the district level. FGS is fully committed to take the Wadajir Framework further and continue its implementation. The Framework is fully consistent with the principles outlined above and explained below. During 2017 the government will develop a Policy on Decentralization leading to development of a comprehensive Local Government Act to be presented to Parliament in due course.

Box 2.2 – the Wadajir Framework

The Wadajir Framework is built on the notion that each government function should be performed by the lowest level of government that is capable of performing that function effectively, while maintaining sufficient coherence within the state and society structures. Decentralized governance arrangements and service delivery is pivotal in building incremental trust between citizens and federal, state and local government. This contributes to legitimacy since local government is better positioned to facilitate reconciliation; as well as adapt common messages of reconciliation to the local context with maximum impact.

Local Government (encompassing local administrations and district councils) is the third and lowest tier of elected/representative government in Somalia and is crucial to building confidence in government structures because of its close proximity to citizens – and likelihood of it being the first encounter for people with government.

This NDP endorses the establishment of local and regional administrations and federal units, in the spirit of the Provisional Constitution (2012), which will be “milestones for a vibrant and stable Somalia”. During the course of the NDP (2017-2019), the government will support implementation of the Wadajir Framework on Local Governance as a natural extension of the Government’s bottom up approach to political and local security stabilization, and progressively subnational levels will be endowed with their associated powers.

The development of local government will be supported particularly at the district level, with the aim of establishing (or strengthening) district councils for the 100 or so districts across Somalia. The approach will be based on the following two principles:

- Community involvement - in participatory planning which allows involvement of citizens in the planning and policy formulation process, through district community forums;
- Inclusion - the district community forums, allows women, minority clans and youth to engage on an equal footing with private sector, elders, religious leaders and civil society elite and shape development through projects and investments in their district, giving citizens more influence and control over their lives.

These principles are cornerstones for the focus on local government and support to municipalities to be sustainable and are direct reflection of principles in the Somali Compact. In order for decentralization to be sustainable, local government structures, political, fiscal and administrative, must be legitimate and operate on shared principles of accountability and transparency. Accountability is reflected when local government is responsive to its citizens, to laws and regulations, to its Federal Member State and the Federal Government. Transparency is reflected when local government becomes increasingly predictable and promotes and exposes all of local government activities to citizens, to Federal Member State and the Federal Government.

Decentralization also creates the opportunity for more women to stand as District Councilors. In the districts there is an opportunity to promote the employment of more women in the district administration through transparent recruitment practices and ensure policies are in place to encourage their retention so they rise to senior levels within an administration.

2.4 SECURITY AND STABILIZATION

2.4.1 Situation Analysis

The security situation in Somalia is complex and evolving. 25 years of political conflict has largely destroyed the country’s security institutions. Despite extraordinary challenges, tangible progress has been made in the past few years to rebuild the key security apparatus and nascent police, military and intelligence agencies are in place and improving rapidly. In line with the

political transition, Somalia is undergoing a security transition and we now have the best chance in decades to successfully rebuild competent security institutions.

Over the next three years, the newly approved National Security Strategy will guide national efforts to consolidate security institutions and policies into an overarching architecture. As in other countries coming out of conflict and where a residual threat from terrorism and insurgency remains persistent, Somalia security reform requires a broad, cross-ministerial response, where security policy embraces both national dimensions (internal and external) and human security concerns. In addition to defense of the nation, the confidence of Somali citizens in their own personal security, the rule of law, access to justice and the quality of governance, are fundamental to long-term national security and development.

The conflict in Somalia has left behind a legacy of Explosives Remnants of War (ERW), including landmines and munitions. ERW impacts marginalized communities along the Ethiopian border and in pockets within the country where conflict has occurred. From a development perspective, ERW may affect major infrastructure projects such as roads as well as major investment opportunities. ERW continues to be a security concern for sustainable development initiatives and removal of ERW risks is a crucial part of the stabilization efforts in the national development processes.

2.4.2 Challenges

The challenges Somalia is facing in terms of security are enormous and diverse. From active terrorism and insurgency, to armed clan and group militias to maritime insecurity, the threats to Somalia's national security architecture are systemic and overwhelming. This section summarizes the key threats to national security.

Al Shabaab (AS) - is the most immediate threat to Somalia. AS is a well-organized terrorist group that is linked to Al Qaeda and wants to overthrow the Governments in Somalia on all levels and impose its own Islamic ideology. AS considers the Somali security forces, AMISOM and its key supporters to be the enemy, and it brutally retaliates against any Somali that does not support its cause. AS has also demonstrated its capability to attack neighboring countries that are contributing troops to AMISOM.

Criminality - despite improvements in law and order, crimes remain a major concern in Somalia. Widespread possession of firearms, the presence of armed groups, and organized crime syndicates contribute to the rising number of criminal incidents in the country. The problems of crime, human trafficking piracy, illegal fishing, terrorism and insurgency have contributed to the lack of development and investment in Somalia. The vigorous fights against criminality are essential to breaking the vicious cycle of violence and underdevelopment in conflict affected areas which otherwise would have high potential for social and economic development.

Militia and Other Armed Groups - the proliferation of partisan (clan or group) armed militias has been a national concern and is an indicator of a deeper governance problem. These organized armed bands include elements from the police and military, and have been organized and employed by or with the blessings of local 'politicians' and warlords as a way to maintain and perpetuate power. These armed groups can pose a security concern for the whole country and must be addressed as much as a social challenge as a challenge to the rule of law and justice sector.

Maritime Threats - Somalia is a Maritime State, blessed with more than 3,300 km coastline of the Indian Ocean and the Red Sea. The Somali coast is a strategic waterway that links Africa, the Middle East, South West Asia and Far East Asia. These waterways are critical to the world economy since they facilitate the passage of oil trade and industrial export to and from the Far East to Europe and the Americas. It is estimated that \$700 billion of trade passes through the Bab-el-Mandeb (bordering Djibouti and Yemen) every year. The virtually uncontrolled maritime environment also offers opportunities for other illegal acts. The immediate threats to Somalia's maritime security include piracy, human trafficking, armed robbery, illegal and unregulated fishing, the dumping of toxic waste, and the smuggling of weapons, and drugs. The impact is significant, for instance it is estimated that Somalia is currently losing over three hundred million dollars every year to illegal fishing. Hundreds of its young boys and girls are dying in the oceans escaping from poverty and conflict. All of these threats have causal and consequential national and international elements that require complex responses.

Small Arms and Light Weapons (SALW) - Somalia is awash with small arms and light weapons; and situated in an unstable region with porous borders. Regaining control of the weapons in country will be major challenge. While at an early stage in developing the necessary processes for Weapon and Ammunition Management (WAM), the Federal Government of Somalia is developing a strategic plan and institutional framework for WAM that establishes the necessary national standards, regulations and procedures.

2.4.3 Vision

A Somalia that is more secure, safer and able to maintain peace and security within its borders and with its neighbors

2.4.4 Mission

Restore and maintain internal security, protect civilians with special attention to securing the rights of women, youth and children, increase equitable access to justice that contributes to rule of law, applies human rights standards, adheres to international humanitarian law, and has accountable and financially sustainable security institution.

2.4.5 Goal

Establish unified, capable, accountable and rights-based Somali federal security institutions providing basic safety and security for its citizens;

2.4.6 Strategies

In the next three years the government will build upon the advances made in the past years and realize a security apparatus that can rely on the trust of the citizens and make noticeable contributions to improving the security situation in the country.

Box 2.3 - The National Security Council

The Vision of the National Security Council

Is to stabilize and secure Somalia by significantly strengthening the capacity of the national sub-national security agencies, to provide strategic guidance to security agencies and to ultimately bring about a stable, federal and democratic Somalia at peace with itself and with its neighbors.

The core functions of the NSC are:

Develop and implement the National Security Policy of Somalia. The National Security Policy will be approved by the Council of Ministers and submitted to the Federal Parliament for final approval

To provide written comments on all draft laws related to the security sector and its institutions before they are approved by the Council of Ministers and submitted to the Federal Parliament for final approval

Review and revise the rolling multi-year plan for the Somali Security Forces prior to it being approved by the Council of Ministers and subsequently submitted to the Federal Parliament for final approval

Review and revise all security strategies, treaties and international agreements and plans before final approval

Acting as the highest national forum for the coordination of all security related federal and regional security matters maintain, assess, rate and register all security threats facing the country.

The immediate mission of the NSC is:

Deplete and degrade Al-Shabaab's asymmetrical warfare, stabilize the recovered areas and control the Main Supply Routes (MSR) that connects the regions. This is essential for the supply of military logistics and humanitarian relief;

Complete the recovery of all Somali territories under Al-Shabaab control; support the stabilization of the recovered areas and deter any relapse, reversion or deterioration of the stabilized areas through joint operations of SNA-AMISOM;

Enable our security forces before AMISOM's drawdown and build up the mobility, firepower and communication of SNA and other security forces, so that they can step up to the challenge and take over the security responsibility of Somalia.

Despite the challenges, major opportunities exist within the security architecture and policy. Al-Shabaab has been pushed out of most major towns and regions in Somalia over the past few years. The terrorist group now controls only parts of one of Somalia's 18 regions (Middle Jubba). Al Shabaab's senior leadership, including its co-founder and long-time leader, Ahmed Abdi Godane,

has been decimated through coordinated security operations between Somalia and its international partners. Today, al-Shabaab operates as an insurgency group engaged in an asymmetric warfare focusing on car and suicide bombs in major urban centers.

The overall quantity and quality of Somali National Army, Police and Intelligence is improving rapidly. The security forces are better trained, better equipped and substantially more coordinated. However, it is very expensive to run and manage a competent security apparatus. Somali Government's resources remain limited to accommodate the comprehensive security framework developed to date. Therefore, a security sector budget strategy is embedded with the overall security strategy of Somalia for the next few years.

Box 2.4 – Arms Embargo

The internationally imposed arms embargo on Somalia imposes a far more stringent and bureaucratically laborious procurement and notification system than is applied in other states in the region. Operationally, and in the conduct of the ongoing counter-insurgency against Al Shabaab, this laborious and selective procurement process has a significant and negative effect upon the operational effectiveness of the Somali armed forces and their ability to operate alongside AMISOM. At the political level, and in the context of the constitutional debate between centralism and federalism, creating imbalances between the Somalia and other states in the region carries a whole series of potentially unhelpful risks. During the Plan period it is anticipated that international partners will support the aim of the Federal Government to meet the terms for the partial and then full lifting of the arms embargo.

Security and peace are intertwined and are seen as public good. Therefore, Security Sector Reform must be understood in the broader concept of state transformation, state development and good governance and based upon the principles of civilian oversight, transparency and accountability oversight through appropriate mechanisms, such as parliamentary support (with functioning Security and Defense Committees), the executive and other appropriate bodies. The government will seek to improve civilian oversight of the security institutions.

The government is also committed to its International Security obligations, the establishment and strengthening of human rights and gender departments within the security institutions at federal and regional levels, in order to ensure interventions that are based on the promotion of a human rights and a gender sensitive approach to reform within the security institutions.

The government aims to create a sustainable, professional security apparatus that is purpose-built to meet the nation's needs, at an affordable cost, albeit supported by our international partners for the short-medium term. The nation's forces must be able to guarantee the survival of the nation. The immediate focus in Year 1 is:

- Improving budget management and donor funding mechanisms to ensure greater regularity of payments and clearance of all arrears owed to military and police personnel. Complete full biometric registration of security forces tied to pay role;
- Continue with training of the security forces. In particular, train and equip the navy and coast guard, ratifying a revised Somali maritime code. Through the FGS Minister of Fisheries and Marine Resources, continue to mobilize international support to counter illegal, unreported and unregulated fishing off the Somali coast
- Establish a rigorous validation and screening process in the security forces registration process. Integrated into an overarching plan presented by the FGS/MOD/SNA through National Integration Commission (NIC) that outlines the total force size of the army to be integrated. In the meantime, we will continue to reintegrate former combatants;
- Negotiate fair inter-governmental fiscal rules for the transfer of costs between levels of government;
- Establish yearly caps to militia integration based on available fiscal space.

In Years 2-3, the most urgent issues that need to be addressed are as follows:

- Finalize the security and justice architecture to provide for a balanced vertical and horizontal institutional structure, with sufficient regards for the funding needs of police and justice;
- Establish a force profiling framework with multiple options and windows;
- Move the security force payment system from a manual cash-based system to a biometric based, bank system, integrated into the country financial management information system;
- Align donor funding with country budgetary systems with a view to ensuring capacity investments that can be sustained.

In the longer term, over a 3 to 5-year period, the main issues to be addressed are as follows:

- Achieve full financial oversight capacity by overseeing ministries administrative staff;
- Achieve full capacity of the National Audit Office to audit security and justice sector expenditures;
- Establish an effective and transparent procurement system for capital expenditures in the security and justice sectors.

2.5 RULE OF LAW AND ACCESS TO JUSTICE

2.5.1 Situation Analysis

While during the conflict the judiciary sector was completely annihilated, today, Somalia has a nascent functioning judicial authority. Facing the consequences of the anarchy of the past decades leaving a barely existent central Somali justice system, rebuilding the justice system is compounded by Somalia’s complicated history of multiple legal systems that overlap with and sometimes contradict each other: secular statutory law, sharia (Islamic law), and xeer (customary or clan law). What currently operates in the judicial realm is a patchwork of statutory, xeer, and sharia law that needs to be coordinated and fully codified. Although judicial guarantees exist on paper, much work remains to be done to make them a reality for the citizens of Somalia.

The FGS still has limited institutional capacity to ensure provision of basic security and justice services, while most capacity is still located in Mogadishu. This is due partly to the lack of fully functioning human resources and financial systems exacerbated by the low number of trained and equipped police, judicial and corrections staff, weak or inexistent oversight bodies’ as well inadequate police, justice and prisons infrastructures. Additionally, the absences of institutions in remote areas make it very difficult for the State to assert its authority over the country.

Since the adoption of the Somali Compact in September 2013, Police reforms directed at maintaining stability and focusing heavily on training and mentoring of police have been initiated. The professionalization of the police force has progressed through basic and specialist training, including preparation for return to recovered areas, and reconstruction of some police premises. Efforts have been made to establish independent and accountable justice institutions capable of addressing the justice needs of the people of Somalia noting however it has so far been primarily focused on institutional strengthening at the Federal Level. A number of priority laws have been reviewed and passed, capacity support provided to key justice institutions and the provision of legal aid to citizens increased; albeit, only operational in Puntland, while other member state legal aid services are pending validation of the National Legal Aid Policy. Despite all these actions, Somalia still faces tremendous challenges and reforms should be stepped up to achieve the milestones.

2.5.2 Challenges

A number of challenges hinder Somali judicial institutions, including a lack of qualified legal personnel, lack of public access to the statutory system, lack of public knowledge of laws in force, political interference in judicial decisions, lack of facilities and equipment, low compensation for judges and other judicial personnel, and poor detention conditions. These problems impact the effectiveness of Somali legal structures. For instance, people living in rural areas are alienated from statutory justice mechanisms, which are mostly based in regional capital cities. Inadequate legal knowledge and political interference in judicial affairs lead to arbitrary and inconsistent rulings, which in turn decrease public trust and use of the statutory mechanisms. Lack of physical infrastructure stops courts from performing the most basic of functions.

The key challenge is that justice, corrections and the police are deemed insufficiently effective to realize and protect the rights and needs of and provide services to the population, particularly vulnerable groups, especially women as they suffer under the rules imposed by the traditional system, thus hampering efforts to create the “social contract” and further develop conditions for a viable Somali state based on Rule of Law. These obstacles are compounded by the political instability of Somalia as well as the ongoing armed conflict, particularly in the Southern and Central parts of the country. As a result, Somalia continues to suffer from weak rule of law systems which negatively impacts the lives of the population with particular repercussions for vulnerable groups, including women and children and those displaced who are often do not have access to basic physical and legal protection.

2.5.3 Vision

An accessible justice system that promotes constitutional values.

2.5.4 Mission

Provide transparent, responsive and accountable justice services for all.

2.5.5 Goal

Establish independent, accountable and efficient justice institutions capable of addressing the justice needs of the people of Somalia.

2.5.6 Strategies

Immediate Improvements to Rule of Law and Access to Justice

However, not all is bleak and there have been recent successes. In early 2016 the Federal Government held the official stone-laying of the Mogadishu prison and court complex. The court is intended to adjudicate high-security cases in the civilian justice system, including cases against members of Al-Shabaab. In March, the Interim South-West Administration launched a rehabilitation pilot project for high-risk prisoners in Baidoa.

Recent conferences⁴ have brought together representative body from member states and federal government. A communiqué was endorsed. Two options – Dual and Mix systems – are being studied, which will be presented to member states and federal bodies. Further meetings in Garowe in May were attended by all other member states, federal government, UN agencies, and key donors where key issues such as Anti-Corruption policy, Legal Aid, and Traditional Dispute Resolution (TDR) policies were drafted and consulted upon.

Building upon the progress made in the past few years the government will focus on the following areas in the coming three years:

- Strengthening of the judicial system
- Development of a Professional Police Service

Strengthening the rule of law and building the capacity of the justice system to prevent and prosecute crimes, uphold the protection of human rights, formulation of gender responsive laws and policies would help address the historical discrimination of women from the public life a fundamental in enhancing women's active participation in peace and development processes.

The commitment to mainstream Human Rights into the administration of justice includes the PLDU's efforts to ensure that draft laws are aligned to meet human rights standards. The draft Independent National Human Rights Commission (HRC) Bill and the Draft Counter-Terrorism (CT) Bill are in compliance with international law and meet Human Rights standards and norms. The Parliamentary Committee on Human Rights, Gender and Humanitarian Affairs conducted national consultations for the review of the draft HRC bill, which is now with parliament for the third reading. With UN support, training on Human Rights in legislative processes was also provided to both the Puntland Parliament and selected Federal Parliament Committees.

Human Rights are a central component in the capacity building activities focused on corrections personnel. Additionally, the technical capacity of the Puntland Office of the Human Rights Defender to deliver on its mandate has increased following support from the UN. The establishment of Juvenile and Gender Units at the Ministry of Justice promotes rights of both groups. Furthermore, Ministry of Justice is working on policies and laws to address property, fair business and others to promote rights of minority and vulnerable groups.

⁴ The Justice and Correction Model Workshop was held in Mogadishu April 24-28 2016

Strengthening the judicial system

In the coming three years our work to strengthen the judicial system will focus on five areas:

- Priority laws in the legal framework;
- Justice Institutions address the key grievances and injustices of Somalis;
- Enhanced Oversight and Accountability Mechanisms;
- More Somalis have access to fair and affordable justice;
- Improved Corrections System

Close cooperation between the relevant parties at federal and state level will be established and aligned work-streams between the parliamentary process and the executive process will strengthen the overall coherence and alignment while speeding up the work to be implemented.

Box 2.5 Justice sector in the NDP

The NDP summarizes the extensive Justice Sector Reform Program. A fuller breakdown of activities is set out in the Justice and Corrections Work Plan which identifies five sub-outcomes (with 21 outputs) as the essential building blocks contributing to the envisaged change, or outcome, as per the change hypothesis. Significant detail on all the five areas has been developed in the Plan to Implement the Somali Rule of Law Program Priorities 2014-2016 plan of the Ministry of Justice and Constitutional Affairs. A detailed description of the activities as well as their timeframe and budget allocations under this Program is to be found in the attached Annex 2a Justice and Corrections Work Plan and Budget.

Key priority laws in the legal framework, including on the reorganization of the judiciary, are aligned with the Constitution and international standards. Pursuing the Council of Ministers decree mandating the Ministries of Justice to review laws and other legal instrument from all other ministers and government institutions, the capacities in the justice ministries will be enhanced and a legislative database storing Somali laws will be established. The priority laws (including penal & procedures codes) will be reviewed to establish a detailed list of laws that needs to go through revision. To support this process, the justice policy & model will be developed and technical support will be provided to the Federal and Member States to enhance legal drafting and advice.

The Constitutional Court, Human Rights Commission and the Judicial Service Commission (JSC) will be established and be fully functioning by the end of the plan period. Due to political challenges, only the Judicial Service Commission Establishment Act has so far been approved by parliament. Since a new Chief Justice was put in place, accelerated efforts will be undertaken to support the functioning of the JSC.

Justice Institutions must address the key grievances and injustices of Somalis. Trust of the citizens in the judicial system will only be realized if the key grievances and injustices that the citizens are subjected to are addressed in a fair, transparent and equal manner. In order to enhance the responsiveness of the judicial system to these, the following measures will be implemented:

- The Serious Crimes (incl. High Risk) at Federal & Regional Level are adjudicated in civilian courts with adequate protection provided to judges and prosecutors
- The Judicial Training Institute will be established
- The living conditions of inmates and access to legal aid will be improved and vocational training will be provided for inmates with a specific focus on women and juveniles.

Enhanced Oversight and Accountability Mechanisms

Oversight and accountability mechanisms for justice sector stakeholders will be further developed and strengthened, specifically addressing the public distrust of justice and corrections institutions. Codes of conduct for judicial actors will be developed and accountability mechanisms within the judiciary will be boosted through the institutionalization of the Judicial Service Commission (JSC) and the establishment of internal oversight and complaint mechanism as well as external oversight bodies such as the Ombudsman Office and the National Human Rights Commission.

More Somalis have access to fair and affordable justice

One of the key objectives in the overall justice strategy is to ensure that more Somali citizens have access to fair and affordable justice. In order to realize this, the following actions will be undertaken:

- Policies on Mobile Courts, Traditional Dispute Resolution and Legal Aid are formulated, consulted and adopted;

- Mobile courts, legal aid services to the needy and a case management system to track TDR in all sub-national entities with increased female legal professional participation in the service delivery, will be further developed;
- Legal awareness campaigns throughout the country;
- Support and strengthen the Somali Bar Association and Women’s Lawyers Associations.

Improved Corrections System

Fyodor Dostoyevsky famously said: “*The degree of civilization in a society can be judged by entering its prisons.*” In the coming few years we will focus on increasing capacity of the corrections system to safeguard the rights of detainees and operate effectively and in accordance with national and international standards. This will be achieved through the development of a prison reform strategy as well as operational plan to modernize the prison system, construction/refurbishment and equipment of prisons facilities, as well as training of corrections personnel and introduction of reliable registration mechanism for detainees. Additionally, partnership with civil society organizations will play a key role in implementing reinsertion program.

Development of the Police Service

The vast majority of Somalis rely on custom to resolve disputes and to order their lives, as is common in many emerging states. The FGS can neither afford to financially replace this source of stability and order nor are alternatives available to quickly replace it, so custom will be a feature of Somali society for the foreseeable future. Equally, the state cannot emerge without some maturation of institutional law which may bring its people together as members of the international community. Police will therefore need to work between two systems with a light touch in “custom”, where they have no traditional place, and a more definitive posture in relation to institutional rule of law. The Federal Government will ensure that minorities, women and children are protected under situations where customary laws are weak. (For example under customary law, there is no imprisonment).

Vision for Policing

A Police force that is able to provide an equal level of security and basic law and order throughout the country; while rehabilitating the specialized police services to their full operational potential, ensuring now the delivery of complete policing services for the Somali population”.

Based on this vision, the Police Work Plan has been developed during 2016. The Plan identifies two essential building blocks:

- A baseline Somali Police Force is built to preserve stability and order in Somalia through customary and institutional rule of law;
- Police Capability – the human and physical capabilities of police are shaped to support the needs of the Somali people through three components:
 - Training –building the skill capability of police forces so that officers can reliably undertake a wider range of tasks and increase productivity;
 - Equipment –building the field capability of police forces so that police officers have the necessary tools to legally, safely and quickly fulfill their roles;
 - Infrastructure –building the safe base capability of police so that officers have secure and sheltered locations from which to conduct police duties including communications facilities, furniture and fittings.

The Police Reform Strategy that is outlined in the ‘Police Work Plan’ is a comprehensive approach towards improving the essential elements that ultimately determine that a police force is effective, efficient and respected and trusted by the citizens of Somalia. These essential elements are shortly outlined below.

Conduct, behavior and values

The conduct, behavior and values of police need to be developed and shaped to meet the needs of the Somali people. While it is important to ensure normal operational capacity and ensure for instance regular payment of police staff (stipends), the engagement with these less tangible but important factors addresses some of the most egregious complaints about police, seeking to change the substance of what is done rather than simply increase what is done.

Police strategy, tactics, organization and methodologies

The core questions to address urgently, and complete in the coming three years, and that underpin policing in Somalia are what functions the police should or can perform, how this should be done and what needs to be done to define a realistic, sustainable and cost effective course of action, including:

- The optimum size, reach and physical disposition of police across the country so that plans can be made to budget for this and target recruitment;
- What the police organization should look like to be sustainable given that Somalia is one of the poorest nations in the world;
- Investigating current police death and injury levels which impact on behaviors and conduct of the entire SPF and taking decisive action on what can be done about it;
- A Small Arms and Lights Weapons Survey (SWAL) will also be conducted with the objective of generating i baselines so as to assist national institutions with future policy making and also measure progress or changes.

Developing basic interactions with the community

Developing sound interactions with the community is a complex endeavor in most policing environments and defined as any activity directly involving citizens as individuals or collectively as groups with varying degrees of cohesion and common interest. Community interaction concepts are often narrowly viewed in police and assistance settings as referring to only targeted interactions such as deliberate public affairs activities or the implementation of engagement models such as community policing. Through the Police Reform Program approach, the government will link activities normally seen as ends in themselves, such as gender, HIV mainstreaming, human rights and professional standards (integrity) agendas, which have meaning and relevance far beyond policing but which translate directly to community interaction within the policing context. Hence, these areas are part of an integrated package rather than stand-alone activities. Community interaction is also strongly cultural and social in nature, and police must take this into account when performing their duties. Formal contact is important between key community leaders and the most senior levels of the SPF, including ministers, through mechanisms which include appropriate ways and means for achieving both influence on police and channels for important messaging from police to the community.

Fielding the Somali Police Force

Maintaining and sustaining basic operations is a daily and routine chore in every police organization across the world and involves a broadly grouped sequence of enabling areas (finance, human resources and logistics) which have major impacts on the operating efficiency and effectiveness of the police force.

Translation of resources into operational activity is currently still challenging as demands on available skills are currently simply too high to generate definite resolutions to the problems afflicting each area which cascade from finance through to all other enabling services and ultimately frontline police operations. An important element of fielding the Somalia Police Force is the continuing payment of police stipends. Our intention is that in the present plan period, this challenge is tackled and that by the end of the 2019 a sufficiently functioning system will be in place.

Spreading the influence of central government through recovered territories has been identified by the SPF, Government and international community as a high priority and during the present plan period the required adaptation to the establishment and operating practices of the police will be implemented to ensure that police force is capacitated to make significant gains in this area. A dedicated planning cell with strong international technical assistance will be established to identify and prioritize areas suitable for initial deployment of policing, conduct detailed reconnaissance of these areas and meet with local opinion leaders including clan elder, religious leaders, business people and others as part of the spread of government back into recovered territories. This will link closely to the approved Wadajir Framework for Local Governance.

Chapter III Poverty in Somalia – the Current Context and our strategy

3.1 Introduction

One of the primary development goals for Somalia is to achieve a broad-based, sustainable improvement in the standards of welfare of all of Somalia. Years of conflict, insecurity and a lack of government have left Somalia one of the poorest countries in the world, with GDP per capita estimated at US\$ 435. Over the next three years, the NDP lays the foundations for a broad and sustained policy framework to address poverty and sheds light on the ways and means of creating a more equitable society. There is no single action that can realize poverty reduction. Poverty is a complex and multi-dimensional phenomenon that requires interrelated and complementary policy interventions. Thus, as noted in Chapter 1, the whole of the NDP is the FGS iPRSP.

This chapter describes the context in which widespread poverty is found in Somalia. Despite being hampered by insufficient data, the common consensus among professional observers and the recorded perceptions of citizens provide sufficient information and analytical persuasion to:

1. Provide a reasonable interim baseline and,
2. A basis to move forward with the proposed policies and actions to tackle poverty as noted throughout the NDP.

During the past two decades and more of civil war Somalia's economy has been declining and, as a result, the standard of living for the vast majority of the population has suffered, culminating in rising levels of poverty. Poverty now afflicts more than two-third of the Somali population. This is not acceptable by any standard and needs to be addressed through dedicated Government action. Moreover, poverty cannot be resolved by Government action alone, it needs a combination of the private sector, non-governmental and community based organizations, supported by Somalia's international partners. Somalia's most precious resource is the people and their potential to work for the collective betterment of the nation. Poverty wastes this resource and it's potential.

Poverty has numerous manifestations. Often it is equated with lack of income. However, this is a partial approach and does not reflect the complexity of poverty in Somalia. Poverty is characterized by multiple dimensions including poor health, low levels of education and literacy, insecurity and uncertain access to justice, disempowerment, and the lack of access to land and income-generating opportunities, and isolation from the mainstream of socio-economic development. These dimensions interact with each other, for instance poor health is often a consequence of lack of income, but just as often poor health is a cause of poverty as well.

Box 3.1: What is Poverty?

Absolute poverty refers to a set standard which is the same in all countries and which does not

change over time. In Somalia it refers to a condition characterized by severe deprivation of basic human needs, including nutrition, safe drinking water, sanitation facilities, basic health, shelter, education and information. It depends mainly on income, both cash and in-kind, but also on access to social services. An income-related example would be living on less than \$X per day. The World Bank's "absolute" poverty level is based on the minimum income needed to acquire the basic necessities for day-to-day living in a number of low-income developing countries. In Somalia it is defined as equivalent to 1.90 USD 2011 PPP is derived from an international comparison aiming to define the poor as households that cannot satisfy their minimum basic needs. This poverty line is converted to SSh in 2016 and applied accordingly. The converted poverty line is 36,352.73 SSh.

Relative poverty refers to a standard which is defined in the context of the society in which an individual lives and which, therefore, differs between countries and over time. In Somalia relative poverty is defined as income-related and includes those living on less than 50% of average income.

Monetary poverty defines poverty by a lack of monetary resources. Monetary resources can be measured by consumption or income.

Absolute poverty is only derived from the indicator measured at the household level (e.g. monetary poverty) and the threshold (e.g. the international poverty line). Relative poverty compared households among each other.

At the *World Summit on Social Development* in Copenhagen 1995, the international community adopted and endorsed a **multidimensional definition of poverty**. These dimensions for instance include:

- *lack of income and productive resources sufficient to ensure sustainable livelihoods;*
- *hunger and malnutrition;*
- *ill health;*
- *limited or lack of access to education and other basic services;*
- *increased morbidity and mortality from illness;*
- *homelessness and inadequate housing;*
- *unsafe environments;*
- *social discrimination and exclusion;*
- *Characterized by lack of participation in decision-making and in civil, social and cultural rights.*

Throughout this chapter, the definition of poverty is mostly in line with the multidimensional approach, while equally referring to absolute and relative poverty measurements where appropriate.

Humanitarian support provides temporary relief to those affected by natural disasters or driven from their homes due to conflict. Social protection programmes are required to help those that cannot help themselves, as for instance the handicapped, mentally ill, or young without parents. These measures form part of the NDP's approach to building resilience and are addressed in Chapter 8. Structurally tackling poverty, however, requires an approach that tackles the various dimensions of poverty simultaneously with a longer term development perspective.

A core question is how the poor can be provided with the means to access income earning opportunities, ready access to the means of production, including financial capital, but it is just as important to provide

affordable, basic services and ensure the protection of the law. This requires a deliberate and long term policy to increase equity and breadth of opportunity and to ensure that all members of our society can participate fully in the socio-economic development of the country in a safe and secure environment.

3.2 Poverty in Somalia

For reasons of consistency, this NDP utilizes the World Bank supported High Frequency Survey, implemented in February 2016. However, we also refer to the results of a 2002 nation-wide socio-economic survey, the 2015 PESS, as well as studies conducted by NGOs and other development partners.

Box 3.2 the High Frequency Survey

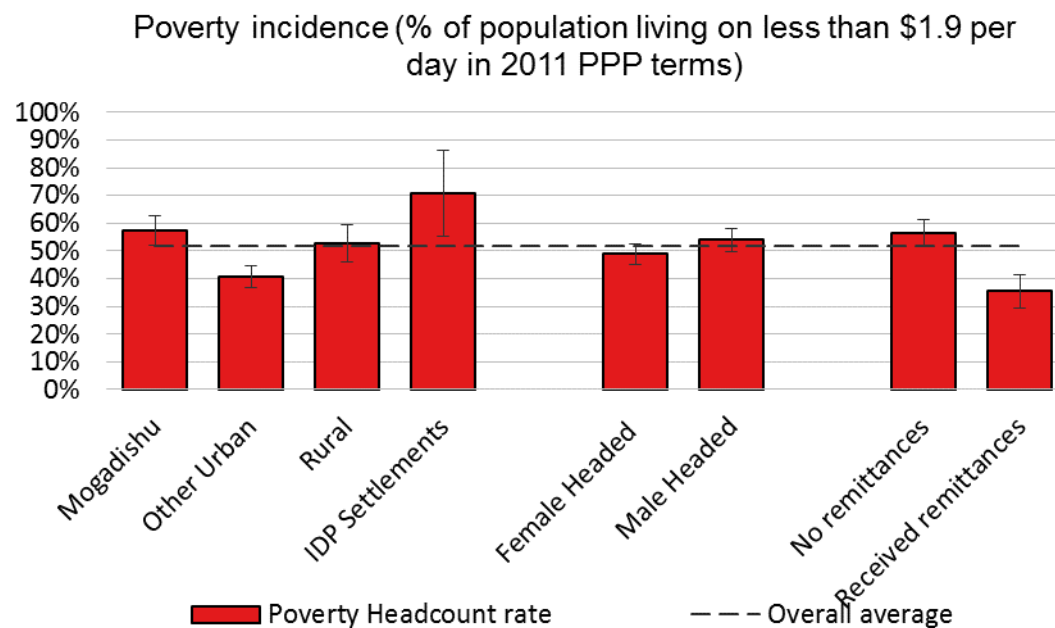
The High Frequency Survey provides a largely representative picture of the population covered by the survey. While at this point in time, the High Frequency Survey is the best source of data for poverty-related statistics in Somalia, the survey did not cover the whole population. For instance, the survey did not include nomads as well as the population living in (mainly rural) areas that were not accessible. This has consequences for some of the data. For example, as the survey covered a larger fraction of the urban than the rural population, it is not surprising that it found a large number of poor in urban areas (see figure 5.6). A first analysis was released in July 2016, while a substantial amendment to that first analysis was released early September 2016. The present NDP builds upon the figures released in September 2016.

Whilst the existing data enables appropriate policy to be developed, Chapter 13 outlines an extensive plan to collect additional information to strengthen the data base upon which to formulate future policies that will continue to address the widespread poverty in the country. Ongoing and future statistical efforts, such as the Somalia High Frequency Survey (World Bank), the Multiple Indicator Cluster Surveys (MICS - UNICEF) and the Demographic Household Survey (DHS - UNFPA) are therefore likely to further improve the information base upon which to build sound policy.

The 2016 High Frequency Survey indicates that around 51% of the population lives in poverty⁵. The poverty situation is even worse in the IDP camps where 70% is estimated to live in poverty, followed by Mogadishu area with 58%.

Figure 3.1: Poverty Incidence for different groups in society

⁵ 2016 High Frequency Survey: 51% of the Somali live below the poverty line of \$1.9 per day. The 2002 socio-economic survey: 73% of the population live below the poverty line of \$2 per day.



Source: Somalia High Frequency Survey, 2016

The incidence of poverty in rural areas is higher at 52% than in the urban areas, where it is 40% (excluding Mogadishu) and 58% in Mogadishu. However, due to the high urbanization rate in Somalia, the vast majority of the poor are concentrated in urban areas, with 59% of the poor (with Mogadishu accounting for 21% of all poor in the country), compared with only 9% in rural areas. The remaining 32% live in the IDP camps. However, these figures are influenced by the scope of the survey which focused more on urban camps and IDP camps than rural areas.

The higher absolute numbers of households and persons in poverty in the urban areas can be explained by the high degree of urbanization, as well as the higher costs of living in the urban areas (urban consumption is mostly derived from imported and expensive products), combined with precarious job security and high unemployment in the urban areas. There was and continues to be a significant movement of the population from the rural to urban areas, as poor rural people, due to deteriorating security conditions, have been forced to leave their property and move to urban and other safe areas - including IDP camps - to look for safety, better living conditions and employment opportunity.

Box 3.3: Preliminary findings of the High Frequency Survey

- Somalia has a predominantly young population
- 52% of the population covered by the Survey live in poverty (below \$ 1.9 per day in 2011 PPP terms) ranking as one of the world’s poorest countries
- Households in DIP settlements are most affected by poverty and unemployment
- More than half of the working-age population is ‘outside the Labour force’
- Women are more often outside the Labour force and working in the household
- More than half of people inside the Labour force are unemployed but almost half are optimistic about their Labour market prospects
- The youth is better educated but also more often unemployed than adults
- Many Somali children enrolment in schools is delayed.

With the eighth highest rate of poverty, Somalia ranks among the poorest countries in Africa and joins other poverty-stricken countries which are marred by conflict, including the DRC and South Sudan. However, when compared to its direct neighbor's, many more Somalis are suffering from poverty than citizens in Ethiopia and Kenya, where 'only' 29% and 26% respectively live below the poverty line.

The nature of poverty in Somalia, as elsewhere, is multi-dimensional and complex. It cuts across sectors, locations, groups and gender, and its forms and causes vary. The different dimensions of poverty described above are at the same time a consequence of poverty and a cause of poverty. For instance, poor households tend to have large families, while growing up in a large family increases the chances of an individual being poor in adulthood as the means available to invest in opportunities like education tend to be less. Civil war causes poverty, while poverty creates 'favorable' conditions for warring factions to take up arms.

These interrelationships are apparent in the perceptions of the participants in consultations conducted at various thematic and sector working groups and communities in 2016. Within the overall context of conflict and civil war, the more specific dimensions of poverty are characterized as follows:

Governance: Dimensions and characteristics of poverty in the governance sector include (i) lack of information and training of stakeholders; (ii) excessive and fractious taxation of economic activities; (iii) unfair competition; (iv) widespread mismanagement, corruption and fraud; misuse of public resources and human abuse.

The Economy: Poverty-related dimensions in the economy include (i) low economic growth and difficulties for the poor to access adequate means of production; and (ii) declining in purchasing power.

Employment: Poverty related dimensions in this sector include (i) the rising levels of unemployment, (ii) low-skilled human capital endowments, particularly in rural areas; (iii) exponential expansion of the unorganized informal sector; and (iv) job insecurity.

Infrastructure: Poverty related dimensions in this sector include (i) a lack of basic infrastructure (roads, telecommunications, energy, and water); and (ii) difficulty of access to housing and social amenities; (iii) inadequate investment in the sector.

Education: Poverty related dimensions in this sector are characterized by (i) inadequate investment in education; (ii) illiteracy; (iii) lack or inadequate infrastructural, human, financial and documentary resources; (iv) difficulty of accessing education by children; (v) deterioration of moral and ethical values.

Health: Poverty related dimensions in this sector include (i) poor access to preventive and curative health services and quality health care; (ii) lack of health, hygiene and sanitation infrastructure; (iii) upsurge in malnutrition resulting from poor quality nutrition.

Social Protection: Poverty related dimensions in this sector include (i) disintegration of families and other traditional solidarity systems; (ii) the lack of institutional mechanisms for collective sharing of social security type risks and their amelioration; and (iii) the rise of survival strategies, ranging from begging to shirking of family responsibilities and sometimes through negative attitudes to family members.

Gender: Many women live in poverty because of (i) low social status and (ii) inadequate access to productive resources (loans, land, inputs) and social services (education, health, contraceptive knowledge and access to services).

In sum, poverty is the result of a set of complex and interrelated social and economic forces and is characterized by (i) lack of access to income-generating opportunities; (ii) inability to access collective services as basic as primary education, affordable health care, electricity and drinking water; (iii) bad governance, corruption and the feeling of being socially excluded from society and decision-making at the local or national levels. Negative attitudes towards education and gender that belong to various social-ethnic groups often accelerates their fall into poverty and alienation.

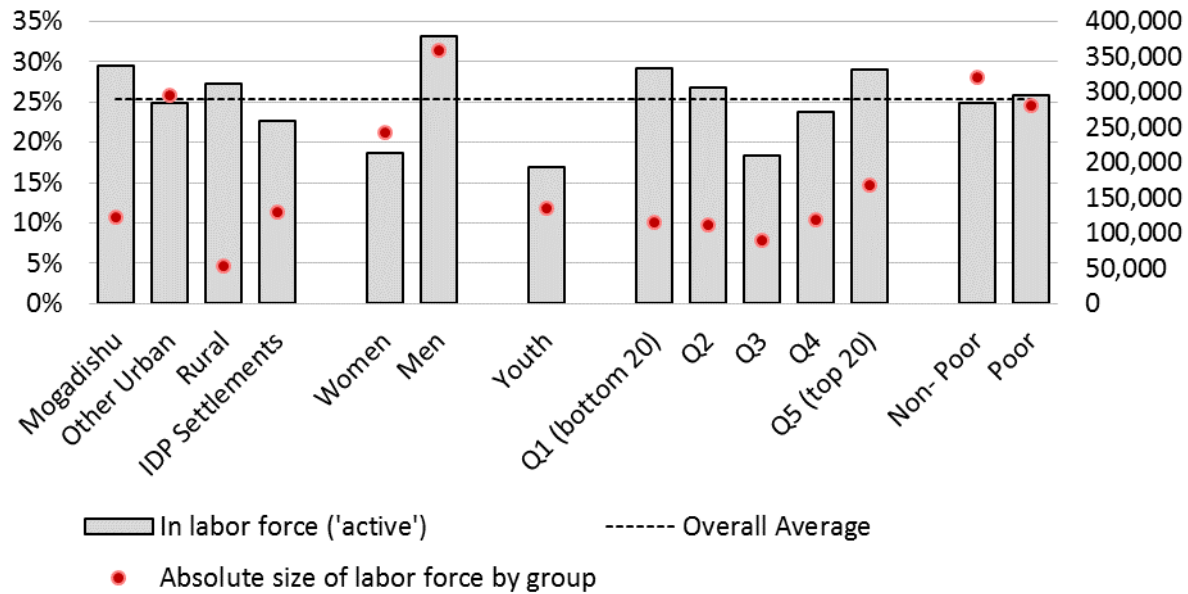
The lack of access to income generating opportunities is among others highlighted by the high levels of unemployment and underemployment. While it is not easy to provide uniform figures, the High Frequency Survey indicates that labor force participation is likely to be rather low.

Box 3.4: Labour Force concepts utilized in the High Frequency Survey

- The **working-age population** (15 to 64 years) is made up of people who are either inside ('active') or outside of the labor force ('inactive'). The **working-age youth** are those aged between 15 and 24 years.
- The **labor force** is made up of employed and unemployed people.
- **Employed** people are those who are of working-age (15 to 64 years) and engaged in activities producing goods or providing services for at least one hour during the last 7 days. This includes workers who contributed within the family establishment.
- **Unemployed** people are those who are not employed but are looking for work and are available to work.
 - **Long-term unemployed** are those who have been unemployed for at least 12 months.
 - **First-time job-searchers** are those who are currently unemployed looking for work, and have never worked before.
- Those **outside of the labor force** are called '**inactive**'; these are people who are not employed, not looking for work, and/or not available to work.

The differences between different groups in society are important, as highlighted by the High Frequency Survey. Especially the participation of youth (between 15 and 25 years of age), women and IDPs is very low.

Figure 3.2: Labour force participation



Source: High Frequency Survey 2016

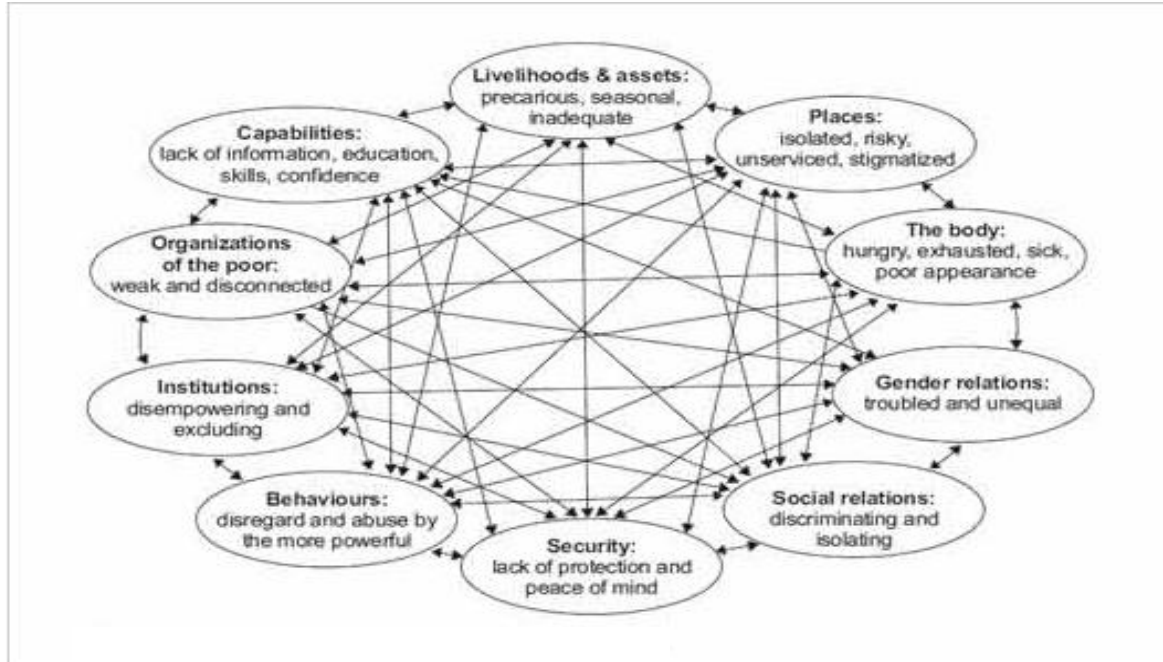
Poverty is so widespread and endemic in Somalia that the population has succumbed to the various dimensions of poverty that permeate almost every aspect of their lives. In the face of this, Somalis have shown remarkable resilience and adaptability to the consequences of poverty which are only partially mitigated by high per capita remittance inflows from the diaspora.

In the sections below we will elaborate more on the different dimension of poverty in Somalia.

3.3 Poverty in Somalia – multi-faceted dimensions

Poverty in Somalia, as elsewhere, is multi-dimensional. Robert Chambers proposes a ‘web’ to visualize the inter-linkages between the various dimensions of poverty, leading to a multifaceted set of disadvantages for those in poverty

Figure 3.3: Multi-dimensional nature of poverty.



Source: <http://www.divafiji.com/>

One of the core dimensions and causes of poverty in the context of Somalia is the presence of armed conflict and the ensuing human displacement, natural calamities, demographic dynamics, gender inequalities, governance and its absence, regional and social disparities and the lack of opportunities for the nation's youth.

Poverty and Conflict

The decades long conflict in Somalia continues to generate poverty in many different ways. However, poverty also fuels conflict, where certain individuals and groups in society, devoid of alternative opportunities, see conflict as the way to gain access to scarce resources. Thus creating a vicious cycle.

The destruction of employment opportunities and property has pushed many families into destitution. The general insecure and risk-laden environment has discouraged business investment and economic growth. The gradual dismembering of government institutions has led to the disappearance of public and private services and opportunities to engage with society. The emergence of predatory groups confiscating financial and productive resources has facilitated a major collapse of the economy. The direct threat to life has pushed many people to leave Somalia or become IDPs.

The costs of this civil war are immeasurable in terms of lives lost and displaced, as well as the destruction of public and private infrastructure. According to Necrometrics⁶, around 500,000 people are estimated to have been killed in Somalia since the start of the civil war in 1991. IOM, in a 2014 study⁷, estimates that

⁶ *Twentieth Century Atlas – Death Tolls and Casualty Statistics for Wars, Dictatorships and Genocides*

⁷ IOM: Dimensions of Crisis on Migration in Somalia, Working Paper, 2014

since 1991, over a million Somalis have been forcibly displaced internationally and another 1.1 million displaced internally.

While the economic cost of the civil war cannot easily be quantified, several indicators suggest that the economic cost and lost opportunities have been very high. For instance, assuming a steady growth rate of 2 percent – comparable to that experienced during the mid- and late 1980s - real per capita output and income in 2002 could have been at least a third higher than what it was before the civil war. However, UNDP estimated that per capita income in 2002 was \$226, which is about 4% lower in real terms than the World Bank estimate for the period of 1988-90. It was estimated to be \$US425 in 2016. Virtually all major economic activities were disrupted by the civil war, which led to the collapse of agriculture, manufacturing and related activities, particularly impacting poor people, since almost two-thirds of employment originated from these and related sectors.

Poverty is not only caused by conflict; poverty also fuels conflict where violence is perpetuated as a survival strategy to gain access to scarce resources. Individuals can feel motivated by a certain discourse that ‘explains’ their dire situation due to the unfair treatment by other groups that needs to be rectified through violent means.

Poverty and Natural Disasters

The regular occurrence of natural disasters, such as floods and droughts, has led many people into destitution as their productive resources have been destroyed. Drought, after the impact of the civil war, is equally an important factor inducing people to migrate and/or to seek shelter in IDP camps, where they are deprived of productive opportunities and mostly depend on charity and hand-outs.

Somalia is particularly vulnerable to droughts, mainly because of its geographical location, uncertain rainfall and its fragile environment. Severe droughts have had disastrous impacts on Somali communities in 1964, 1969, 1974, 1987, 1988, 2000, 2001, 2004, 2008 and 2011. While, it is not easy to provide figures on the costs and the numbers of people affected, the prevention web estimates the annual losses at close to USD 30 Million (<http://www.preventionweb.net/countries/som/data/>).

In contrast to the drought, Somalia also experiences river and flash floods. River floods occur along the Juba and Shebelle rivers in Southern Somalia, whereas flash floods are common along the intermittent streams in the northern part of the country. The most recent severe floods were those of the Deyr in 1961, 1977, 1997, and 2006, and the floods of the GU in 1981 and 2005. These floods resulted in human casualties and major economic damage in the form of livestock and crop losses. As the population grows and urban development encroaches into traditional floodplain areas, in the riverine areas, and in urban areas, the potential for loss of life and property will rise in the coming years.

Somalia also occasionally suffers from the effects of tropical cyclones (e.g. in November 2013 and November 2015) causing the loss of livestock, destruction of property and infrastructure, while locust outbreaks at times cause severe damage to agro-pastoral crops.

While natural disasters cannot be avoided, and climate change is likely to increase the occurrence of disasters, strengthening national capacity to forecast, avoid and cope with the aftermath of disasters is the key towards reducing the deleterious impact on poverty and society at large.

Poverty and Human Displacement

The relationship between violent conflict, natural disasters, displacement and poverty can be analyzed in different ways. As indicated above, in a 2014 IOM study, it was estimated that since 1991, over a million Somalis have been forcibly displaced internationally and another 1.1 million displaced internally, where the push to migrate is predominantly related to the civil conflict and natural disasters. According to OCHA (2015), more than two thirds of the people who are in crisis and emergency are internally displaced, while almost 9 out of 10 people living in IDP camps are living in poverty.

The large number of Somalis living in the diaspora has various impacts on our society. First of all, it deprives Somalia of many of its most productive, enterprising and innovative parts of its population. Those who migrate are often driven by destitution and a desire to upgrade their family's economic prospects. This bleeding of society has had a negative impact on the development. However, those in the diaspora also maintain very close ties with their relatives and home communities, most clearly demonstrated by the very significant remittances (estimated to be over USD 1 Billion annually) they send to Somalia.

In addition, since the establishment of the interim government in 2012 an increasing number of Somalis have returned from the diaspora and invested in the country. Many have taken the opportunity in their host-countries to pursue their educational aspirations to a level that Somalia cannot yet offer. They constitute a group of Somalis who are well-connected at home and who can help shape the future of Somalia and bring their skills and competencies to tackle the challenges the country faces.

The internal displaced, however, are radically different from those in the diaspora. The internally displaced broadly fall in two groups: those who are re-settling in urban areas and seek shelter and social integration on their own or with their relatives or clan, and the large group that is accommodated in IDP camps. The latter are supported with shelter, food and other necessities by international agencies, creating an almost perpetuated dependency relationship.

Poverty and governance

The collapse of government systems in large parts of the country has had negative impacts and deprived many areas of health and other public services. Furthermore, societal breakdown has impacted negatively on the rule of law, fair and transparent taxation and created a 'sense of lawlessness'. In Somali society 'common values' are under threat, where capital investments are not being made and where hope for the future has almost disappeared.

There is wide agreement between all parties that poverty cannot be successfully tackled without a representative government that provides for an inclusive, open and free system of engagement, that has a monopoly on the use of force and upholds the rule of law, that provides a national platform to discuss and manage development, and offers public services all citizens expect.

An important part of the poverty – governance nexus is the **national external debt**. For more than two decades, Somalia has been facing a heavy external debt of slightly over USD 2 Billion in 2015 or 85% of GDP, which has not been serviced.

Poverty, social inequity and gender

The interplay between the civil war, natural disasters, the absence of an efficiently functioning government system and their consequences negatively impact on the social fabric of society. As a result, traditional coping mechanisms are under stress, participation in social and political processes have diminished and life choices are denied to the great majority of the population. Such a dire configuration has contributed too much of the poverty, which has, in turn, has reinforced these trends.

In general, in such a society disrupted by decades of civil war, and without any functioning government structure, individual opportunity depends very much on a person’s initiative and family background. The underprivileged do not enjoy the same life chances as those from privileged backgrounds. Nevertheless, charitable organizations and civil society associations try to redress such inequality.

Inequitable access to the means of production, including land, Labour and capital, and the skewed distribution of wealth, are not only consequences of poverty, they also contribute to the creation and persistence of inequality and poverty. UNDP estimated in 2003 that the poorest 30 percent of the population received only 7.8 percent of the total income generated in Somalia, whereas the richest 10 percent received 35.6 percent of the total income. The Somalia High Frequency Survey of 2016 estimated that the richest 20% of the population consumes 7 times more than the bottom 20%.

Table 3.1: The top 20 percent consume seven times more than the bottom 20 percent

Daily consumption expenditure per capita by area (current US\$)

	Overall	Mogadishu	Other Urban	Rural	IDP Settlements
Q1 (bottom 20)	0.52	0.52	0.57	0.60	0.49
Q2	0.94	0.95	0.94	0.92	0.93
Q3	1.38	1.37	1.38	1.40	1.99
Q4	2.05	2.02	2.05	2.06	2.11
Q5 (top 20)	3.77	3.76	3.85	3.53	3.27

Source: Somalia High Frequency Survey, 2016

The large share of the population’s lack of access to health, education and other social services leads to Somalia falling to the bottom of the list of countries ranked according to various social indicators. Malnutrition prevails throughout Somalia and hunger is wide-spread. More than 200,000 children aged under five are acutely malnourished, of whom almost 40,000 are severely malnourished and face a high risk of disease and death. The majority of women in Somalia are uneducated. Maternal mortality rates are among the highest in world. Studies by UNICEF and others reveal that pregnancy and childbirth are two principal causal factors, whereby as many as 45 women die every day in Somalia from pregnancy-related complications.

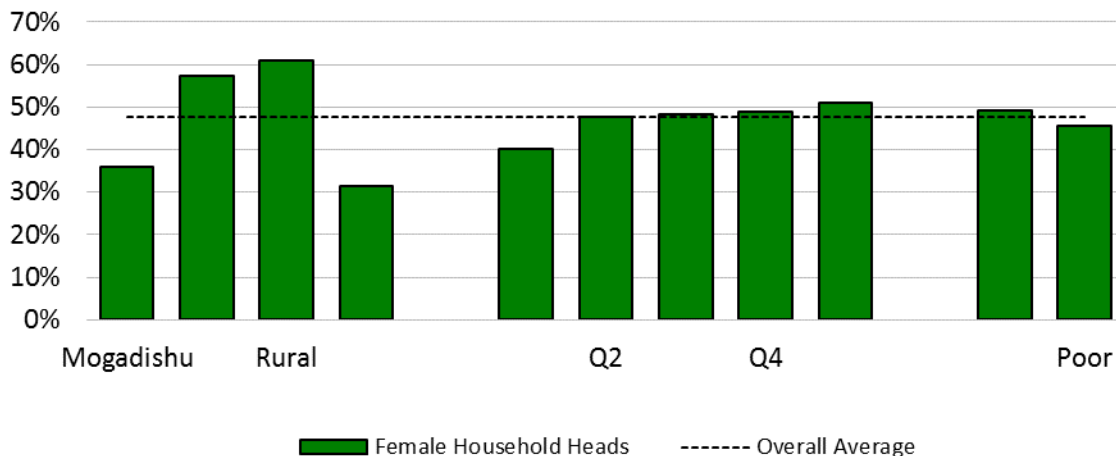
The inequality and inequity between men and women, according to various indicators, most often leave women in highly vulnerable situations. Gender discrimination in Somalia is a perennial issue and is

especially pronounced in the areas currently controlled by Al-Shabaab. Socio-cultural factors and norms emphasize the unequal power status of men and women in Somalia. In the country’s clan-based and patriarchal social environment, girls are often subject to parental restrictions on education and employment.

Traditions have favored male dominance, resulting in low social status of women. Women are seriously under-represented in political office and in senior positions in the public and private sectors. Women bear heavy responsibilities - yet are largely illiterate, in poor health and Lack decision-making authority. Their traditional role is to bear children, and undertake housekeeping. Yet, in nomadic society, housekeeping also includes caring for small animals, fetching firewood, water and building and dismantling the portable houses (Munduls) when the family moves from one grazing area to another. In settled agricultural communities, women undertake most of the farming activities, such as planting and cultivating crops whilst rearing children and marketing produce. In urban areas, many women have full responsibility for the household since their husbands have migrated or are involved in clan militias and other related activities. The majority of the urban poor are women and children.

Men are absent from the home in large numbers. Fighters in armed conflict, and consequentially casualties, tend to be men. Men tend to migrate overseas more often. The proportion of female headed households therefor is high, being around 50%. While female headed households often have a higher incidence of poverty globally, in Somalia this is not the case, with female headed households fairly evenly distributed over the different income quintiles, demonstrating a high level of female resilience to responsibility and hardship.

Figure 3.4: More than half of Somali households are headed by women, while 2 in 3 households in Mogadishu and IDP Settlements are headed by men



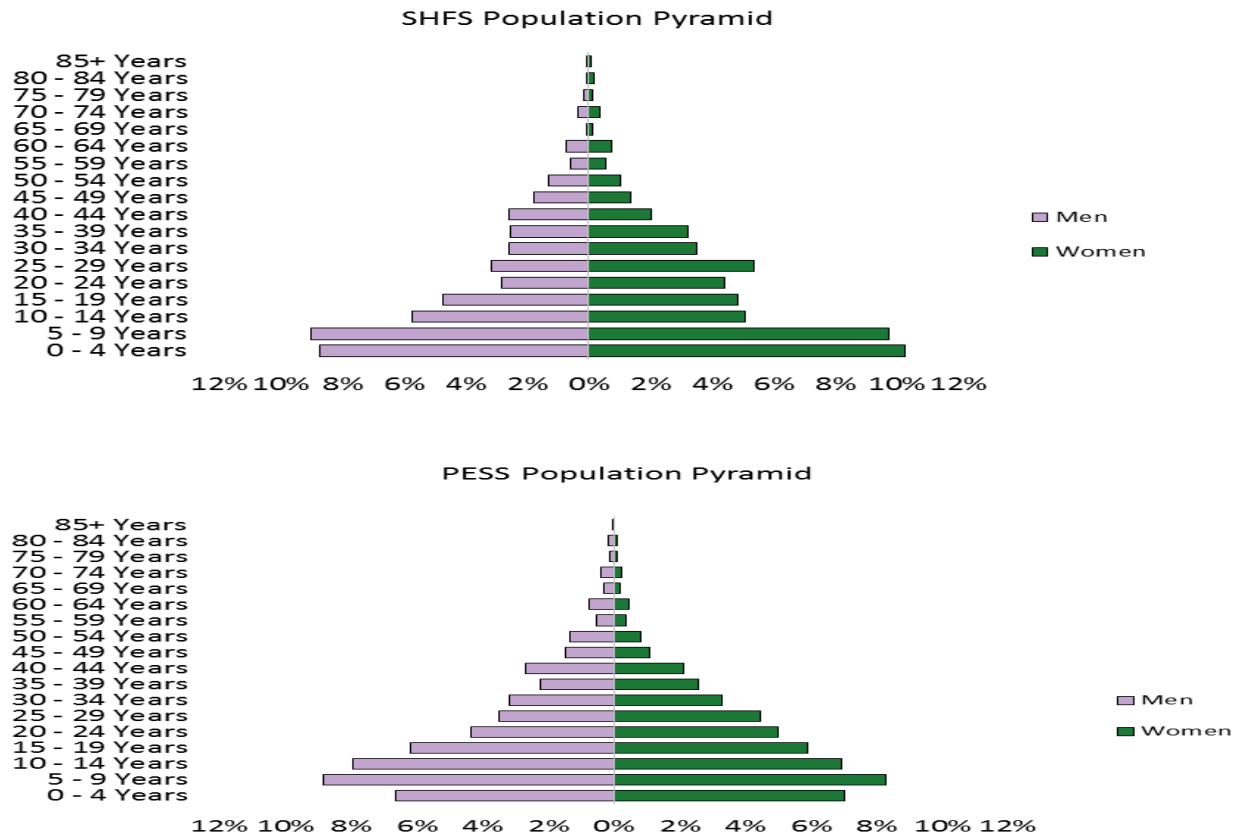
Source: Somalia High Frequency Survey, 2016

Poverty, demography and youth exclusion

The overall population of Somalia is estimated to be around 12 to 13 Million persons, growing at a rate of 1.24% a year (source: PESS). Around 42% live in urban areas, 26% are nomadic and 23% live in rural areas. The remaining 9% being IDPs and might also is considered part of the urban population.

According to the High Frequency Survey, the average size of the household is estimated to be 5.3, while the poor have a larger average family size of 7.2 persons compared to the non-poor with 4.8 persons. IDP households have larger sized households than the average urban and rural based households.

Figure 3.5: Somalia age distribution by sex



Source: Somalia High Frequency Survey, 2016

Somalia’s demographic profile shows a pronounced youth bulge. While there are some marked differences between the two, according to both the PESS and the High Frequency Survey results, Somalia has a very young population, with approximately 50% below the age 15 years. The younger members of the population will remain dependent on those in the older productive age groups. Where resources are scarce and much of the Labour force engaged in unproductive armed activities, this leads to the younger generation inheriting poverty. Without sufficient resources to invest in the future, the young will encounter a similar level of poverty or worse when they become adults.

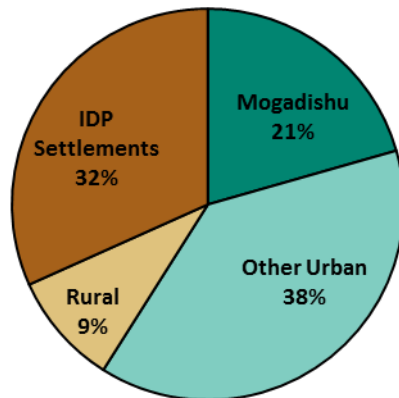
The great challenge facing Somalia is thus that a high proportion of young people have little or no access to productive resources, no or very limited employment opportunities and the young tend to be more often unemployed (High Frequency Survey), although it is improving, there is still little in the way of educational opportunities and skills training for the Labour market, weak political participation, and a legacy of past violence. These combine to offer a bleak future, which may well fuel the appeal of terrorist

movements, further contributing to instability in the country, and further creating the conditions for deepening poverty; thus creating a vicious cycle. Many young Somalis are trapped in an environment of violence, fear, unemployment and poverty. This both erodes their hopes for personal development and makes them more likely to become part of the on-going conflict.

Poverty and Regional Differentiation

The uneven distributions of conflict in the country, as well as other economic and environmental factors, contribute to variation in the incidence of poverty across the regions. While an in-depth analysis is not yet possible due to the absence of sufficient data (e.g. on cost of living in the different areas), the available data do indicate a significant rural-urban and regional divide.

Figure 3.6: The majority of poor people live in urban areas

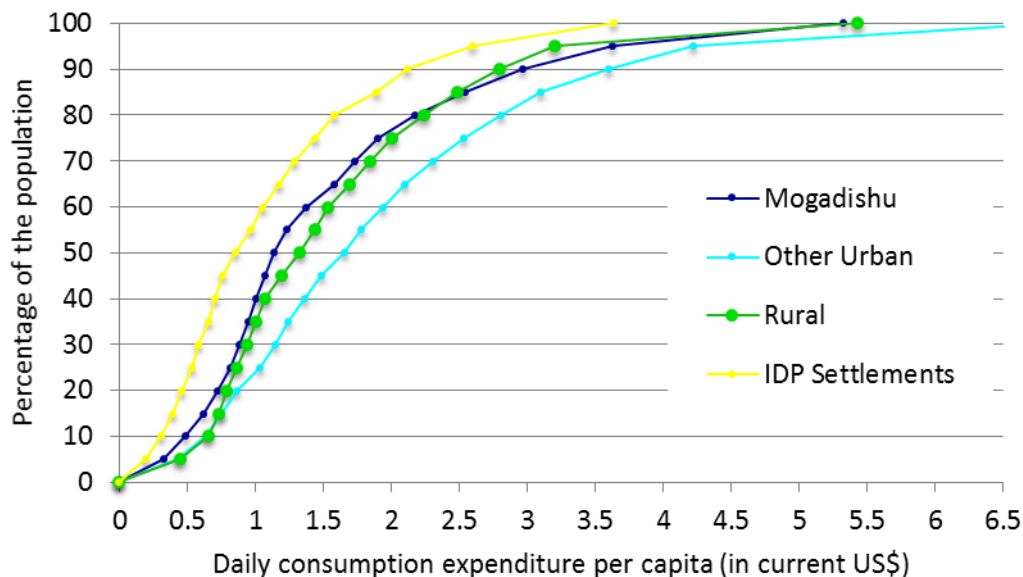


Source: Somalia High Frequency Survey, 2016

While the High Frequency Survey found higher numbers of poor in the urban areas, the consumption patterns in Mogadishu and the rural areas seem fairly similar, while it is evident that the IDPs are poorer than the other groups⁸. Still, it should be taken into consideration that the rural poor mostly produce their own food, while food prices tend to be lower.

Figure 3.7: IDPs are poorer at every point along the distribution

⁸ Please note that this conclusion is relative to the coverage of the survey. The survey covered a larger fraction of the urban than the rural population. See also box 5.2.



Source: Somalia High Frequency Survey, 2016

Table 3.2 assembles data on the level of regional income inequality compiled using the 2002 Socio-Economic Survey, with additional data from studies conducted by UNDP and World Bank in 2003. The data suggest that Benadir and Northern Somalia (Awdal, W. Galbeed and Togdheer) were the regions with the highest income per capita, in the range \$251-350, followed by other regions in Northern Somalia (Sanaag, Bari and Sool) and Central Somalia (Galgaduud and Middle Shebelle). The regions with per capita income of US\$201-250 included one in Northern Somalia, Nugal and two in Southern Somalia, Lower Juba and Lower Shebelle Regions. These are followed by two regions, Mudug (Northern Somalia) and Middle Juba (Southern Somalia), with per capita income of \$151-200. The last group of regions with the lowest per capita income include Hiran Region (Central Somalia) and Gedo, Bay and Bakool Region in the Southern Somalia.

Table 3.2: Regional Distribution of Per Capita Income (2002)

Regions	Estimated per capita income in USD \$ per year				
	100-150	151-200	201-250	251-300	301-350
Mogadishu					Benadir
Northern Somalia					Awdal
				Sanaag	W. Galbeed
				Bari	Togdheer
				Sool	
		Mudug	Nugal		

Central Somalia	Hiran			Galgaduud	
				Middle Shebelle	
Southern Somalia	Gedo	Middle Juba	Lower Juba		
	Bay		Lower Shebelle		
	Bakool				

Source: “Somalia: Socio-Economic Survey, 2002”, UNDP and World Bank, 2003

Assuming that per capita income could be inferred as an indicator of poverty, then Southern Somalia, specifically the regions of Gedo, Bay and Bakool and Central Somalia Hiran, would be the regions with the highest incidence of poverty. However, this could be mitigated by the fact that in Southern Somalia, there is high consumption of own-produced food, and absolute poverty maybe not be as high as suggested by per capita income.

This geographical distribution of poverty reflects the varied political and security situations among Somali regions and their impact on regional economic growth and employment. While there seems to be an inverse correlation between the level of income and conflict intensity, other factors, such as natural resource endowments, access to employment or other income generation opportunities (in and around the main cities), or easy access to remittances (the presence of money transfer options in the main urban areas), most likely play their role in the regional distribution of poverty. For instance, the higher per capita income for the northern regions are all from predominantly pastoral areas compared to the lower cash earnings (except for the Juba farmers using pump irrigation) in the southern regions, which are focused on food crops—sometimes in conjunction with livestock. Remittances are important in the country: the poverty incidence in households receiving remittances is 35% while it is 52% in households that do not receive remittances (see Figure 3.1).

3.4 Poverty in Somalia – Conclusions and Policy Implications

The poverty profile that emerges from the above analysis indicates the depth and breadth of poverty in Somalia today and the magnitude of the challenge. While pre-war governments made efforts to tackle poverty, the decade’s long conflict has dissipated any earlier improvements that were made.

In line with Somalia’s endorsement of the global Sustainable Development Goals (SDG), Somalia is committed to reducing poverty and eradicating extreme poverty. SDG 1 - End poverty in all its forms everywhere – is summarized in box 5.5.

Box 5.5: SDG Goal 1: End poverty in all its forms everywhere	
Target 1	By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day
Target 2	By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
Target 3	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

Target 4	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
Target 5	By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters
Target 6	Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions
Target 7	Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions

Reducing poverty is one of the key objectives in this National Development Plan. The individual chapters set out the policy implications for each sector in more detail. In all practical terms, we are realistic about what can be achieved in a three-year life-span of the NDP. Poverty will be reduced but evidently not eradicated.

We believe that every proposal forwarded in the NDP will make a positive impact on reducing poverty. However, the ‘theory of change’ of tackling poverty is built upon the notion that poverty is multi-dimensional, where each dimension has multiple impacts on overall poverty, and are impacted, in turn, in multiple ways by poverty. A number of ‘vicious cycles’ characterize our conceptual framework and they must be broken. In sum, the key to reducing poverty in Somalia during the NDP period lies in achieving rapid, inclusive, and sustainable growth, as described further in Chapter Seven. But rapid growth alone will not suffice. All of the elements of Somalia’s political and economic recovery are important. This includes consolidating peace and security, revitalizing the economy, strengthening governance, government institutions and the rule of law, the rebuilding of basic infrastructure and delivering a minimum level of basic services. More specific policy responses are set out in the following Chapters.

Chapter Poverty and conflict - The analysis above clearly indicates the important role conflict is playing in creating and perpetuating poverty, while poverty, in turn, is one of the factors fuelling the conflict. The policy implication is clear: ending the conflict is a major policy goal in the fight against poverty, while fighting poverty will be a major positive factor in ending the conflict. While actively combatting terrorist forces, the building of a society where the rule of law is paramount, where access to services has become feasible and where an open, transparent and accountable government system helps to provide options - particularly for disadvantaged groups – will go a long way in breaking this cycle of conflict and poverty.

Chapters Poverty, the economy and infrastructure - The lack of economic opportunities, be it in terms of establishing businesses or accessing paid employment, is one of the main contributors to the high poverty levels. As further elaborated in chapters focusing on developments in the productive and private sectors, the creation of a favorable environment for business and employment is essential. These include renewable – solar and wind energy, construction as well as minerals. The chapter on infrastructure indicates that there is not only a huge need to repair and build new infrastructure, it also indicates that this programme will be a significant measure to stimulate private sector development and employment. Importantly, the government itself is an important growth sector.

Chapter Poverty and the Government System and Institutions - Establishing a government presence throughout the whole territory of Somalia is an important aspect in resolving the conflict and establishing a solid system of rule of law. This will facilitate the provision of fair and equal opportunities for all citizens to engage in political and development work and assist in extending the provision of public services to all parts of the country. The approach to accelerating the re-establishment of a government presence in those areas where it has been absent, and to strengthen the systems that are already in place, will encompass the following:

- a free, fair and inclusive structure of civic engagement in terms of political and developmental engagement (e.g. in the field of service delivery);
- a transparent and accountable government machinery, based on a solid legal system and the rule of law;
- a well-organized and competent civil service;
- a sensible approach towards fiscal management, economic development and service delivery;
- a well-resourced infrastructure and operational arrangements, financed increasingly through local revenue collection.

Chapter Poverty and Resilience – Resilience is about the capacity in society to deal with adversity, be it in terms of conflict, natural disasters or economic misfortune. The public sector and non-state institutions, as well as communities, need to be better equipped to forecast the likelihood of disasters occurring and to design better response mechanisms to ameliorate disasters once they occur. The systems to manage food security need to be enhanced to avoid hunger and starvation, while systems need to be developed to strengthen the social and economic security of the population, with particular attention to the poor. The approach concerning the internally displaced will be to shift from ‘classic’ humanitarian assistance towards more ‘durable solutions’ that provide them with a realistic set of opportunities to (re)organize their lives. See chapter 11 for more details.

Chapter Poverty and social inequities – The disparities between the regions requires attention to our resource allocation criteria and methods and dedicated action to assist the poorest regions to improve their economic prospects. The dire situation of our young citizens needs to dramatically improve since Somalia cannot afford to lose another generation. Focused investment needs to be prioritized to provide for expanded educational opportunities, engagement options in society, and – most of all – income-generating employment.

CHAPTER IV

SOMALIA MEDIUM TERM FISCAL STRATEGY

4.1 BACKGROUND

The Federal Government of Somalia commits its self to a well – performing Public Financial Management System a key outcome of which is fiscal discipline, spending only what it can afford.

Affordability in the short run relates to the budget balance, i.e. keeping the fiscal deficit within available normal financing. In the medium term, fiscal sustainability is critical – spending decisions and the time-path of expenditures need to be affordable from a multi-year perspective.

It is recognized that although International support has given Somalia an opportunity to temporarily finance the national budget and address some of the key budget constraints, a practicable medium term framework is needed to ensure that the country moves toward a sustainable fiscal position.

This chapter reviews briefly the structure of Federal Government’s budget and recent fiscal trends. Define fiscal sustainability and put forward a Medium Term Fiscal Framework (MTFF) for Somalia.

The chapter also examines the main expenditure drivers related to fiscal sustainability and mobilizing domestic revenues. It will also propose financing options and management of fiscal risks and presents some illustrative medium term fiscal scenarios and estimates on resource envelope.

4.2 Fiscal Structure and Trends

Somalia is a country in transition moving from conflict situation to reconstruction and peaceful development.

It is an open, vulnerable, low-income country, which over the last two and half decades has demonstrated a high degree of economic resilience by its capacity to rebound from successive economic shocks.

The Federal Government remains committed to its vision of a transparent and accountable system of public financial management, which pledges fiscal prudence as the main hallmark of achieving fiscal stability through good and responsible governance.

In summary, the rationale for the Medium Term Fiscal Strategy (MTFS) 2017 - 2019 is to:

- a) Ensure macroeconomic stability;
- b) Ensure strong growth through increased efficiency, productivity and competitiveness;
- c) provide a stable fiscal framework that enable the Government to better serve the National Goals and the objectives of its Medium Term Development Strategy⁹ (National Development Plan);
- d) Ensure that domestic and external confidence, in the ability of the Government to manage its resources in an efficient and balanced manner is maintained.

This fiscal strategy is being fashioned within a framework that will see improved domestic revenue and expenditure management as well as institutional strengthening.

4.2.1 Government Revenues

⁹ The Medium Term Development Strategy 2017-2019 or the NDP provides the broad strategic framework for Government’s economic and social agenda under NDP.

The policy will be to improve efficiency of existing revenue collection mechanism and carry out a comprehensive review of the existing tax framework to return the tax base to its relative size. It is also expected that as policies to drive economic growth take effect, increased economic activities will generate revenues that contribute to increased domestic revenue mobilization.

4.2.2 Government Expenditures

The policy will be to regularly review the efficiency of government's expenditure programs and seek to reduce spending, wherever possible as well as improve service delivery.

Ministries will be required to reprioritize their programs to reduce unproductive spending and align with the priorities outlined in the NDP.

In addition, focus will be given to personnel remunerations as of now it stands at over 40 per cent of expenditure and transfers and subsidies. Levels of public sector employment (estimated at around 5000¹⁰) will be carefully managed to align the skills mix with the demand of the ministry to contain cost, and ministries and agencies will be restructured to be more efficient.

4.3 Institutional Capacity

Emphasis will be placed on accountability, transparency and improving management practices in central government. The main aim will be to increase the levels of productivity and efficiency. Where possible, government will encourage the private sector to continue to be involved in the provision of public goods where this is likely to lead to reduced costs and better service.

4.4 Medium Term Fiscal Strategy

The fiscal policy of the FGS is designed to facilitate an environment appropriate for sustainable economic development, job creation, efficient allocation of resources, and fair distribution of wealth.

The main objectives of the Government's fiscal strategy over the medium-term are:

- To provide an overview of government finances over the medium-term;
- To identify and understand recent trends in government revenue and expenditure and how they might evolve over the medium-term and carefully see if there are any un-programmed imbalances building up;
- To take stock of donor financing - pledged and anticipated - over the medium-term;
- To develop revenue and expenditure estimates for the next three years (with most attention devoted to the first year) and underlying policy and administrative measures;
- To develop estimates of financing needs and identify sources of financing; and
- To ensure that domestic revenues are adequate to finance the recurrent budget, and *to allocate funds in accordance with the National Development Plan*. This will ensure that resources are allocated to areas which play a key role in sustained economic growth and poverty reduction.

¹⁰ <http://mof.gov.so/wp-content/uploads/2016/06/Final-RCRF-II-CONSOLIDATED-QUARTER-I-2016-PROGRESS-REPORT-AND-IFR-Publication-Version.pdf>

4.5 Somalia Economic Outlook

Somalia experienced an average growth rate of 3.5 to 4.5% since 2012. However, the fragile security situation has hampered the Government’s efforts on wealth creation, growth and development of the country. Security concerns created hurdles to a sound environment for private sector development, which is considered to be the engine of economic growth.

Available information suggests that real GDP will continue to grow at a similar pace but steady in the medium term, with the trade and services sector expected to contribute over one-half of the estimated growth.

Inflation, due to the stable food prices, has been ranging at less than 3 percent, but it is projected to decline to 1% percent during 2016 and increase to 2.5% in 2017.

Real GDP growth in 2013 was 2.8 percent. While the year 2011/12 was the worst year for real GDP growth over the past few years and the down turn in economic activity caused by a large drop in agricultural sector output (see table 1 below).

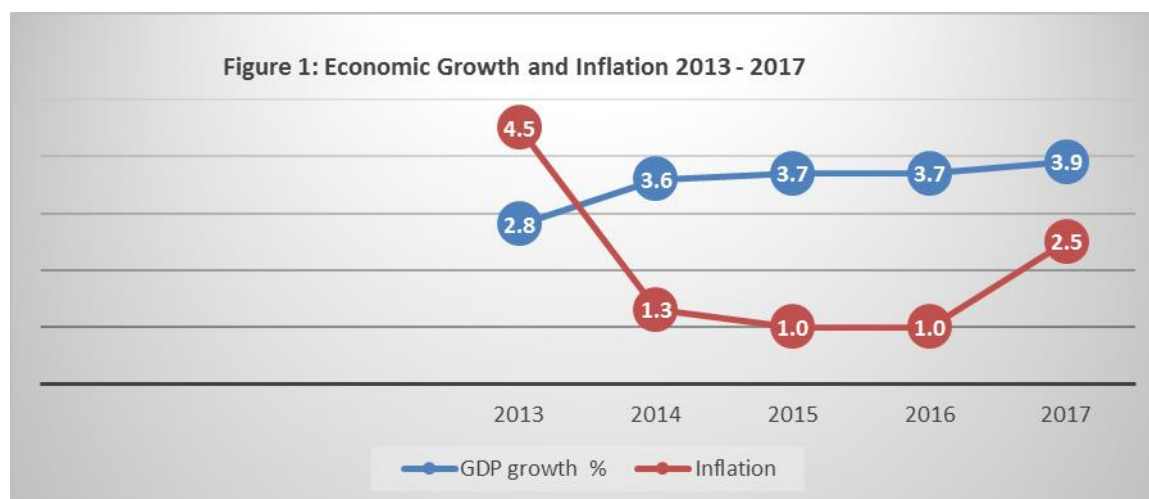
During the year 2011/12, drought conditions combined with fragile security meant that the agricultural sector detracted by a huge percentage points from real GDP growth.

4.5.1 Table 1: Macroeconomics indicators

	2012	2013	2014	2015	2016	2017
Consumer Prices		4.5	1.3	1.0	1.0	2.5
Exchange rate		19,276	20,227	22,247	22,249	22,268
SoS/US\$						
Real GDP Growth		2.8	3.6	3.7	3.7	3.9
Nominal GDP Growth		2.9	5.5	4.9	4.9	6.2
Nominal GDP in US\$	5,200	5,352	5,647	5,925	6,217	6,604

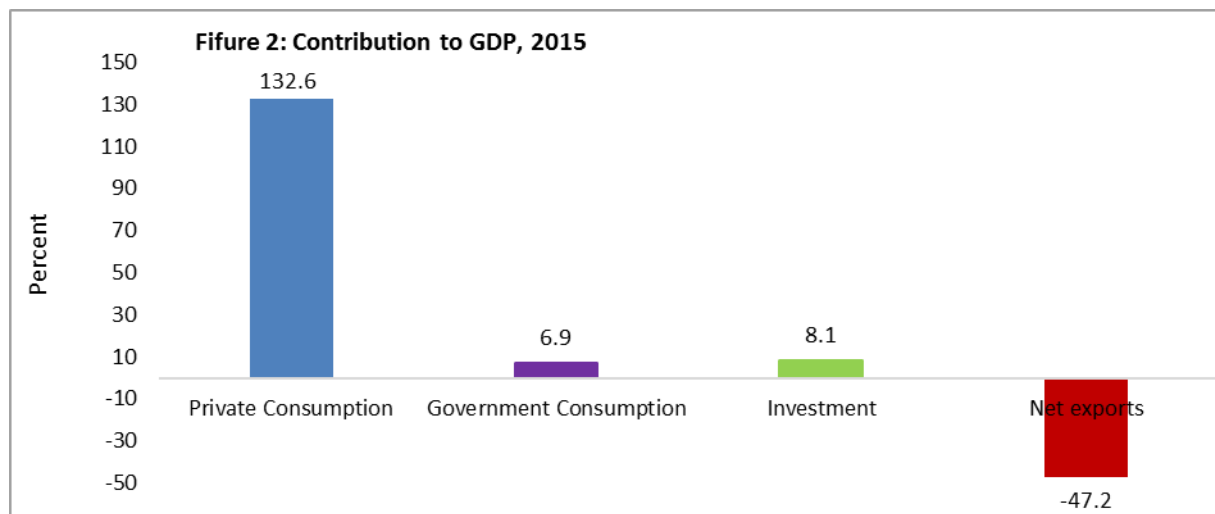
Source: Somali Federal & state authorities, WB and IMF _SMP 2016

However, the prospects for the following years were positive and real GDP growth went up at around 4 percent and projected to grow at a much higher rate during the medium term (see figure 1).



Source: IMF – SMP (table 1) 2016

Somalia’s GDP has been growing at average rate of 3.5% (real GDP growth) during the period 2012 to 2016. While inflation remained as low as 1.5% during the considered period. The GDP is dominated by private consumption and imports (**Figure 2**). Household consumption, financed by remittances, was equivalent to more than 133 percent of Somalia’s nominal GDP in 2015, with food and beverages accounting for about 60 percent of the total. Nonfood goods (cleaning products, medication, paper and paper products, office supplies, and other nondurables) accounted for about 34 percent of the total consumption.



Source: World Bank and IMF estimates

With improved security and political stability, government expenditure started to expand as share of GDP. The FGS expenditures accounted for only 1 percent of total GDP in 2012. However, this share increased from US\$35.1 million in 2012 to US\$199 million in 2015.

Net investments accounted for less than 8% of GDP. Exports were equivalent to about 14% of GDP, while imports accounted for more than two-thirds of GDP. The large trade deficit was financed mainly by remittances and international aid.

Structure of the Somali Economy

Reliable statistics are critical for policy formulation, planning, budgeting, and service delivery. They also play a central role in supporting the implementation of policies. Monitoring and evaluation in particular, supports transparency and accountability.

Somalia has is beginning to develop a formal mechanism for validating the accuracy and reliability of the data generated from official sources, surveys, or secondary sources. The current absence of formal statistical systems and continuing conflict in some areas has led to a fragmented and incomplete data collection. Some basic macroeconomic statistics, including national income and balance of payments data are yet to be properly compiled. Also lacking are the statistics needed to design and implement social services.

As a result, the economy is poorly recorded. Recent data compiled by the World Bank, IMF, UNDP, and Somali federal and state authorities and others provide some considerable insight into the current structure of Gross Domestic Product (GDP) and related statistics.

4.5.2 Table 2 below presents the structure of the Somali economy.

Box 1:: Economic Structure

Sector	Share of GDP	Remarks
Consumption	HHS consumption 132% OF Nominal GDP in 2014	Consumption mostly financed by remittances
Imports	Around 62% of GDP in 2015	Again, according to the World Bank, trading partners' countries show that imports reached \$3.3 billion in 2013 and estimated \$3.7 billion in 2015
Exports	14% of GDP	Mainly export of live animals and some fruits and vegetables
Net Investment	About 8% of GDP	
Remittances	Roughly 23 to 38% of GDP	They have been crucial in cushioning household economy, creating a buffer against

		shocks (drought, inter clan warfare and trade bans, etc.),
Livestock	Account for 80% of the Somali total exports	
Agriculture (including crop production and livestock)	Roughly estimated to be over 60% of the GDP	
<i>Telecommunications and Media</i>	Estimated to contribute to GDP by 11%	In recent years’ telecommunications have taken off considerably, and this has been linked to money payments and other services. The expansion of the sector – which now includes over 20 companies – also provides opportunities for taxing users – as it has been in several neighboring countries; to broaden the tax base.
Financial Market	Only six financial institutions operating in Somalia are recognized by the CBS	The CBS is also handling remittances, trade and finance; it also provides, the commercial banking sector, so to help transition from an un-regulated sector to one that is fully in line with the CBS 2012 Financial Institutions Act.
Overall GDP	GDP US\$ 5.9 billion in current \$ terms in 2015	Given the scarcity of hard economic data and porous borders which undermines recording of informal economic flows, the economy is likely to be about 30- 50% bigger than these estimates. This is due to fact that most of the Somali economy is operated informally.

4.5.3 Revenue Performance

With a revenue-to-GDP ratio of around 3% (one of the lowest in the world), domestic resource mobilization is very weak in Somalia. Hence the country commits itself to developing and implementing a comprehensive strategy over the next year to improve tax compliance, including revamping the tax administration.

Raising domestic revenues is a key fiscal policy objective of FGS under the medium term fiscal framework. There is great need to mobilize domestic revenue, which requires substantial effort to improve tax collection with sound policy and administration reforms. This is expected to lead to higher compliance, sustained rapid revenue growth and sustainable fiscal balance over the medium term.

Robust revenue growth will give development partners confidence to continue providing more assistance to the government to finance operating budget. However, commitment is made to ensure that taxation efforts will be non-distortionary and shall not impose an excessive burden on the private sector which would adversely affect economic growth.

4.5.4 Managing Expenditure from a Medium Term Perspective

The main expenditure drivers for Somalia (FGS) include security, government civil wage bill, non-wage operating costs. Underlying these are issues outstanding in the state building process on the FGS role – which services should it deliver and finance itself, which it should deliver but finance only partly (relying in part on cost recovery), which it should finance but deliver through the private sector, and for which services both finance and delivery should be left to private sector, with government regulations as appropriate.

Expenditure¹¹ for 2015 indicates that compensation of employees took 41%, and use of good and services 45%. It is crucial that the key drivers of public expenditures be carefully planned and monitored. Spending decisions have to be considered in the light of their multi-year implications. The FGS recognizes that if substantial operating costs can be paid by development partners in the short run, they will become a claim on the government's own resources in the coming years.

Based on the current trends in the expenditures as of 2015, it is clear that significant external assistance will be required for Somalia's operating budget for some time to come. For the development budget the external support will be even needed over a longer term.

In the next coming years there will be a need to increase expenditures outside Mogadishu. The Mogadishu – centric pattern of spending and small non-salary budgets in the regions (states) and districts as well as difficulties in assessing and spending non-salary allotments impact negatively on service delivery.

¹¹ <http://mof.gov.so/appropriation-act-for-2015-revised-budget/>

4.6 Process for Medium Term Planning & Projections

The medium term fiscal framework sets forth a multi-year fiscal path that reaches, or at least make progress toward, a sustainable fiscal position for the country. In addition to projections (typically over 3-5 years) of fiscal aggregates, including revenue and expenditure, deficit, and key expenditure components (e.g. the wage bill, etc.), the MTFF lays out the assumptions behind the projections, including fiscal strategy and set of policy actions envisaged to achieve the fiscal objectives embodied in the MTFF targets.

The medium term fiscal framework process undertaken in this report has been organized in three sets of scenarios, specifically:

- a) Baseline scenario;
- b) Reforms (high) scenario; and
- c) Low case scenario.

To discuss the scale of new policy initiatives that are required for attaining the MTFF targets, the first step is to conduct the baseline scenario. This consists of a portrayal of the outcomes that are likely to come about under the conventional policies and trends.

The estimate of the revenue deficit in 2017 -19 in the baseline scenario is a key foundation for thinking about what new efforts need to be made to overcome this gap. Towards this end, we seek to make projections from 2017 up to 2019, for all key components of revenues receipts and expenditures, so as to obtain an estimate for revenue deficit in 2017 under the baseline scenario.

This magnitude guides the quest for policy proposals on revenue and expenditures, which could reduce or remove the gap. Projections are made till 2019 and beyond about the impact of various policy proposals.

It should be emphasized that any effort of MTFF and policy formulation, there are significant innate uncertainties about future events, and about the numerical consequences of alternative policy scenarios. Ex post, it will always be the case that reality diverges from the projections estimates. At the same time, there is a need to form a best judgment in fully articulated numerical terms, in order to envision the future and make sound decisions.

The baseline scenario reflects the outcomes that will be obtained under “business as usual”, where the three years from 2017-2019 are similar to recent years in terms of progress on policy and administration. The baseline scenario does not seek to portray the consequences of “doing nothing”, of freezing on policies and administration as 2016. It captures the expected impact of continuing to make progress on policies and administration at the rate that has prevailed in recent years.

Thus interpretation of the baseline applies on both revenues and expenditures. In both cases, the projections for the baseline scenario assumes conditions, and rates of changes, comparable to those that have prevailed in recent years. As befits any medium term framework effort, a series of assumptions are required in pinning down the base-run scenario.

Low case scenario assumes that FGS is not aggressive in generating revenue and attuning expenditure. It continues the policy reforms at the current pace against companies, organizations, or individuals that do not comply with the tax laws. The structure of the taxation system remains dominated by customs duties. No serious reform measures are introduced to improve the mobilization and collection of domestic revenue.

High case scenario assumes quick wins that the governments can undertake using administrative actions with the tools they already have. This will include taxing on wages and salaries are withheld from employees in the public sector and large private companies including NGOs, and compliance improves. The government also begins collecting presumptive corporate taxes from large taxpayers, including firms in the telecommunications, money transfer, and hotel and restaurant sectors.

4.7 Assumptions About Nominal GDP Growth

It should be stressed upfront that any analysis on Somalia’s economic developments continues to be very difficult, as reliable statistics are still mostly unavailable. Most data presented here are rough estimates at best and should be interpreted as such. That said, the Somali economy appears to have started on the road to recovery in recent years.

This recovery has been driven by Somali private sector, the international community’s assistance and spending, as well as by a sharp rebound in agriculture following the end of a drought and famine. As the recovery started from extremely depressed levels

of activity, a strong rebound was to be expected. Economic growth in 2014 was estimated by the Somali authorities, the World Bank and the IMF to have reached 3 to 5 percent, based on indicators of construction sector, (import and production of construction material), telecommunication, agricultural production, and electricity production to have been key elements of growth.

According to the experts, the start of the recovery brought 2015 GDP to a level of about \$5.9 billion, excluding the informal economy. This GDP estimate was derived from the expenditure side, making crude assumptions regarding consumption, investment, and exports and imports. Using a population estimate of 12.3 million people, this implies a per capita GDP of some \$435, still one of the lowest levels in the world.

One assumption that has a considerable impact on fiscal planning is the nominal GDP growth. To the extent that the focus is on fiscal consolidation expressed as percentage of GDP, errors in forecasting nominal GDP do tend to cancel out. However, there are other channels through which the nominal GDP assumption does affect the accuracy of projections.

Table 2 shows the historical experience with nominal GDP growth, from 2012 and onwards. In the recent four years, the average nominal GDP has been growing by 4.6%.

4.7.1 Table 3: GDP and GDP Growth at Market Prices

Year	GDP	Growth %
2012	5,200	
2013	5,352	2.9
2014	5,647	5.5
2015	5,925	4.9
2016	6,217	4.9
2017	6,446	5.2
2018	6,832	6.0
2019	7,243	6.0

Starting from the 2017, it is projected that important fiscal reforms will be implemented and contributes to increase in revenue. As a result, it is expected to have positive effect upon growth in medium term through more capital investment and build investor confidence, which would positively affect GDP growth.

Hence, it is envisaged a tapering off of GDP growth from 4.6% per year of the past (2013-2016) four years to a rate of 6% per year for the period 2017 – 2019.

Table 2 presents the numerical values for the projected nominal GDP obtained under these assumptions.

4.8 Baseline Expenditure projections

Planned expenditure is projected to grow at a four-year (2012-2015) historical growth. Budgetary expenditures have increased sharply during period 2012 to 2015 from as low as US\$35.1m to US\$199.

Defense expenditure is projected to grow at the four-year historical growth rate and maintained at that level in medium term. That means it will grow by 68.4% from the 2015 (88.3) to 129 million in 2019.

Compensation of employees

This component of expenditures will be brought under the allowable resource available within the budget. First of all, it will be difficult if not impossible to reduce the size of the civil servants, given the fact all of them are currently based in Mogadishu. As the government expands its role to cover the whole of Somalia, then more people will have to be hired to operate in the regions and districts in addition to those than be transferred from Central Government to the states. So compensation of employee will have to grow at least within range of the past few years' growth. The projected growth would be in the range of 15% derived from the historical growth of the past few years.

Use of goods and services:

Projections for goods and services are projected to grow at a four-year (2012-2015) historical growth of 8%.

Repayment of arrears and advances

The government policy is to reduce this component of expenditure as soon as it has settled the repayments of arrears and more resources become available.

Other non-planned expenditure

Is expected to grow at the similar rate as that of GDP growth during the considered period that is around 6% per year during the medium term.

Capital Expenditure

In the medium term capital expenditure will have to be covered by funding provided by development partners, while efforts are made to collect more domestic revenue to become adequate to cover not only recurrent budget but also parts of the capital expenditure.

4.9 Baseline Revenue Projections

These projections have been worked out based on historical trends and introduction and implementation of key tax reforms. The tax projections focus on trend of growth in tax collections. As usual there are always year to year fluctuations, owing to random factors, which take actual outcomes away from trends.

Business licenses

A dual system of issuing annual business licenses could be considered. The Central Government would issue licenses for financial institutions, telecommunications companies (including telephone, TV and radio companies), airlines, large manufacturers and firms engaged in the import and export trade. All other businesses with fixed premises would be issued licenses by local governments.

Improvement in compliance

Taxpayers' compliance is improving and all business people are committed to do their part and pay what is due to the government.

Using these assumptions, three illustrative scenarios are undertaken and results presented in the next sections.

4.10 Fiscal illustrative scenarios

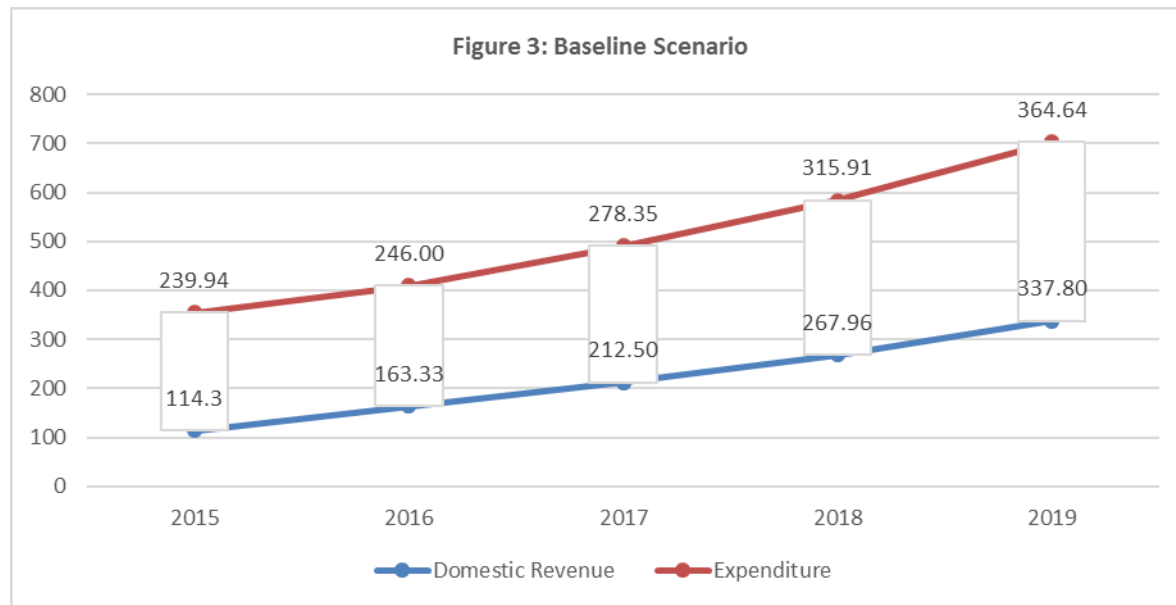
Three illustrative medium term fiscal scenarios are presented here, they are based on a spreadsheet model, to show some trade – offs involved in medium - term fiscal decision-making and the implications of some fiscal policies on revenue and expenditures. For simplicity, the macroeconomic framework is assumed to be the same in the three scenarios. The key assumptions in this context are:

- i. Dynamic growth and stable inflation (based on the IMF projections, as in the SMP);*
- ii. An increase in the wage bill driven by the recruitment of Somali National Army and other security personnel, pay reform, and inclusion of NDP 2017-2019 salary costs on budget;*
- iii. An increase in O&M expenditures to operate and maintain old and new investments; and*
- iv. An increase in investment, notably in the medium term (based on the proposals of the NDP projects/programs).*

In the *baseline case*, it is assumed that a combination of prudent expenditure management, effective efforts to raise revenues and sustained donor assistance allows for the FGS to achieve a number of its policy objectives during the medium term and beyond. These include implementing a pay reform, finance wage bill and bring the National Development Plan largely on budget by 2019. O&M expenditures required to operate and maintain old and new investments, as well as close the operating deficit by 2019.

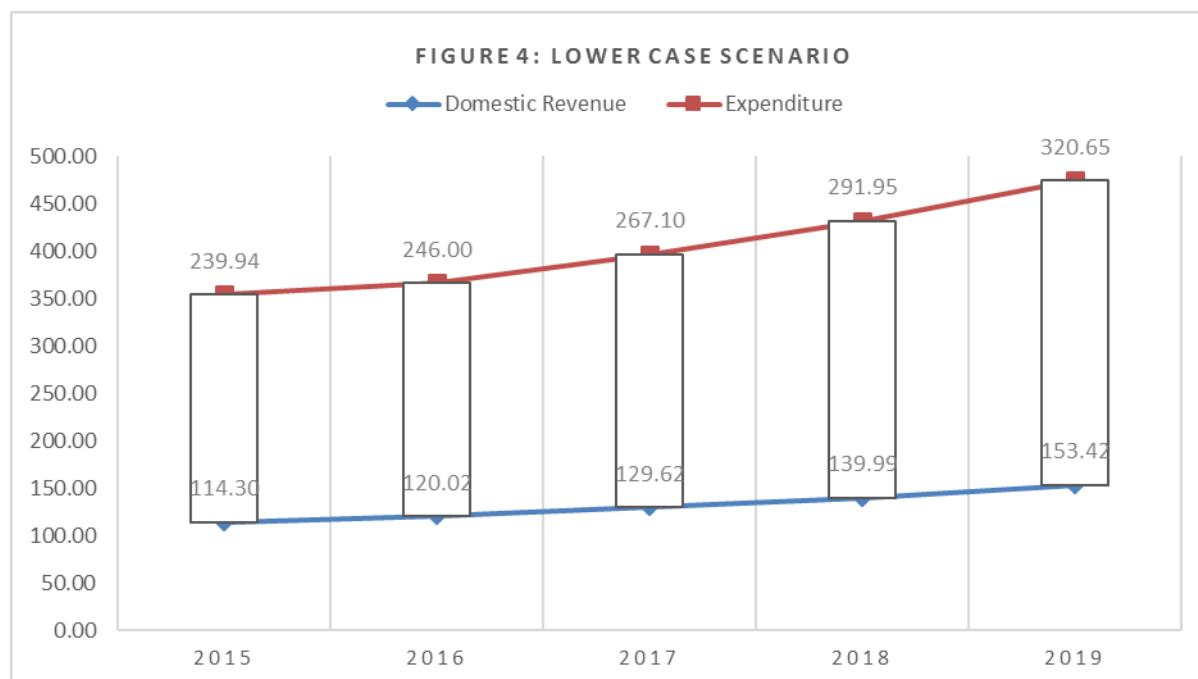
With respect to security sector, the projections assume that non-salary expenditures remain outside the Core Budget over the medium term, and proceed in effectively reforming the Somali National Army and Police. In general, the security sector will require sizable additional non-salary expenditures, which are not incorporated in the Core Budget projections, but mostly to be financed from external aid.

Revenue collection is expected to increase due to forceful implementation of tax administration reform programs and expansion of the tax base, customs reforms through the implementation of tax policy measures already developed and awaiting implementation. Estimated revenues and expenditure projections are presented in Figure 3 below for the baseline scenario.



Even though revenue increased by 95% from 2015 to 2019, in term of GDP ratio it would only rise to 4.3% of GDP by 2019 (still very low by international standards). In absolute terms it would triple from \$114.3 million in 2015 to \$337.8 million in 2019; while expenditures will grow from \$240 million in 2015 to \$365 million by 2019.

Turning to the *lower case scenario*: domestic revenue grows slowly than in the baseline scenario. The government in this case would have to delay the implementation for example of pay reform and keep other expenditures, such as the O&M at low level (see figure 4). This would have a negative impact on the government’s capacity and on the effectiveness of the investment program. Moreover, the government would not be able to finance wage bill as it would continue to be running an operation deficit.

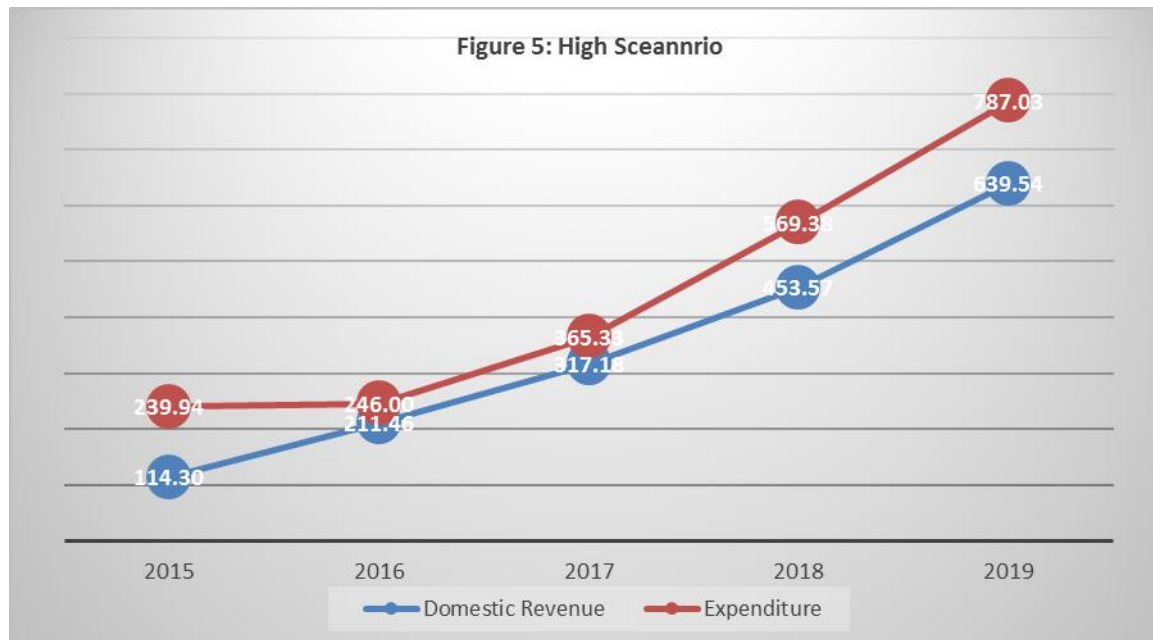


Clearly this scenario is unsustainable as external assistance is unlikely to finance the considerable larger fiscal gap: Consequently, the government will have to seek to finance part of its budget deficit through domestic borrowing, with potential adverse effects for inflation and macroeconomic stability.

In the high-case scenario (optimistic), with additional efforts on the collection of domestic revenue the ratio revenue/GDP could reach 9% toward the end of projection horizon (2019) that is at lower end of the range observed in in other lower-income post

conflict countries. This would enable the FGS to speed up implementation of civil services reform program, with a positive impact on budget implementation in the outer years.

In this scenario the Federal Government could almost pay its wage bill in 2018 and would be in a position to cover Core Budget operating expenditure in 2019. Expenditure would increase by over 30% from 2015 to 2019. While revenue would increase by 17% during the same period (see figure 5).



Scenarios for external assistance will be developed separately as part of the total revenue in the next section.

4.11 External Aid Projections¹²

External aid contributes substantially to Somalia’s total revenue when delivered on treasury; if delivered off treasury it provides critical flows of resources for services.

External aid to Somalia has been fairly consistent since 2014, which has been estimated to have been in the range of US\$ 640-650 million annually.

Combined with humanitarian aid, development partners spent US\$ 1.3 billion annually in 2014 and 2015, not counting military aid and support for peacekeeping.¹³

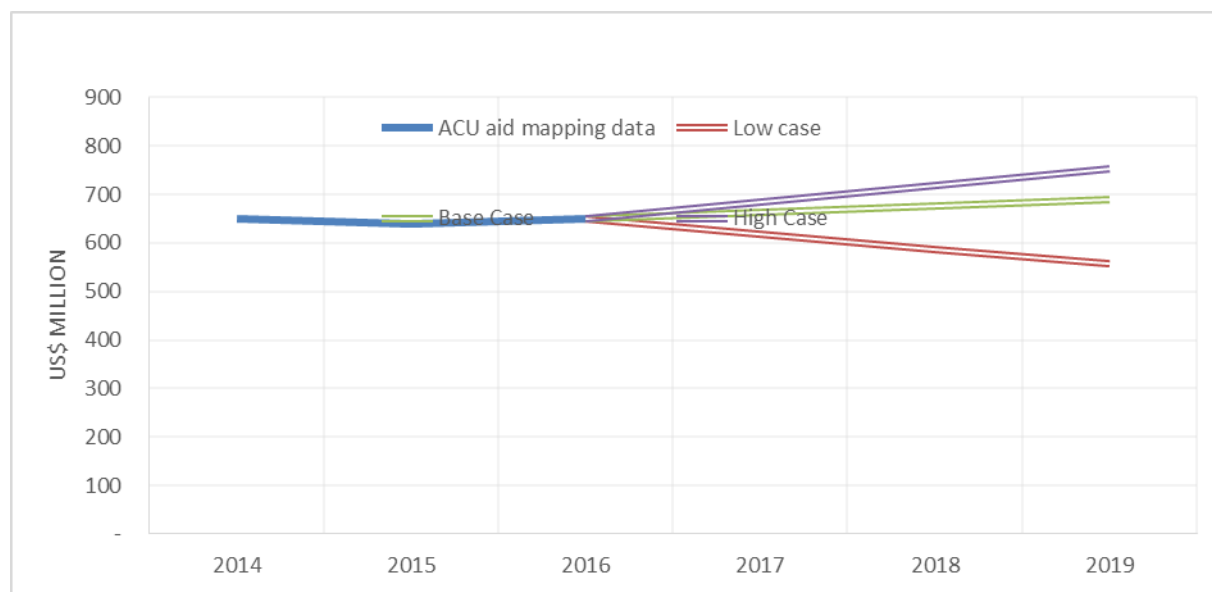
Three illustrative scenarios on external aid are conducted to inform Federal Somali decision-makers on development planning. For simplicity these scenarios focus exclusively on aid for development (exclude humanitarian aid, military aid and peacekeeping).

In the baseline case scenario, it is assumed that aid for development is expected to remain reasonably stable, with an average increase of 2% annually. In addition, it is expected that the political transition takes place without any major troubles, security levels improve after the transition, and there is continued commitment by donors to assist the FGS. While some donors may scale back, due to cuts in their budgets or domestic pressures to spend elsewhere, others may increase support (see figure 6 below).

Figure 6: Scenarios of Aid Projections

¹² This section is based on the work undertaken by Sarah L. Cramer, WB Consultant on Aid Coordination.

¹³ These figures are based on data collected from 40 development partners in 2015 by the Aid Coordination Unit (ACU) in the Office of the Prime Minister, with analytical and technical support provided by the World Bank and UNDP. The report — Aid Flows in Somalia: Analysis of Aid Flow Data — can be accessed here: www.somaliampf.org/node/72



Turning to *low case scenario*, aid is assumed to decline by an annual average rate of 5%. This assumption is consistent with the trend observed in low-income fragile states since 2011.

This scenario would be likely if the elections and political transition had significant setbacks and security conditions deteriorate.

This would make it difficult for existing donors to continue their current levels of support and would deter new support from other donors.

In the case of high scenario, it assumed that aid would increase by an average rate of 5% per year. The election in 2016 will be peaceful and smooth power transfer from old to the new elected government. As well as the fragile security situation, improving during the medium term.

Development Partners support, from traditional and non-traditional donors improve substantially. While Somalia is unlikely to see the continued increase in aid it has experience in the last decade, the share of spending absorbed by security costs to deliver programming would also decrease in this scenario, thereby increasing the impact of funding (see figure 8 below).

In sum, these projections highlight the importance of domestic revenue mobilization for the FGS to achieve steady progress toward a sustainable fiscal position. They also indicate how more rapid revenue growth can create fiscal space for critical expenditures in support of reforms and capacity building. Conversely, lower revenue growth can be expected to have adverse development and macroeconomic impacts, which may be exacerbated if lower revenues lead to loss of donor confidence and financing.

This exercise highlights the benefits of a simple MTF- to outline the fiscal path that FGS has embarked upon, manage the reform process, review affordability issues, and engage the international community on issues of fiscal sustainability.

4.12 Estimate of Resource Envelope

Estimation of *Resource Envelope* comprises three key components, namely:

- Revenue,
- Expenditure, and
- Financing.

Annually the Ministry of Finance prepares a forecast of the resource envelope that covers a financial year, which is used as a basis for budget preparation. For the Medium Term Framework, the forecast covers a three – year period, and it is reviewed annually at time of the annual budget preparation.

The fiscal framework in the Medium Term serves to demonstrate consistency with the macro-economic stability objective of the Government, and to indicate the scale of the resource gap faced by Government relative to its priority projects.

Estimation of the resource envelope takes into account a number of key principles. These include among others ensuring that:

- (i) estimates for revenues are realistic, taking into account the reality on the ground, such as legal framework for taxation, government planned revenue and administrative reforms, the Government's capacity for tax collection and its forecasts for economic activity; and
- (ii) any projected difference between revenue and expenditure can be financed without resorting to levels of domestic borrowing that are incompatible with low and stable inflation.

In line with the above principles, the resource envelope for the medium term is prepared with the following key assumptions for the revenue, expenditure and financing.

4.12.1 Domestic Revenue

Currently the FGS main source of domestic revenue is the customs duties collected at the Mogadishu port and Mogadishu Aden Adde airport. Average monthly amount collected from these two sources ranged from US\$5.5 to 7 million in recent years. These revenues are supplemented by sale taxes mainly from Khat also collected at the port and airport and income tax on government wages and salaries.

During the medium term the government plans to:

1. Strengthening, consolidating, and harmonizing the current system by expanding the tax base to include all large taxpayers not currently paying taxes; extending coverage of tax collection outside Mogadishu and Benadir;
2. Focusing on improving compliance among potential taxpayers and locations with the highest revenue yields;
3. Eliminate nuisance taxes, curb illicit levies, and avoid double taxation and confusion;
4. Introducing income tax on the salaries of employees of registered private companies and hotels;
5. Improving the capacity of tax and customs administration;
6. Crafting and passing needed legislations;
7. Strengthening the single Treasury account;
8. Building the staff capacity needed to implement reforms;
9. Providing tax education and information. Most companies and individuals in Somalia have not paid taxes for the past 25 years and such tax education is important;
10. Encourage taxpayers pay taxes, the government needs to convince taxpayers of the link between compliance, service delivery, and development;
11. Introducing corporate tax for all registered companies; and
12. Reduce loopholes, remove exemptions, and introduce strict control through the Accountant General and other institutions to reduce mismanagement and corruption.

The FGS also intends to consider review and finalize a revenue-sharing mechanism with Federal member states.

4.12.2 Donor Grants

Donor support in Somalia has been off budget and some delivered through treasury, meaning that donors are directly funding activities implemented by service providers, without passing through government's budget system. While that part of aid that is delivered on treasury is disbursed into the government's main revenue funds and managed through the country system.

The FGS target in the short run is to achieve a 15% of external development spending to be channeled through treasury, including the SDRF national window.

Donor support has been stable in recent years but in the future it is to be expected to start declining partly to reflect the unwillingness of most development partners to commit to budget support due to weak reform implementation in the wake of the governance challenges in a number of areas.

4.12.3 Financing

The Government is committed not to borrow money, either domestically or externally, to finance its expenditures during the Medium Term period. Externally, Somalia being a highly indebted poor country cannot borrow before it has cleared its debts with IFIs and other development partners.

That means it has to go through a HIPC process, which requires satisfying a sets of requirements set for that purpose.

4.13 Resource Estimates

Resource estimates for the Medium Term period (2017 – 2019) are presented below on three different sets of assumptions reflecting three scenarios developed in the previous sections of this report

4.13.1 Table 4: Domestic Revenue Mobilization

Scenario	2015	2017	2018	2019
Baseline	153.3	212.5	267.9	337.8
Low	120.0	129.6	140.0	153.4
High	211.5	317.2	453.6	539.5

Sources: Aues Sceek WB consultant own estimates

The baseline scenario, roughly speaking the results should be interpreted that for the next three years as predictions for outcomes that would be obtained if the pace of reforms to policies and administration in the next three years was the same as that which come about in the last three years. Revenue would more than double (from 2015 to 2019) during the medium term in the baseline scenario. While in the low scenario a minimal increase in revenue during the medium term is observed. The high scenario shows a significant increase in revenue, that’s more than tripling during the medium term.

External grants are forecasted separately, given the fact that they are outside the government control.

As current donor pledges and commitments of external aid are expected to continue during the medium term, even though some donor shifted their support from bilateral support to aid through the World Bank MPF.

These estimates on external aid are indicative and subject to change, such as tightening of donor fiscal policies, changes in political priorities, delays in program implementation due fragile security and other related political and social factors for details see table 4 below.

4.13.2 Table 5: External Aid Scenarios

	2016	2017	2018	2019
Baseline	650.7	663.8	677.0	690.6
Low	650.7	618.2	587.3	557.9
High	650.7	683.3	717.4	753.3

Sources: Aues Sceek WB consultant own estimates

4.14 Sectoral Projections

Aid is made up of many different contributions from development partners with different priorities, comparative advantage, and restrictions on how their funding may be used. Shifting focus to new priorities is a multi-year process. As such, the sectoral

breakdown of aid over the last years is a good indication of how much will likely be available to these sectors in the next few years. The sectoral projections have been used to inform the scale and ambition of the NDP sector priorities.

Overall as improved domestic revenue mobilization and collection and international support, resource availability (resource envelope) is estimated to increase substantially depending on security condition and smooth election in 2016 as well as power transfer.

4.14.1 Expenditures

Managing expenditure from a medium term perspective is crucial to the achievement of fiscal sustainability. In the case of Somalia, the main expenditure drivers include the government civil wage bill, non-wage operating costs, and security spending and development expenditures.

In the medium term the top priority for the FGS is to cover expenditure on security and civil service personnel. Currently (2015) estimated to be at around US\$ 109.2 million (compensation of employees) per year.

Another important element is to have needed expenditure to cover operational cost funding for security and civil service to be able to operate effectively. Operational expenditures were at about US\$80.1 million in 2015. Overall projected domestic revenues for the next three years could cover the core budget expenditures of US\$ 365 in baseline scenario and US\$787 in the higher scenario for details see table below.

4.14.2 Table: Projections of Revenues and Expenditures

Baseline	2015	2016	2017	2018	2019
Domestic Revenue	114	163	212	268	338
Expenditure	240	246	278	316	365
Low					
Domestic Revenue	114	120	130	140	153
Expenditure	240	246	267	292	321
High					
Domestic Revenue	114	211	317	454	640
Expenditure	240	246	365	569	787

Sources: Aues Scek WB consultant

CHAPTER V

ECONOMIC DEVELOPMENT

5.1 INTRODUCTION

Somalia's GDP in 2013 was estimated at about \$5.4 billion. In current dollar terms, Somalia's economy is larger than the economies of the Central African Republic, Djibouti, Burundi, Eritrea, and Malawi (Figure 3.1). Out of 46 Sub-Saharan African countries, Somalia's economy ranks 16th from bottom in terms of size. Total GDP estimates imply a per capita GDP of \$435, making Somalia the fifth-poorest country in the world (after Malawi, Burundi, the Central African Republic, and Niger). Somalia's per capita income is 20–40 percent higher than GDP per capita, because massive inflows of remittances allow households to top up own-generated income (used to measure GDP per capita). The recent estimate of Somaliland's GDP by the World Bank put it at \$1.6 billion in 2012. Estimates by the authorities in Puntland estimate its GDP at \$1.3 billion in 2010.

Somalia's GDP is dominated by private consumption and imports. Household consumption, financed by remittances, was equivalent to more than 100 percent of Somalia's nominal GDP in 2014, with food and beverages accounting for about 60 percent of the total. Non-food goods (cleaning products, medication, paper and paper products, office supplies, and other nondurables) accounted for about 34 percent of the total consumption. Net investments accounted for only 8 percent of GDP. Exports were equivalent to about 14 percent of GDP, while imports accounted for more than two-thirds of GDP. The large trade deficit was financed mainly by remittances and international aid.

With emerging political stability, government expenditure has started to expand as a share of GDP. The FGS accounted for only about 1 percent of total GDP in 2012. However, this share is rising: Federal expenditure increased from \$35.1 million in 2012 to \$117.4 million in 2013 (a 234 percent increase) and stood at \$151.1 million in 2014. This increase was driven mainly by compensation of employees and use of goods and services. The same scenario is observed in Somaliland, where government revenue increased from \$84 million in 2011 to \$114 million in 2014 and is projected to reach \$152 million in 2015. Puntland expenditures increased from \$52.7 million in 2012 to \$62.0 million in 2013. Continued improvement in the security situation in Somalia is attracting business activities, as more areas come under government control.

International trade appears to have grown steadily over the past six years, although the absence of reliable data makes trade difficult to assess. Data on exports and imports through major ports are collected in physical quantities but are not reliable. More reliable aggregate trade data reported by trading partner countries show that imports reached \$3.3 billion in 2013 and are projected to reach \$3.7 billion in 2015. The largest recorded imports through the Berbera and Bossaso ports are food (sugar, khat, wheat and wheat flour, rice, and cooking oil); building materials; and fuel. Khat, a mild narcotic, is the second top import product after sugar. Exports almost tripled during the past six years, reaching \$779 million in 2013. Livestock continues to dominate exports followed by charcoal, fish, and hides and skins.

The potential to increase exports is substantial, as fisheries and horticulture remain under exploited. Success will depend on the ability of producers to meet international standards for food safety and develop a quality control and sanitary and phytosanitary (SPS) capacities (USAID 2014).

The economy is highly dependent on imports. In 2013 Somalia ran a trade deficit of 39 percent of GDP, after importing goods and services worth 62 percent of GDP and exporting goods worth just 14 percent. The deficit was financed through remittances (equivalent to 41 percent of GDP) and direct donor support (equivalent to 9 percent of GDP). The large trade deficit signals opportunities for Somalis to produce for the domestic economy, boost exports, and reduce reliance on imports.

Diaspora remittances are central to Somalia's economy, providing a lifeline to large segments of the population. Remittances are estimated at \$1.2–\$2.0 billion, equivalent to 23–38 percent of GDP. Remittances have been important in cushioning household economies, creating a buffer against shocks (drought, trade bans, and inter-clan warfare). They fund direct consumption,

including education and health, and some investment, mostly in residential construction, allowing Somalia to sustain its high consumption rates and to finance a large trade deficit. As in many other developing countries, remittance flows in Somalia outweigh both international aid flows and foreign direct investment (FAO 2013). Although some remittances are invested, most are spent on consumption, with significant subsequent effects on poverty and inequality. Evidence from the 2013 Somaliland Household Survey, shows that 31 percent of urban households and 16 percent of rural households received remittances (World Bank 2015a). Households that received remittances tended to work fewer hours and to consume more than households that did not, particularly in urban Somaliland. Labour force participation rates among remittance receivers were half those of people who did not receive remittances. In urban Somaliland, average household consumption was 21 percent higher among remittance-receiving households. In the absence of robust domestic regulation in the sector, this critical resource for Somali households is under threat.

With the exception of Somaliland and Puntland, Somalia has suffered prolonged conflict related to the Al Shabaab insurgency. Significant potential for resource-based conflicts remains at various levels, for example: conflict over the sharing of revenues from extractive industries between state and federal government; conflicts regarding expropriated land and buildings; and conflicts over the allocation of federal resources between regions, clans, and within and outside Mogadishu. Nevertheless, the partial and fragile peace and security gains there have led to a remarkable rebound of business activity throughout the country and a surge of investor interest, including from returning members of the Somali diaspora.

Somalia's entrepreneurial private sector community is one of the country's main assets and an important partner for development actors. Throughout the years of conflict and fragility, Somalia's private sector helped maintain economic activity. Some entrepreneurs flourished by providing money transfer, transport, and telecommunications services. As a result, despite a long period of instability, three industries have thrived: livestock, remittance services and telecommunications. The livestock trade remains the backbone of the economy: 60 percent of the population derives a livelihood from pastoralism-based livestock production. In the absence of a formal commercial banking sector, remittance companies have enabled the diaspora to remit around US\$1.3 billion annually to families in Somalia in 2014. Telecommunications companies employ around 25,000 Somalis, generate substantial profit and have enabled a mobile penetration rate of 20 subscriptions per 100 people.

While these achievements are impressive, further growth is constrained by underinvestment, insecurity and inappropriate or absent regulation. This is reflected in low internet penetration rates (one of the lowest in Africa); the unsustainable management of natural resources and rangelands that threatens the livestock and fisheries trades; and remittance companies facing exclusion from international transactions in the absence of a sound domestic regulatory framework that is enforced.

Vision for Economic Development in Somalia

The vision for economic development in Somalia is strong growing national economy, driven by a competitive vibrant private sector and based on sound public regulatory framework, which delivers jobs and prosperity for all, and enhanced revenues for government and affordable services for citizens.

5.2 PRIVATE SECTOR DEVELOPMENT

5.2.1 The current situation:

Somalia has a dynamic, diverse, and highly entrepreneurial private sector that has filled the void of government institutions. Private providers supply everything from basic utilities and security services to health and education services. The economy is dominated by the livestock sector, which generates trade worth an estimated 40 percent of Somalia's GDP, and over 50 percent of exports [8]. Nomadic and semi-nomadic pastoralists make up approximately 60 percent of Somalia's population.

Businesses, from micro-enterprises to large corporations, operate in a legal and regulatory vacuum with little or no formal government enforcement. The economy is largely informal and dependent on traditional/customary mechanisms for dispute resolution and means of contract enforcement.

The private sector have been able to engage in international trade and commerce by borrowing governance structures from other countries, for example companies are often registered overseas, the economy is de facto dollarized, a number of commercial airlines serving Mogadishu operate out of foreign airports are checked there, with planes and crews leased from international suppliers. The Hawala system uses financial systems outside Somalia. In Somaliland and Puntland the government and business community negotiated an agreement with a Saudi Arabian company (SEIVQMC) to establish quarantine stations to facilitate the export of livestock to Somalia's major export market in Saudi Arabia.

The private sector has de facto privatized other governance mechanisms – for example land title search. Records from the pre 1990s were taken overseas during conflict, and post 1990s land transfers published by gazette which are now kept by lawyers. Transfers are cross checked through both these sources, and disputes managed by a Land Dispute Committee established by the government. [9]

Services traditionally provided by governments, are provided by the private sector, for example roads, water, and electricity. Funding is provided through the private sector, sometimes with contributions from government and community, or through simplified tariffs for electricity and water. However, the costs of these utilities far exceed normal levels.

The development of strong contact and support networks; excellent local knowledge; and reliance on customary and sharia law has stepped in to address lack of credit information (no credit bureau or secure transaction registry) or strong legal system. This framework has been successful in facilitating rapid private sector growth to date, but has also proved to be a major barrier to the success of new entrants into the market, and especially FDI.

The challenge of combating emerging anti-competitive forces has been raised as an issue for growth and development. In several sectors (for instance finance, import-export, telecommunications, and remittances), the potential exists for more powerful businesses to shape public policies in ways that can discourage or prevent new competition in those sectors. Private sector leadership of a policy dialogue that takes into account broader perspectives of growth and prosperity for Somalia is an important factor in addressing these challenges.

The Private sector therefore has a pivotal role to play in the development of Somalia, and consultations to date have highlighted the importance of their engagement and investment to enable economic growth. The private sector has a role to play at all levels of the economy, including support to the provision of essential services and infrastructure development; providing private sector led certification for export markets; investing in technology and skills; as well as strengthening the capacity and legitimacy of the government through tax revenues, and their active commitment to peace and prosperity.

5.2.2 Challenges

But Somali enterprises of all sizes face significant challenges which must be addressed to enable continued growth. A 2014 WBG Enterprise Survey of 500 firms in Somaliland concluded that the main obstacles to private sector development are poor access to finance, an inadequate land titling system, lack of infrastructure, high operating costs (low labor productivity, high utilities costs) and security considerations.[10] An emerging business class engaged in limited, small-scale business activities and operating small and medium sized enterprises (SMEs) is adversely affected by the high cost of inputs (electricity, fuel, water) as well as additional costs for private security and high cost of labor and transport.

These challenges were reiterated throughout the NDP consultation workshops which identified inadequate sectoral regulation and supervision; access to finance; lack of reliable energy; lack of inputs (Labour and technology); and constraints to trade (security/ transportation/ regional links) as fundamental constraints to growth and investment. These constraints are described in more detail below.

The absence of appropriate sector regulation and supervision inhibits trade and the growth of local industry. For example the local fishing industry lacks a licensing regime, and supervisory framework which would inhibit illegal fishing and enable

investment of technology and infrastructure and technology to support growth. Telecommunications, another high potential sector, lacks a communication act which would facilitate formal operator licensees and interconnectivity, as well as protection for local users, encouraging usage of mobile payments and banking. Users would benefit from more advanced services, including mobile broadband, which would come through a formal mechanism for allocating 4G spectrum. Internet use in Somalia is among the lowest in all of Africa, in part because of poor spectrum management which means mobile broadband speeds are low and call drop rates high. **Federalism poses a risk to private sector if regulations and laws are not harmonized across states, and within the FGS.**

The Somali financial sector is also largely unregulated. The financial sector has the potential to contribute to development finance mobilization in a way that strengthens state-building, and enhances government and national system credibility. There is a limited degree of confidence in Somali institutions of financial sector regulation and supervision, largely due to an absence of laws and enforcement capacity of regulatory frameworks, high informality and levels of insecurity. The lack of regulatory and supervision capacity threatens access of the Somali financial institutions to the global network of correspondent banks needed to channel remittances and ODA. [11]

Administrative barriers to trade are significant, [12] particularly the steps, cost and procedures to get goods in and out of the country. The range of trade constraints businesses face include:

- Costs and delays incurred to finance an export transaction – without a banking industry in Somalia, there are no letters of credit (LOCs). Importers and exporters have to make complex arrangements through remittance companies and banks elsewhere in the region to finance a simple trade transaction;
- Weaknesses in customs management – particularly the lack of risk-based systems for the inspection of goods (without which every container must be inspected), and the lack of computerized systems – e.g., ASYCUDA – for broader customs management;
- Inadequate and deteriorating port infrastructure, especially the lack of a standalone container handling facility; and
- Narrow and deteriorating roads that cannot accommodate heavy trucks. Containers have to be unpacked in the port and the contents repacked into trucks with smaller capacity.

Somalis who engage in trade do not benefit from membership in trade pacts or regional groupings because Somalia does not belong to any. It is not a member of the World Trade Organization (WTO) or any regional trade agreement, nor has it entered into bilateral trade agreements.

Somalia's security challenges add to the difficulties and costs of trade. Political instability and the dangers of piracy make it difficult or impossible to obtain trade insurance. This increases both risks and costs for traders. Regional partners also often impose restrictions on trade with Somalia for security reasons. Internally, the security situation is stifling growth, and was the number one issue raised in the consultation processes. Security concerns: increase production costs as private sector hire private security firms, concentrate business activity in urban areas [13], stifle significant investment in agriculture due to the risk of loss, and reduce distribution and market linkages. In NDP consultations it was revealed that local tolls by militias increase the cost of transportation, making transportation to markets unprofitable.

Private sector development is constrained by the scarcity of electric power and extremely high electricity prices, with the private sector's energy costs often constituting the major operational cost.[14] As a result, imported goods from abroad often remain more competitively priced than locally-produced goods.[15] While the limited size and the manner in which the electricity sector is structured do not offer much scope for increasing economies of scales, there is a huge potential for cost reduction. A recently prepared report on an ongoing Least Cost Power Development Plan (LCPDP) for the electricity sector of Liberia shows that electricity production in 10-20 MW reciprocating motors running on heavy fuel oil (HFO) could cost no more than 20 US cents/kWh (investment plus operations and maintenance costs).

Lack of technical and managerial skills is a binding constraint across the private sector. Most businesses in Somalia lack experience of running a business in an open and competitive environment. They also lack managerial and technical training which has not been available during the conflict period. Availability of skilled Labour was one of the constraint factors mentioned in our consultation.

5.2.3 Vision

Create a vibrant, robust and competitive private sector that contributes to the sustainable economic development of the Federal Government of Somalia.

5.2.4 Mission

The mission of the private sector address the (i) development, support and promotion of investments and businesses; (ii) building partnerships for market development; (iii) improvement of free movement of goods or regulation of internal market; and (iv) advancement of trade policies.

5.2.5 Goal

- i. Improve access to financial services and markets
- ii. Catalyse investment opportunities for private sector to overcome barriers to local, regional and global investment
- iii. Build public-private-partnerships and social franchising networks to improve access to quality social services

5.2.6 Strategies and Milestones

Strengthening the Enabling Environment for Private Sector Development

The proposed strategy for strengthening the enabling environment is to start with a few transformative sectors and:

1. Reducing the costs of trade
2. Improve access to finance
3. Improve access to inputs : technical and managerial skills, technology
4. Catalyze private sector investment into high priority sectors by 2017

Selection of the priority sectors should be done using the criteria developed through the NDP consultation process which reflect the contribution to these sectors to the Economic Development Goals, and their ease and speed of delivery. These were proposed as:

Contribution to the success measures

- o Number of jobs created (particularly for youth, women, across the states)
- o Contribution to GDP growth
- o Contribution to poverty alleviation

Ease of implementation

- o Time taken to deliver visible project benefits
- o Stakeholder support
- o Cost / availability of finance
- o Impact on the environment

Formally engaging the private sector in economic development through a Public Private Dialogue:

NDP consultations recommend establishment of an action oriented partnership for the private and public sector to oversee the implementation of the economic aspects of the NDP. Its mandate will be the achievement of the vision articulated at the

beginning of this chapter, through addressing the challenges to private sector investment and to support the growth of priority sectors.

The absence of appropriate policy dialogue, coupled with poor capacities to enforce laws and regulations hampers private sector growth. As a result, firms are left to navigate this uncertainty, which keeps SMEs, international and diaspora investors out of the economy and allow a few large firms to dominate the economy.

A public private dialogue (PPD) will be designed with a mandate to support economic development. Bringing on board non-state actors from the private sector, plus development partners, will promote better diagnosis and design of policy reforms as well as creating momentum and accelerating reform. It will enhance ownership and buy-in making it easier to implement reforms. It can increase transparency and accountability. It will also support the growth of key institutions and capacities that can support reform – research, communication, implementation monitoring. The PPD will have the added benefit of supporting the ongoing peace building efforts as has been evidenced in other post conflict economies.

Part of the process of developing the PPD will be a focus on an inclusive approach to dialogue, including the voice of different actors in the economy, as well as communicating broadly the decisions, and progress of the reform.

The first milestone will be the launch of the PPD following approval of the approach by the Council of Ministers, followed by the development of a roadmap for its implementation. It is recommended that the PPD develops organically and iteratively, initially focusing on one or two key issues or sectors to build momentum and capability to tackle bigger issues.

Building the capacities of Government and the Private Sector for Policy Reform

Low capacity of both public sector and private sector institutions to participate and drive good policy reform may derail the reform process:

a) Improved regulatory / supervisory framework for investment

The capacity of government to regulate and enforce policy, laws and regulations was highlighted throughout the consultation process as a top priority. Without enforcement capacity, good regulation and law is at best irrelevant, and may undermine the legitimacy of the government. Federal and state frameworks need to be harmonized and this relationship provides an additional level of complexity in the development of a regulatory / supervisory framework.

Capacity development is needed to support this process. The results framework includes some milestone targets, including the development of Public Private Partnership Capacity, update / development of relevant laws/ regulations including the Company's Act, Intellectual Property, Labour, and Competition laws and the development of feedback mechanisms to monitor service improvement.

b) Improved monitoring and evaluation of PSD progress and communication of results

The government is determined that the development and implementation of the NDP should be based on analytics and data. Missing data to help to understand the needs and drivers of PSD includes:

- i. the profile of private enterprises: size and structure of the sector, distribution by size – turnover, employment, capital; and extent of informal activities;
- ii. performance of private enterprises- growth in sales, number; Dynamism – entry, startups and exits;
- iii. Costs of doing business – constraints reported by business and what are businesses doing to manage these constraints?
- iv. Electricity - what type of businesses are hurt the most by high electricity cost
- v. Access to finance – How acute is the unmet demand for financial services, what types of financial products are more in demand – working capital, startup capital etc.); how do firms carry out financial exchange (payments)? What are the constraints to growth of the existing system?
- vi. Issues in specific value-chains for example, livestock, fisheries, and horticulture processing and exports; potential based on export markets and costs of production; Competition - extent of monopolies and cartels, price fixing, blocking of entry; Product safety standards – where are they needed the most? How can they be provided? Food safety systems for exports;
- vii. Public private partnerships : current PPP projects and potential

c) Improving sector capacity for dialogue and reform

Private sector agencies need strengthening to enable better representation, and presentation of private sector priorities. Tools to build inclusiveness (surveys, consultation processes) are also useful as it links with think tanks and research institutions to build the capacity to present policy papers based on analytics and anchor discussion around facts rather than personalities. Strong private sector leaders who can unite the private sector to serve the common good will be critical in the success of the process.

The Public sector needs to develop the capacity to coordinate, and drive through the changes needed across line ministries and agencies, including the states. In other countries, reform agencies have been anchored at the highest levels of government to unlock roadblocks, and mobilize political will for reform.

5.3 AGRICULTURE SECTOR

5.3.1 Situation Analysis

A large part of Somalia is arid and only small areas have conditions conducive for agriculture. Despite the climate constraints, agriculture is practiced in more than half of the country including many marginal production areas. The most fertile land in Somalia occurs in the North West regions (Somaliland) and along the two rivers in the south (Juba and Shebelle) and the inter-riverine areas of southwest Somalia.

Crop production is extensively dependent on rainfall, ranging from less than 100mm in the north to 600mm in the south per annum. The country experiences two rainy seasons. Currently rain-fed agriculture is done on an area of 2,361,997 Ha which is equivalent to 3.7% of the total land cover and 90% of total area cultivated. Irrigation agriculture covers 628,050.34 Ha, which is equivalent to 1 % of the total land cover and 10% of the total cultivated area. However, irrigated agriculture is in disarray as its infrastructure along the main rivers is dilapidated.

Research has shown that under optimal agro-ecological conditions, cereal harvest only meet 40-50 % of the national cereal requirements causing significant trade deficits. In 2015, 126,800 metric tons of cereal was produced with 87,900 tons being sorghum and 38,900 tons being maize. It is projected that in 2016 the country is expected to import 526,000 metric tons to cater for the deficits (FSNAU, 2016). These deficits are exacerbated by the huge exposure to climate change and unpredictable weather patterns.

5.3.2 Challenges

- i. Very low productivity mainly under rain fed conditions with limited access to water resources.
- ii. Farmers and agro-pastoralists have high levels of vulnerability and farmers are exposed to climatic and other shocks and stresses.
- iii. Weak capacity and shortage of Federal government of qualified staffing to lead agriculture development at Federal levels. Low technical and organizational capacity and nascent institutions - especially at regional and district levels in developing / overseeing agricultural policies and provide public services (agricultural extension and research).
- iv. Poor adaptation strategies and mechanisms to changing climatic conditions and high incidence of (trans-boundary) pests and diseases by agricultural and agro-pastoral communities.
- v. Lack of suitable crop varieties for the Somali climate offer few options for farmers for production of food and cash crops.
- vi. Somali farmers face huge post-harvest losses due to lack of appropriate storage, processing techniques, and marketing facilities.
- vii. Much of the productive labor force (families) was displaced by conflict and drought and is in urban IDP settings.
- viii. High environmental degradation particularly due to soil erosion and fertility misuse of fertilizers and pesticides.
- ix. Destroyed or damaged and inadequate productive (irrigation, canals, etc.) and marketing infrastructure (roads, markets, storage, bridges) contribute to low productivity and commodity values, ultimately affecting income of farming families.

5.3.3 Vision

The Federal Governments' vision for the agriculture sector is to ensure food and nutrition security and to pursue economic growth, social capital development including the empowerment of youth and women in agricultural activities while reducing the process of environmental degradation.

5.3.4 Mission

The mission is to reduce the poverty, increase livelihood, increase employment and income through a “Resilience Based and Market-Driven Approach” in pursuit of a countrywide strategy towards Climate-Smart Agriculture and supporting value chains and markets development, introducing appropriate policy and technology.

5.3.5 Goals

- i. Strengthen Institutional Capacity of national and federal states for the Ministry of Agriculture-
- ii. Improve and Rehabilitate Productive Agricultural Infrastructures
- iii. Increasing agricultural production
- iv. Develop and support effective agricultural output commodity/marketing systems across Somalia

5.3.6 Targets

The agriculture sector intends to achieve the following at the end of the period (2016-2019):

- Increase in cereal yield from 200,000 metric tons to 240,000 metric tons which will represent a 20 percent increment in cereal production by 2019.
- Increase in farm land under irrigated agriculture from 62000ha to 75000 ha, which will represent 1.2 percent of the land cover and 12% of the area under production.
- Increase number of HHs growing and consuming nutrients dense vegetables from an estimated 10,000 households to 20,000 households by 2019 as a result of technical support, demonstration plots, tastings, awareness raising and nutrition campaigns.
- Re-introduction and cultivation of underutilized or orphaned crops such as cassava with increase in yields from 1,170 metric tons to 5,000 metric tons by 2019 as a result of technical support, demonstration plots, tastings, awareness raising and nutrition campaigns.
- Development, endorsement and implementation and operationalizing of a vegetable production master plan by 2019 as a result of technical support, demonstration plots, tastings, awareness raising and nutrition campaigns.
- Development of at least two major regulatory frameworks and/or policies and guidelines to influence internal and external trade by 2019. Crucial regulatory frameworks to be developed:
 - a. Phytosanitary laws
 - b. Agriculture credit laws
 - c. Land and water use
 - d. Food security policies
 - e. Policies on pricing-tax relief

5.3.7 Strategies and Milestones

Strengthen the institutional capacity

During the NDP period, the sector will develop an all-inclusive participatory National Agricultural Plan with annual operational plans. It will establish and strengthen the laws and policies in the areas of [i] land and water use [ii] Phytosanitary laws [iii] agricultural credit policy and food security policy law (short and medium term loans and financial support), strengthen the MOA's coordination mandate by establishing a government-led agricultural coordination forum. The sector will develop and sustain internal MOA policies, systems and procedures to build culture of formality and accountability. It will strengthen institutional knowledge management (KM), data collection and storage, and establish an effective M&E system. Further, the sector will develop skills of the ministry of agriculture staff and provide adequate premises and facilities for the Ministries to deliver its mandate.

Improve Agricultural Infrastructure

During the NDP period, the sector will identify and rehabilitate priority irrigation in infrastructure and feeder roads, such as the reservoir and related infrastructure (canals, sluice gates, feeder roads, barrage); it will restore the physical status and functioning of canals and develop and expand overall irrigation infrastructure. Further, the sector will promote the effective management and utilization of water resources for agriculture. It will develop irrigation master plan through community engagement.

Increase Agricultural Production

During the NDP period, the sector will promote the use of modern and appropriate agricultural technology. It will revive and develop the agricultural processing and packaging products. Further, the sector will promote investment and partnerships for enhanced agriculture production and will support the development of agricultural inputs across Somalia using appropriate technologies and Good Agricultural Practices (GAP) – including Climate-Smart Agricultural practices and systems for outreach to Somali farmers. The sector will establish an effective and appropriate national seed system including production, seed treatment and seed storage in seed banks. It will promote production intensification and diversification sustainably increasing and strengthening the effectiveness of the research and extension apparatus.

Effective Agricultural Marketing

During the NDP period, the sector will formulate a framework for business investments in agriculture medium/large scale commercial farms. It will improve the availability and accessibility of rural credit and financing support to small holder farmers and cooperatives. The sector will promote small holder marketing through group dynamics cooperative and farmer community based organization development in order to enhance marketing of commodities. It will facilitate the establishment of new marketing facilities and create a national agricultural commodity market data and information network exchange, access and retrieval system. Further, the sector will reduce post-harvest losses through improved storage, processing and value addition activities with proper training, equipment and facilities. The sector will also assist value addition and improve transformation to locally produced commodities thereby strengthening and improving efficiency within the market systems to enhance flow of goods to niche/ high end markets.

5.4 FISHERIES SECTOR

5.4.1 Situation Analysis

Somalia's northern coastline on the Gulf of Aden from Djibouti to Ras Asir (Cape Guardafui) is about 1,000 km long and its eastern coast extends along the Indian Ocean from RasAsir to Kenya for about 2,000 km. Coral reefs are found in many places along the coast. The continental shelf along both coasts is narrow, usually extending not more than between 6 and 30 km from the shore, except in the RasAsir to Ras Mabber area where the shelf is up to 60 km wide.

During the south-west monsoon (May to August), a strong northeast current is, generates an upwelling along the northeast coast of Somalia, creating one of the most productive ecosystems in the ocean. At the onset of the north-east monsoon (December to February), the current turns and flows in the opposite direction.

Somalia has large fisheries resources available in its EEZ, both demersal and pelagic. The marine fishery sector comprises two distinct separate parts: the local artisanal sector, operating in a multi-species fishery mostly in inshore areas (within 30km of the

shore), and the industrial sector, targeting primarily highly migratory tuna species, exploited by both foreign-flag vessels from distant-water fishing fleets, as well as by national deep-water vessels. The majority of the coastline is remote and far from main settlements and hence only lightly fished by local fishermen.

There is limited accurate and up-to-date catch and landing data in Somalia, which is a major challenge to be overcome in the management and development of the sector as a whole. Although the current state of the stocks are unknown, and catch reports are unreliable, the seasonal abundance of tuna and tuna-like species is estimated at between 120 000 and 200 000 tons (as of 1987). The long-term sustainable development, and reduction in Illegal, Unreported and Unregulated (IUU) fishing of these resources, is of significant importance to the national economy. Somalia has recently become a member of the Indian Ocean Tuna Commission, which is responsible for the management of regional tuna **Volume and value of fish caught by the artisanal fleet in Somalia (metric tons)**

Species caught in Somalia's EEZ	Value Per Ton (avg. 1997-2006)	Annual Landings (avg. 1997-2006)	Total Annual Value (avg. 1997-2006)
Yellowfin Tuna	\$2,333	2,168	\$5,707,851
Bigeye Tuna	\$2,913	1,485	\$5,044,167
Skipjack Tuna	\$1,035	1,417	\$1,471,568
Albacore	\$2,516	90	\$263,354
Tropical Spiny Lobster	\$9,959	453	\$4,390,080
Swordfish	\$2,639	393	\$1,245,157
Mixed Group	\$1,051	26,413	\$27,770,359
Total	\$1,416	32,419	\$45,892,437

Source: Sea Around Us Project 2011²

IUU fishing in Somalia has been a problem for many years. IUU fishing was an initial justification for the development of the piracy in Somalia, which later exploded and became organized crime, in particular after 2006. IUU trawlers have been and still are operating close to the coast, on the narrow Somali continental shelf, most probably damaging the ecosystem and directly competing with artisanal fishermen. The exact impacts that these vessels, their catch composition and quantities, are unknown. The establishment of a revenue sharing Federal Fisheries Authority (FFA), under the MFMR, is an important pre-requisite to addressing the IUU issue, together with the establishment of an operational Fisheries Monitoring Centre and development of sea patrol enforcement capacity for both inshore and offshore facilities to monitor fleets operating in the EEZ and enforce national and regional, *i.e.* IOTC, requirements. Vehicles and IT equipment are required for the collection and collation of fish landings and effort data, and the completion of the ongoing registration of all fishermen and fishing vessels, coupled with appropriate training of Federal and regional ministry staff.

To assist with this work by the Ministry, and the needs for vocational/technical training within the fisheries sector, a national fisheries training college requires refurbishment and staffing, with funds for vocational and academic training in fisheries science, food hygiene, fisheries management and MCS (Monitoring, Control and Surveillance), and policy and planning.

5.4.2 Main Challenges

- i. Inadequate landing facilities, with little or no provision of ice or hygienic handling facilities (or the facilities are perceived by fishers as too expensive to use)
- ii. Post-harvest losses are unacceptably high, with a negative consumer perception of fish quality due to the poor handling and short shelf life. Domestic fresh fish consumption is limited to coastal areas because of poor infrastructure, which has restricted access to fish for a large portion of the population. This is also coupled with the lack of familiarity with fish, seasonality of supply and a tradition of meat eating among the Somali communities.

- iii. Lack of training facility for Federal and regional ministry staff and for fishing communities
- iv. The absence of a sectoral policy and plan and inadequate fisheries legal framework and regulations
- v. Lack of reliable data and a data collection system to assess the status of fisheries stocks in both Indian Ocean and gulf of Aden
- vi. Illegal foreign fishing within the Somali EEZ (foreign vessels caught over 132,000 metric tons of marine life in 2013, nearly three times the amount caught by Somali artisanal and subsistence fishers)
- vii. Lack of enforcement capacity: Even when fisheries regulations exist, they are not always implemented or enforced.
- viii. Lack of technical experience among youth to actively participate and increase employment in the private sector (fishing, engine repair, boat building, fish handling etc.)
- ix. Limited private sector investment
- x. Limited public sector institutional capacity to support good governance of the sector and weak fisheries cooperatives to support co-management of the sector

5.4.3 Vision

Secure Somali waters while fostering economic prosperity across maritime and fisheries.

5.4.5 Mission

MFMR's mission is to facilitate and secure the long-term economic and biological sustainable development and utilization of the Somalia's fisheries. MFMR is acutely aware of the fundamental social and economic role played by the sector in:

- 1) Achieving national sustainable food security;
- 2) Providing self and paid employment for fishing communities as a means of alleviating poverty in these fishing communities;
- 3) Contributing to national trade in Somali fishing industry;
- 4) Generating national income. **[By increasing value of fish caught in Somali waters from \$45 million to \$65 million by 2019]**

5.4.6 Goals

- i. Living aquatic resources should be harvested within their sustainable limits.
- ii. The supply of fishery products will keep pace with demands to safeguard the nutritional standards, and the social and economic well-being of communities depending on fisheries for their livelihood,
- iii. Effective and adequate support is provided to help private sector development and expansion in fisheries, and
- iv. Critical habitats used for fisheries and aquaculture is safeguarded.

5.4.7 Strategies and Milestones

Maximize full potential of small-scale fisheries

During the NDP period, the sector will re-habilitate four existing landing sites and development of 6 additional sites (this infrastructure development is expected to be budgeted at less than USD1.0 million per site). The sector will contribute to the creation of new jobs of 5% to 10% through an expansion of the artisanal (small-scale) sector. The sector will provide skills and training to fisher folk of about 11,000 to improve their capability,

Strengthen institutional partnership

During the NDP period, the sector will protect marine environment and will improve the enforcement of fisheries regulations. It will support skills development of 30% of the federal and regional staff and increase the proportion of the fish resources co-managed by the government and communities.

Minimize Post harvest losses in Small-scale fisheries

During the NDP period, the sector will increase 20% of value addition in fishery sector by the end 2019, focusing on a reduction of post-harvest losses by 50% and quantifiable reduction in food as fish health hygiene. It will introduce national and local polices to protect the product quality and safety. It will increase the construction of the physical post-harvest facilities and improve fish marketing and distribution support systems.

Commercial fisheries development

During the NDP period, the sector will increase the contribution of fisheries sector in terms of GDP (to 2% by 2019) by increasing the export volume and value of marine products by up to 10%. The sector will increase the fisheries license revenue sharing from Somali EEZ to be at least USD1.0 million per year by 2019. The sector will generate considerable employment opportunities in the offshore sector. Reports of Illegal, unregulated and unreported (IUU) fishing will be reduced each year from a baseline to be established in 2016 by 30%;

5.5 LIVESTOCK SECTOR

5.5.1 Situation Analysis

Livestock is the backbone of the Somali economy and about 70% of the populations in Somalia are dependent on livestock for their livelihoods. It provides food, employment and incomes and contributes 40% of the GDP and 80% of the foreign currency earnings excluding cash remittances from Somalis in the Diaspora.

The export of live animals, hides, skins and chilled carcasses generates the foreign currencies for importation of food items and thus contributes significantly to ensuring food security in Somalia and accounts for up to 80% of total exports in an average year.

The livestock population in Somalia is estimated to 40 Million animal heads, in which 13.9 of them are sheep, 13.2 goats, 7.1 camels and 5.3 cattle¹⁴. Livestock marketing and trade also generate revenues for local administrations, through taxation of livestock destined for trade. The livestock exportation rate has increased in the last five years, as Somalia exported 4,753,070 animal heads in 2011, 4,833,135 in 2013, 5 million in 2014 and 5.3 million in 2015, injecting more than \$ 360M and \$ 384M in 2014 and 2015 respectively¹⁵. However, the livestock export trade is constrained by the chronic and persistent shocks afflicting Somalia including political instability, conflict, civilian displacement, cyclic droughts, floods and outbreaks of Trans boundary animal diseases within Somalia and in the neighboring countries.

Livestock is the source of livelihood for pastoralists, contributes to the Government revenues, and provides employment to a wide range of professionals and other service providers. The pastoral based livestock sub-sector secures direct job opportunities for over 55% of the total labor force, plus indirect employment for another large segment of the labor force along the livestock value chains.

5.5.2 Main Challenges

- Destroyed public and private sector infrastructure including ministry headquarters, specialized institutions, laboratories, research centers, livestock export and production and processing infrastructure.
- Weak institutional capacity, lack of central coordination, enforcement of regulations, codes and standards and limited qualified human resources in the sector.
- Pastoralists face continuously natural and climactic shocks (droughts, floods, range degradation and low rainfall) and livestock diseases including trans-boundary threats.

¹⁴ FAOSTAT 2016

¹⁵ FAOSTAT 2015 and 2016

- Absence of fodder reserves and alternatives for fodder/feed during dry and lean seasons which led to a large number of animal losses annually.
- Low productivity of Somali animals and loss of large quantities of animal products due to lack of proper storage, processing and cold facilities.
- Low budget allocated by the government to the sector, low investment from the private sector and limited budget support from the donors to the livestock development programs.
- Absence of animal by-products processing enterprises reduced the value addition opportunities of the sector due to the low domestic and foreign investment in this sections.
- The country livestock chain and quarantines are controlled and managed by foreign investors and the need to be returned it under the Somali control.

5.5.3 Vision

A vibrant and commercially competitive sector that contributes to sustainable livelihoods and inclusive economic growth.

5.5.5 Goals

- i. Strengthen the institutional capacity and infrastructure of the Livestock Sector.
- ii. Improve livestock health services and increase the productivity of the small holders and large producers.
- iii. Enhance livestock and livestock products trade (in local, regional and international Markets).
- iv. Improve the national food security and food safety systems within the livestock sector.
- v. Establish system for Range, forest and wildlife management.

5.5.6 Targets

- Ministry headquarters, laboratories, research centers and specialized institutions renovated and functional.
- National Veterinary Code, policies, sub-sector regulations and strategies including the range, forest and wildlife policies are developed, approved and enforced.
- Five fodder reserve centers in the main pastoral migration routes and five livestock holding grounds along the animal transportation tracks and new quarantine established.
- The percentage of the national livestock immunity against major livestock (RVF, FMD, CBPP, CCPP, Camel Pox, Sheep/Goat pox, PPR, LSD, and Brucella) increased through improved animal health and veterinary services.
- The level of live animal's exportation is expected to be around 5 million animals per year or increase slightly in the next three years, but the exportation of processed meat, hide and skin exportation should be increased by at least 10% by 2019.
- 9% increase in the livestock prices and 10% increase in the national meat, head and skin export by 2019
- The national milk, meat, hide and skin production increased through better farm management practices, improved animal feeding system, improving animal genetics and reduction of post-harvest loses by 20%, 12% and 15% respectively. Milk and meat processed products also increased by 10% and 4% respectively.
- Ten milk collection and processing centers established and ten milk and meat markets rehabilitated.
- 5% reduction of the poverty and hunger rate among livestock holder pastoralist and agro-pastoralist populations.
- 2% increase in GDP per annum from 2017-2019, revenue mobilization from sector increased by 10% and 30,000 seasonal and permanent jobs created (60% women & 70% youth).

5.5.7 Strategies and Milestones

Institutional Capacity Development

During the NDP period, the Ministry headquarters, central laboratories, research and specialized institutions will be renovated and rehabilitated to enhance sector operations, activities and services and ensure their proper monitoring, evaluating and

coordinating. Experts in the field of the animal health, animal production and marketing and natural resource management will be hired. Exposures visits and study tours will be promoted between Somalia and other regional and international organizations to strengthen sector relations with other institutions and enhance the experience exchange. The existing policies, strategies and regulatory frameworks will be reviewed, updated, approved and enforced. New policies for the livestock, forest and range sectors will be developed and approved. The quality of the livestock, forest and range education and research will be improved in both undergraduate and postgraduate programs in the country. Education curriculum for all the different academic levels and education institutes will be developed and standardized.

Improve Animal Health

The livestock sector will revitalize animal health and veterinary service delivery systems and operations. It will strengthen the prevention and control of major livestock, Trans boundary and trade related diseases through continuous disease surveillance, vaccinations campaigns, treatment programs, veterinary drug quality control, effective early warning systems, emergency preparedness and emergency response to the outbreaks. The sector will recruit and train veterinary professionals, epidemiologist and statisticians as well as community animal health workers. The sector will strengthen and expand the cold chain facilities for the drug and vaccines storage in all the regions across the country. The national milk, meat, hide and skin production will be increased through improved rangeland, better farm management practices, improved animal feeding system, improved animal genetics and good access to water and health services. The sector will promote the processing of milk and meat products to improve the value addition of the livestock products, contribute the food security programs, give more choices to the consumers and innovate new products that contribute to the national economy. The Government will approve the National Meat and Dairy Bill. Further, the sector will establish Artificial Insemination Centers and support animal feed processing and fodder production activities. The quality of the dairy, beef and poultry farms and their products will be improved; and technical productive associations supported. The livestock production in the pastoral and rural areas will be supported through improved rangeland, water catching points and the transportation of their products to the market. Agro-pastoral field school approach to regions expanded to transfer improved techniques in animal production

Livestock Product Trade

The livestock sector will review and update the current livestock trade related policies, regulators/legislative frameworks and strategies in order to improve the marketing of the livestock and livestock products. The sector will set the criteria, administration and standards of all the country quarantine stations, exportation and certification mechanisms. Livestock grading and pricing systems will be developed and approved to increase the competitiveness of Somali livestock in the domestic and international markets. Five strategic fodder reserve centers in the main pastoral migration routes and five livestock holding grounds along the animal transportation tracks will be established. New meat factories and quarantine stations will be invested and supported. Meat processing, value-adding activities and empowering the livestock by-products trade will be encouraged across the country.

Improve Food Security and Safety

The livestock sector will invest and establish modern equipped slaughterhouses and meat factories fulfilling the international food safety standards and OIE protocols and targeting both domestic and foreign market. Ten milk collection, pasteurizing and packaging centers will be installed in the main milk producing areas to reduce the milk origin diseases, improve the quality of the milk, extend the milk preservation time and value addition. Ten milk and meat markets will be rehabilitated in sustainable and safe way with cold chains and their standard will be improved to increase the quality of the products, control the zoonotic and infectious diseases of animal origin and improve the livelihoods of the market dependent people. Public awareness will be increased and new cadres trained on the food safety, hygiene, disease prevention and value addition. Tests and certifications for milk, meat and their by-products will be developed and enforced. Poultry and bee keeping in the small scale holders will be promoted and supported.

Improve Range, Forest and Wildlife Management Systems

The sector will develop and approve policies and strategies for the range, forest and wildlife. It will commission baseline assessments to identify the status of the range, forest and wildlife. The sector will also develop drought and natural disaster management policy. It will strengthen the awareness of the pastoral people on natural disaster management and raise the awareness with men and women on alternative sources of energy to replace the charcoal and fuel efficient stoves, as well as on restoration of forests. The sector will lobby and communicate with charcoal importing countries to minimize and terminate the illegal importation. It will provide technical support to community led regeneration of degraded rangelands and forests. The sector will identify and construct water harvesting and catchment points for the animals.

5.6 HYDROCARBON & MINERAL SECTOR

5.6.1 Situation Analysis

#	CURRENT SITUATION	SHORT DESCRIPTION
1.	Force Majeure	The prior-holders were not able to operate and fulfill their activities due to conflict and instability in Somalia. Thus a Force Majeure was declared. Due to the prolonged instability, Shell/ExxonMobil is the venture is ready to recommence its operations, and Spectrum ASA is conducting seismic surveys throughout its assigned areas.
2.	Data Acquisition	The Data room has been developed and has started operating. Data generated by Soma Oil and Gas Company Limited is available and stored. Collecting of new data and bringing of legacy data are in progress.
3.	Downstream Legislation draft	The Council of Ministers has already passed the draft legislation. The bill has undergone first reading at the Federal Parliament and will soon be finalized.
4.	PSA-Template	Development of PSA is in progress and is expected to be finalized by May 2016 with the help of the African Legal Support Facility (ALSF).
5.	Resource Management & Allocation Agreement Development	Process of Management and Allocation Agreement (Resources Sharing Agreement) between FGS and FMS is in its mid stage to be finalized.
6.	Review of the Petroleum Law 2008.	The World Bank (WB) is supporting the Ministry to review the Petroleum Law 2008 and harmonize it with the Provisional Constitution, 2012.
7.	Institutional Development	The WB has offered an expert to support the institutional development and in particular, the establishment of the Somali Petroleum Corporation (SPC) and the Somali Petroleum Authority (SPA).

5.6.2 Challenges of the Petroleum and Mineral Sector

The challenges facing the Hydrocarbon sector are huge and massive in terms of the circumstances of the country and the main trends highlighted below:

- Absence of regulatory and commercial institutions;
- Shortage of technical trained staff.
- Insecurity is the major challenge of the country
- The need for an adequate legal framework that meets current activities
- Lack of investment
- Insufficient Data and Geological information.

5.6.3 Vision

A petroleum and mineral extractive industry that contributes to revenue streams and the socio-economic development of the nation.

5.6.5 Goals

- I. Exploit the country's hydrocarbon resources to contribute to the early achievement of poverty eradication and create lasting value to Somali society.
- II. Develop the mining sector in order to contribute significantly to sustainable national economic and social growth.
- III. Build a robust institution that consists of a Ministry that sets policies; a SPA that regulates and a SPC that represents the commercial interest of the state.
- IV. Acquire geological data that indicates the prospectively and the potentials of onshore and offshore Somalia.

5.6.6 Guiding Principles

The guiding strategic principles of the Hydrocarbon (Oil and Gas) and Mining Sector of Somalia are the following and all strategic principles of the hydrocarbon are not listed down:

1. Somalia should undertake an effort to discover whether petroleum and minerals exist within its territory, so that the people of Somalia might benefit from it.
2. Somalia's financial, legal and regulatory regime should be attractive to enterprises to explore, develop and produce petroleum in Somalia, and to provide investors with the assurance of stability.
3. The State's share of the benefits of petroleum exploration should be equitably shared among all Somalis, federally, regionally and locally.
4. Somalia should adopt principles of transparency in the conduct of petroleum operations to minimize the risks of the "resource curse."
5. Somalia should establish a national oil company (SPC) controlled by the state to participate in successful petroleum activities in Somalia.
6. Petroleum operations in Somalia should involve the use of local goods and services and the employment of qualified Somali citizens to the greatest extent possible, and should ensure that Somali citizens receive training to enhance their skills.

5.6.7 Strategies and Milestones

- 1. Establishment of the legal & regulatory framework**
 - a. Development of National Petroleum and Mineral's policy
 - b. Review the Petroleum Law, 2008
 - c. Review the Mining Code, 1984
 - d. development of Regulations for petroleum and mining
 - e. Development of PSA template
 - f. Passage of the Downstream Bill
 - g. Finalization of the Allocation Agreement
- 2. Additional offshore seismic data acquisition and more data**
 - a. Repatriate more of the legacy data
 - b. Establishment of a data repository and replacement of the lost data
 - c. Bid round preparation and tender documents (PSAs)
- 3. Hydrocarbon Road Show followed by bid round and awarding contracts**
 - a. Hydrocarbon "Road Show"
 - b. PSA negotiation and signing
- 4. Establishment of the Somali Geological Survey and the provision of laboratory services**
 - a. Carryout resources mapping: remote- sensing and hyper spectral surveys
 - b. Petro lab: Thin section, slides, mineral and petrographic labs
 - c. Geo-chemical lab
 - d. GIS lab

- e. Geophysics lab
- f. Geotechnics lab
- g. Gem Lab

5. Downstream development

- a. Small-scale petroleum refining plant, 5000 barrels per day
- b. QA/QC laboratories
- c. National strategic petroleum reserves depot

6. Artisanal Mining Development and Exploration of Minerals

- a. To develop policies, strategies and regulations
- b. To develop the skills of artisanal mining
- c. Train artisanal miners in health, safety and environment protection
- d. Geological and Mineral surveys
- e. FTG and Magnetic surveys

CHAPTER VI

BUILDING EFFECTIVE AND EFFICIENT INSTITUTIONS

6.1 INTRODUCTION AND BACKGROUND

Somalia has begun the move away from a situation of state failure and is laying down the foundations to move towards development. Security is gradually improving across the country and economic activity is slowly restarting. The presence of the State on the territory is being re-established in the context of a new three-tiered federal system which includes the federal government of Somalia (FGS), Federal Member States and district level administration.

The Federal Government, under the leadership of the President and the Prime Minister has begun to function more consistently and in 2015-16 has provided policy leadership and service delivery in a more systematic fashion. Yet, we are only at the beginning of a longer-term process. The Government's challenge is to build on the security gains of the past to build sustainable efficient, effective, accountable and inclusive institutions which are a key element in promoting sustainable and equitable development, and can significantly contribute to citizen well-being.

Restarting institutional activity in the aftermath of a conflict is challenging, especially as the State remains under threat from terrorist elements challenging its legitimacy. Somalia will continue to develop a sound constitutional framework, solidifying its political settlement, and enact credible basic laws which anchor the institutional development process. In tandem the government is creating and modernizing institutions, seeking to restore services to a struggling and distressed population. However, this requires the government to perform key government functions despite a lack of structure, resources, and limited management and leadership capacity.

Hence, the process of state building and institutional development in Somalia is an iterative, non-linear one. There is permanent interaction between the political (reconciliation and settlement) process and the development of robust legislative, judicial and executive machinery. It is a process where different activities proceed in parallel, sometimes not in full synergy; this is the fundamental reality of state building and institutional development in Somalia.

The government does not intend to force a perfectly sequenced set of actions as this is likely to be unrealistic and counter-productive; instead we have adopted flexible arrangements and adaptation. In similar terms, waiting for all agreements to have been fully arranged before taking any action, leads to delays.

In those areas where further work is required to reach (political) agreement we will proceed preparing and working out the organizational, legal, policy and operational arrangements that are required, but explicitly take into consideration that adaptations to these arrangements can be made once agreements are reached. Investments in these areas will be subject to a risk analysis, with the specific objective to avoid creating locked-in investments that are either very difficult or very expensive to 'repair' should emerging political agreement require so.

6.2 Underlying principles of the Vision and Approach

- Flexibility and adaptability, with progressive development of rules and regulations
- Transparent and accountable institutions and processes
- Development of financially sustainable institutions and operations
- Strengthened public sector management capacity, with specific attention to human resource management, financial management, policy development, performance management, and administrative management;
- Greater domestic revenue generation, to enable Government institutions to implement their mandates

- Increased representation of women in the public service

These considerations underlie our strategic approach towards building effective and efficient institutions. Starting with describing our vision, we will outline the key elements of our approach in three distinct sections: How the Government is organized, how the Government works, and what enables the government to operate. In each of these we will outline the present situation, the challenges and the actions that we have planned.

6.2.1 Our Vision

We are committed to developing a functioning public administration that is able to deliver quality services efficiently and consistently to all citizens across the whole territory of the Federal Republic of Somalia. This will take a considerable amount of time. Through the NDP, we aim to strengthen the foundations for our government and governance structures. Our approach is guided by the Sustainable Development Goal 16, outlined below, but enshrined in Somali reality.

Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Targets	
16.1	Significantly reduce all forms of violence and related death rates everywhere
16.2	End abuse, exploitation, trafficking and all forms of violence against and torture of children
16.3	Promote the rule of law at the national and international levels and ensure equal access to justice for all
16.4	By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime
16.5	Substantially reduce corruption and bribery in all their forms
16.6	Develop effective, accountable and transparent institutions at all levels
16.7	Ensure responsive, inclusive, participatory and representative decision-making at all levels
16.8	Broaden and strengthen the participation of developing countries in the institutions of global governance
16.9	By 2030, provide legal identity for all, including birth registration
16.10	Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements
16.a	Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime
16.b	Promote and enforce non-discriminatory laws and policies for sustainable development

6.3 Our Goals for the next three years are:

1. Develop credible and results-oriented public administration reforms with a particular focus on short-term measures for immediate implementation, while outlining strategies and plans for the medium to long-term
2. Strengthen and promote leadership, institutional, organizational, administrative and individual capacities for government at both central and local levels to enable service delivery, economic growth, justice, stabilization and security
3. Lay the foundations for a strong public administration that is able to plan, coordinate and implement complex development policies at the center and in local government
4. The government over the next three years will public finance management, accountability mechanisms and improve revenue generation.

The intention is to improve how the government is organized, the way government works and to strengthen the elements that allow government to operate. Thus our Strategic Objectives (SO) are as follows.

How the government is organized:

- SO1 Ensure horizontal coherence, consistency and coordination at the Federal and State Levels
- SO2 Ensure vertical coherence, consistency and coordination across all levels of Government
- SO3 Seek functional alignment within government institutions in line with their roles and responsibilities;

How the Government works:

- SO4 Improve capacity for legal and policy development capacity, planning, monitoring, evaluation and the body of evidence (statistics);
- SO5 Strengthen human resource management capacity at all levels of public service including through performance management;
- SO6 Strengthen Public Finance Management and Accountability
- SO7 Establish engagement arrangements to work with non-state actors in society
- SO8 Address the issue of female under-representation in the Public Service

What enables the Government to operate:

- SO9 Improve the physical working environment of government institutions (offices, equipment, amenities, transport);
- SO10 Develop the operational capability of government administration.

6.4 Aligning how the Government is organized

Public administration laws are outdated and need to be reviewed, redrafted and modernized. Citizen expectations vis-a-vis government have evolved, and institutional mandates and functions will require revision; internally reorganization will be essential to enable appropriate service delivery. This equally influences the resource allocation and distribution, which must be framed to take into account the new expectations for the institutional framework.

Government is not the sole service provider in the country; the private sector and civil society provide certain services. Our government institutions must have the appropriate instruments (policies, laws, regulations and capacity) to engage with the non-government parties in a constructive manner, and likewise, the government wishes to encourage private sector and civil society to continue to engage in service delivery, but also in functions that maintain accountability and transparency of government operations.

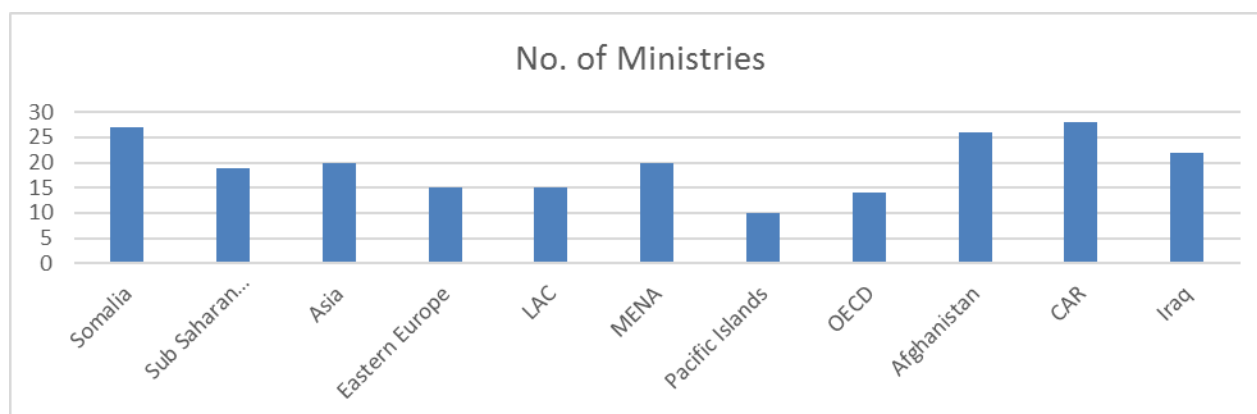
Upgrading Organizational infrastructure in a fluid political and security environment constitutes one of our biggest challenges. International experience suggests that in the aftermath of a civil war two predominant concerns have to concurrently be taken into account. First is the creation of an institutional framework that is capable of supporting the political agreements reached. Second building efficient institutions need to enable the state to function and deliver quickly. The Somali nation has proven in its history to be resilient and capable to achieve compromise and despite its tensions and difficulties remains attached to the concept of Somali nationhood. The challenge is to secure institutional advances which provide credibility to the institutions while leaving the space for continued evolution in the political settlement. This process has been at the center of the advances that have been achieved in the political negotiations between stakeholders. It is an equally important factor in the development of its civilian institutions.

6.4.1 Current situation

Over the past few years, significant progress has been made to establish the federal and state level government institutions. While the process has not always been easy, compromises have been reached and – with the exception of Hiiraan/Middle Shebelle – the state governments are all established.

The Federal government is organized with both a Presidential and Prime Ministerial function, and subsequently the sectoral ministries also, coordinated through the Cabinet under the leadership of the Prime Minister. The Federal Member States have all chosen to have a presidential system, without the function of Prime Minister.

Presently, the Federal Cabinet is organized in 27 ministries covering the whole spectrum of Government activity. This is slightly above the world average but consistent with the experiences of States recently emerging from conflict. A large number of ministries has the added benefit to increase representation within the cabinet, but poses coordination and management problems.



The different Federal Member States are organized in a similar fashion. We are committed to developing institutions with clear mandates in order to reduce the potential for functional overlap.

Responding to the specific needs of their populations, Member States governments and District level governments have developed their ways to respond to the demands of their citizens. The relatively large number of Ministries and agencies require effectively clarifying and codifying the role and responsibility distribution between them (mandates and functions) as well as the need for elaborate coordination mechanisms.

Both the Federal Government and Federal Member States are in the process of reviewing their ministries' mandate with the intention of clarifying their roles. The current ministerial teams are described in table 1 below.

6.4.2 Table 1: Overview of Ministries by core function for Federal and State Governments

Function	Federal Government Somalia	South West	Jubaland	Galmudug	Puntland	Somaliland
Center of Government	1. President Office, and Office of the Prime Minister	1. President Office	President Office	1. President Office	1. President Office	President Office
1- Finance, Economy and Planning	2. Ministry of Finance 3. Ministry of Planning and International Cooperation	2.. Ministry of Finance 3. Ministry of Planning and International Cooperation	2. Ministry of Finance 3. Ministry of Planning and International Cooperation	2. Ministry of Finance and Economic Development 3. Ministry of Planning & international cooperation	2. Ministry of Finance 3. Ministry of Planning and International Cooperation	1. Ministry of Finance 2. Ministry of National Planning and Development
2- Foreign Affairs (including External Commerce)	4. Ministry of Foreign Affairs and International Cooperation	None	4. Ministry of state office of the president	4. Ministry of Diaspora and Foreign investment	4. Ministry of Planning and International Cooperation 5. Ministry of Commerce and Industry	3. Ministry of Foreign Affairs and International Cooperation
3- Information and Communication	5. Ministry of Communication and Press 6. Ministry of	4. Ministry of Information 5. Ministry of Posts & Communications	5. Ministry of information, telecommunication and technology	5. Ministry of Post and Telecommunication 6. Ministry of Information, culture	6. Ministry of Information, telecommunication, Culture and ICT.	4. Ministry of Posts & Telecommunication 5. Minister of Information

	Information 7. Ministry of Telecommunication and Posts			and tourism		
4-Intérieur	8. Ministry of Interior and Federalism	6. Ministry of Interior & Local Governments	6. Ministry of interior	7. Ministry of Interior & local governments	7. Ministry of Interior, Local Governments and Rural Development 8. Ministry of Constitution, Federalism, and Democratization	6. Ministry of Interior
5- Law and justice	9. Ministry of Constitutional Affairs 10. Ministry of Justice	7. Ministry of Justice & Judiciary 8. Ministry of Reconciliation & Constitutional Affairs	7. Ministry of justice, constitutional and religious affairs	8. Ministry of Constitution affairs and Reconciliation 9. Ministry of Justice and judiciary affairs	9. Ministry of Justice, religious Affairs and Rehabilitation. 10. Ministry of Constitution, Federalism, and Democratization	7. Ministry of Justice and Judicial Affairs
6-Human Resources, Labour and Social Security	11. Ministry of Human Resources and Labour 12. Ministry of Work and Social Affairs	9. Ministry of Labour & Employment 10. Ministry of Resettlement & Diaspora Affairs 11. Ministry of Humanitarian & Disability Affairs 12. Ministry of Education 13. Higher Education, Culture & Technology	8. Ministry of education and High Learning	10. Ministry of Labour	11. Ministry of Labour, Youth and Sports	8. Ministry of Labour and Social Affairs 9. Ministry of Parliament Coordination, Research, and Technology
7- Health and Population	13. Ministry of Health	14. Ministry of Health	9. Ministry of health	11. Ministry of Health	12. Ministry of Health 13. Ministry of Planning and International Cooperation	10. Ministry of Health
8- Human Development	14. Ministry of Religious Affairs, 15. Ministry of Women and Family Affairs 16. Ministry of Youth and Sports	15. Ministry of Islamic Affairs & Endowments 16. Ministry of Women & Human Rights 19. Ministry of Youth & Sports	10. Ministry of Women and Family Affairs 11. Ministry of Youth and Sports	12. Ministry of Religion 13. Ministry of Women and Family Affairs 14. Ministry of Youth and Sport 15. Ministry of humanitarian aid and disability 16. Ministry of Education	14. Ministry of Labour, Youth and Sports, 15. Ministry of Education 16. Ministry of Women Development and Family Affairs	11. Ministry of Education 12. Ministry of Religion 13. Ministry of Youth, Sport and Culture 14. Ministry of Resettlement, Rehabilitation and Reconstruction
9-Natural Resources	17. Ministry of Agriculture 18. Ministry of Animals, Plants and Pasture 19. Ministry of Energy and Water 20. Ministry of Fishing and Maritime Resource	20. Ministry of Agriculture & Irrigation 21. Ministry of Energy & Petroleum 22. Ministry of Mineral Resources & Water 23. Ministry of	12. Ministry of Agriculture 13. Ministry of fisheries and maritime affairs 14. Ministry of Livestock 15. Ministry of Energy and Water	17. Ministry of Agriculture, Livestock 18. Ministry of Environment, Plants and pasture 19. Ministry of Energy and Water 20. Ministry of Fishing and Maritime Resource	17. Ministry of Livestock and Animal Husbandry 18. Ministry of Agriculture and Irrigation 19. Ministry of Environment, Wildlife and	15. Ministry of Fisheries and Marine Resources 16. Ministry of Agriculture 17. Ministry of Environment and Rural Development 18. Ministry of Environment and Rural Development 19. Ministry of Mineral

	21. Ministry of Livestock 22. Ministry of Natural Resources and Petroleum	Tourism & Wildlife 24. Ministry of Environment & Forestry 25. Ministry of Livestock & Veterinary 26. Ministry of Fishery & Sea Minerals	16. Ministry of Environment and Tourism		Tourism 20. Ministry of Fisheries and Marine Resource	Resources and Energy 20. Ministry of Water Development 21. Ministry of Livestock
10- Industry and Commerce	23. Ministry of Commerce and Industry	27. Ministry of Industry & Commerce	17. Ministry of Commerce and Industry	21. Ministry of Commerce and Industry	21. Ministry of Commerce and Industry	22. Ministry of Commerce and International Investments 23. Ministry of Industry
12- Infrastructure	24. Ministry of General Affairs and Rebuilding 25. Ministry of Ports and Maritime Transportation 26. Ministry of Public Works and Reconstruction 27. Ministry of Transport and Aviation	28. Ministry of Seaports & Sea Transportation 29. Ministry of Transportations & Airports 30. Ministry of Public Works & Reconstruction	18. Ministry of Public Works and Housing 19. Ministry of transport	22. Ministry of Ports and Maritime Transportation 23. Ministry of Public Works and Reconstruction 24. Ministry of Transport and Aviation	22. Ministry of Public Works 23. Ministry of Ports and Marine Transport 24. Ministry of Civil Aviation and Airports	24. Ministry of Public Works and Housing 25. Ministry of Civil Aviation and Air Transport
13- Defense	28. Ministry of Defense	31. Ministry of Security 32. Ministry of Disarmament, Rehabilitation and Reintegration	20. Ministry of internal security	25. Ministry of Internal Security	25. Ministry of Security and DDR	26. Ministry of Defense

6.4.3 Strategic interventions to improve how the Government is organized

SO1 Ensure horizontal coherence, consistency and coordination at the Federal and State Levels

Coherence and consistency in the role and responsibility distribution between government agencies within the same government level – be it federal, state or district level is mostly determined by the mandate and function distribution between the different ministries and agencies.

It is important to ensure sufficient clarity on these roles and responsibilities to avoid different institutions developing conflicting approaches in the same area of work, or doing double work. The structure of government, while presently mostly agreed upon in political settlements, will need to be documented through a regular legal instrument, **such as an organic law**. Given the state of current political and administrative development, the development of the organic law will evolve in an iterative way, taking into account the potential for changes in the political understanding of the role of Government at the federal, state and municipal levels. Accordingly, in the first instance, the focus will be to delineate clear boundaries between existing ministries and agencies and to clarify the substance of their functions. Across all levels of government, over the next three years, the Federal Government will work together with the Member States on defining roles and responsibilities and the form of sub-national action administration, ensuring that there is no horizontal overlap in the activities of the ministries and agencies.

At the Federal level, the overall responsibility for this agenda is with the Office of the Deputy Prime Minister with strong input from the Ministry of Planning and the Ministry of Finance. Some progress in this area has already been made, while at state level the President Offices have this responsibility. International technical assistance will be sought to provide guidance on developing appropriate secondary legislation

Because many government policies require inter-ministerial cooperation, and the current institutional layout may have some legacy overlaps, rules and regulations will spell out areas of potential overlap in activity, and describe the roles and responsibilities of each of the institutions. Monitoring mechanisms will be established to periodically review the implementation of the agenda, at the level of the Council of Ministers in the respective Member States – consistency will be sought to help predictability in decision-making.

We will strengthen horizontal cooperation between Government ministries and agencies at the federal levels by further strengthening the capacity of the Secretariat within the Office of the Prime Minister, while similar support will be provided to the cabinets at the State Governments. Over the next three years we will strengthen the instruments available to the Cabinet Secretariats to evaluate the quality of the laws and policies that are being submitted to it.

The apex of horizontal coordination is at the Council of Ministers (or Cabinet) level. However, the effectiveness of the Council is determined to a large extent by the quality of preparation of the decision the council is to take. We will provide support to the establishment of dedicated committees under the Council of Ministers with the mandate to prepare the documentation for submission to the council, as is currently developing in Jubbaland. These committees promise to provide the required level of coordination between ministries and agencies to discuss and develop sector policies, strategies as well as legal instruments.

SO2 Ensure vertical coherence, consistency and coordination across all levels of Government

Coherence and consistency in the role and responsibility distribution between government agencies across the different government levels (federal, state and district level) is essentially a matter of the type of federalism Somalia is intending to adopt. The level of decentralization or autonomy in legal development, in operational processes, in service delivery determining to a large extent the nature of governance at each level. The negotiations concerning the political agreements are ongoing and will among others be documented in the amended constitution. Regardless, the type of agreement that will emerge, this needs to be translated into specific arrangements in the executive sphere. We assume that each of the Federal Member States start from the position that each is a unit that both can and should determine its own affairs to the extent that it considers it should; but that each unit should also be free to choose to share, through an efficient and effective united Somalia, functions which are more effectively exercised on a shared basis. Thus a number of areas of governmental responsibilities will likely remain at federal level. In the case of Somalia these are likely to be defense and national security, foreign relations, immigration, international treaties, human rights, the Supreme Court, a single currency, the central bank function, financial services regulation, income and corporation tax powers. For virtually every other area specific arrangements will be developed on the roles and responsibilities on each government level to manage. In view of the limited resources available, there is a significant gain to be made if we succeed in developing government administrative systems (human resource management, financial management) in a synchronized form throughout the territory. The government will seek coherence and consistency as this is likely to contribute to the legitimacy of the state in the eyes of the citizens.

The **Wadjadir Framework** provides some guiding principles in establishing initial boundaries in the allocation of responsibilities to different levels of government. Specifically, the agreement calls for the Government to observe the principle of subsidiarity in assigning functions. Decisions will be handled by the smallest, lowest or least centralized competent authority; the basis for an initial allocation of responsibilities. Clear rules and allocation of responsibilities will be agreed to ensure the federal system meets the expectations of our people.

Clarifying these coordination arrangements constitute an essential building block to the construction of a resilient political and institutional framework ensuring the development of an efficient and accountable public administration in Somalia. Coordination arrangements ensure that our budgetary framework is coherent and that fiscal policy is conducted in a consistent manner across the various public entities. The President and Prime Minister Offices will provide leadership, ensuring inter-agency coordination and responding to political (Parliament) oversight and requests for accountability.

The Federal Government will develop a suitable forum for inter-governmental activity to ensure that appropriate coordination of government functions is carried out in this ongoing period of political reconciliation. We will use these fora to develop shared rules and regulations for the handling of specific administrative matters which require inter-governmental cooperation. We will further create ex-ante control systems to ensure that all levels of government effectively comply with the key institutional documents, such as the Constitution, Laws and regulations from competent agencies, compliance with the policy intentions of the

NDP. Initially the government will establish coordination roundtables which incorporate federal authorities and representatives of member states to discuss the management of Government affairs at different levels of Government.

SO3 Seek functional alignment within government institutions in line with their roles and responsibilities;

Several ministries have clarified their ministerial mandates and functions and many ministries have benefited from functional reviews to strengthen their internal structures. Within the next three years, each government institution is to have a full and current organizational structure that is aligned with its roles and responsibilities. The core work-processes in each institution are documented and aligned (horizontally and where appropriate vertically) across institutions. Each position within each institution is to be endowed with a specific terms of reference, in line with the reforms in the overall civil service management arrangements.

6.4.4 Strengthen how the Government works

Strengthening '*How the Government works*' concerns four core areas of work:

1. The need to improve the Legal and Policy development capacity as well as planning, monitoring, evaluation and the body of evidence (statistics);
2. Strengthen human resource management capacity at all levels of government including through performance management;
3. Strengthen Public Finance Management
4. Establish engagement arrangements to work with non-state actors in society

The '*modus operandi*' of government greatly suffered from the prolonged civil conflict. Most of those working in the government prior to the conflict in the meantime have disappeared and institutional memory has disappeared with them. The archives to a large extent have been destroyed. The regulations and operational procedures and covenants either disappeared or were forgotten.

6.4.4.1 The Current Situation

The overall system of planning, and subsequent implementation and quality control is as yet insufficient to ensure that resources are allocated appropriately to realize the objectives. A major step forward has been made through the inclusive design of the present National Development Plan, but the lack of sufficient information still makes analysis and planning a challenge. A major effort to strengthen the 'body of evidence' that is underlying decision making is required. In addition, greater capacity is needed to support the monitoring of the implementation of adopted legislation and policies.

Over the past few years, numerous efforts have been made to strengthen the quality of the public sector through training of staff and appointing qualified staff in the system on all levels of government. Still, systematic Labour force management, recruitment, retention and professional development of staff needs to be significantly strengthened.

In the area of Public Finance Management (PFM), significant steps have been made to develop financial management systems that are compliant with international standards, improving revenue management, expenditure management and control, resource allocation and operational efficiency. The close cooperation with the international (financial) institutions is constructively advancing the setting of standards, designing systems and ensuring appropriate implementation through the government structures. Of particular importance is the encouragement to donors to use 'country systems'. While there is general commitment to the increased use of country systems, international agencies have been reacting hitherto with caution.

The government also needs to productively engage with non-state parties in society. While government certainly has a responsibility in providing services to the citizens, it currently does not have the means (at least on the short and medium) to actually provide all the services with internal resources. Hence, it is explicitly expected that other parties engage and provide the

required services. Government has to develop constructive relations with those non-state parties to ensure coordination, regulation and sensible policy development.

6.4.4.2 Strategic interventions to improve the way government operates

SO4 Improve the legal and policy development capacity, planning, monitoring, evaluation and the body of evidence (statistics);

Over the past two years, there has been good progress in providing legal and policy coordination across a number of fields of strategic importance for the maintenance of peace and stability of the delivery of humanitarian aid to at risk populations. Over the next three years, the government will develop the appropriate processes and enforce compliance through government systems. The basic elements that will cover include public consultation processes, internal coordination arrangements, ex-ante review arrangements, approval authority and process, as well as documentation and publication of the final approved versions. Public consultation entails ensuring that the different non-state stakeholders in specific legal and policy processes have the opportunity to voice their opinions and characterized the inclusiveness of the state structures. The government will publish a guide on consultation procedures.

The internal coordination arrangements are to ensure that the government institutions that are concerned with the legal or policy instrument have the opportunity to contribute and ensure that their roles and responsibilities are appropriately reflected. An important objective of this internal coordination is also to ensure that different legal and policy instruments are consistent and create synergy.

Legal instruments and (major) policy initiatives require an ex-ante review process to ensure consistency with other legal and constitutional arrangements as well as appropriate reflection of key political commitments. The approval authority for different types of legal instruments and policies will be included in the organic law and mandate descriptions of the individual institutions.

The overall oversight of procedural compliance is allocated to the center of Government - the President and Prime Minister Offices. External support will be required in the first instance.

SO5 Strengthen human resource management capacity at all levels of public service including performance management

It is important to establish clear and transparent management rules for the public service, and making sure that they are implemented successfully constitutes a key element in rebuilding trust in State institutions. Rebuilding the civil service is a priority for the government, including strengthening civil service management.

The current civil service is largely inadequate for the management needs of a modern government. Many staff are above retirement age, yet the lack of a pension system does not allow them to retire or care for their family. The civil service is mainly composed of senior civil servants and lower skilled civil servants; there is a dearth of mid-level civil servants. Salaries are considered largely inadequate.

Currently there is no consistent and country-wide civil service database. The total number of public sector workers (and of those the number of civil servants) is not precisely known. While the federal government employs an estimated 6,000 public sector workers, it is estimated that the total number in Somaliland is around 15,000 and in Puntland around 13,000, excluding security services. The numbers in the new Federal Member States are lower, but due to their emerging character evolving fast.

Government	No. of staff members			Year	Comments
	Male	Female	Total		
Federal Government Somalia			6000	2016	
ISWA	500	196	696	2016	
Jubaland					

Galmudug					
Puntland	4055	1122	5177	2015	
Somaliland			~ 14,500	2014	Incl. teachers and medical staff
TOTAL					

The staffs are not managed in a coherent and comprehensive system. The civil servants are complemented by advisors, some of whom are financed through the Capacity Injection Program financed by the World Bank and UNDP, while some are directly financed by multilateral development agencies or bilateral donors in the context of sector specific programs and projects. Additionally, there are a number of security and military personnel financed by a variety of donors. Finally, there are the education and health personnel, mainly financed by bilateral donors and the EU or directly by communities at the district level. This system is largely unmanageable and needs immediate and comprehensive reform.

Governments rely on staff to function; these staff members have the right to an appropriate management system, while the government requires such a system to manage its Labour force. The system is not satisfactory; over the coming three years we will begin to introduce a professionalized structure. This will require the comprehensive design and implementation of a new Human Resource Development Framework which will allow the government to manage its public workforce in a cost effective way, integrated with its other management systems.

The core elements of the Human Resource Development Framework are described in the schedule below:



Over the next three years, the government will begin the process of establishing a competent and appropriately remunerated work force, isolated from political pressure, recruited on the basis of merit, following clear and transparent procedures, and retain them by providing them equal opportunities for career development and advancement.

The government is fully committed to gender equity. At present, women are virtually absent from the senior positions in the government structures, while men are mostly absent from certain job-categories in the lower end of the spectrum.

In order to ensure appropriate attention to the position of women and men in the government system, the personnel information system (and associated civil service database) will be updated to produce the required statistics. The aim is to have a minimum of 30% of either gender represented in the different function categories. In case either gender is under-represented, dedicated measures will be taken to address the situation. The FGS will review recruitment practices and incentives, the latter to examine the potential for MDAs to attract and recruit qualified women in under-represented categories.

Over the next three years the government will focus on three main activities:

1. Complete the review and passage of the new civil service laws
2. Development of suitable secondary enabling legislation which will allow for the implementation of the laws
3. Development of appropriate business processes, along with training and capacity development for staff of ministries and agencies

More specifically:

6.5 Drafting of the CS Law and Enabling Secondary Legislation

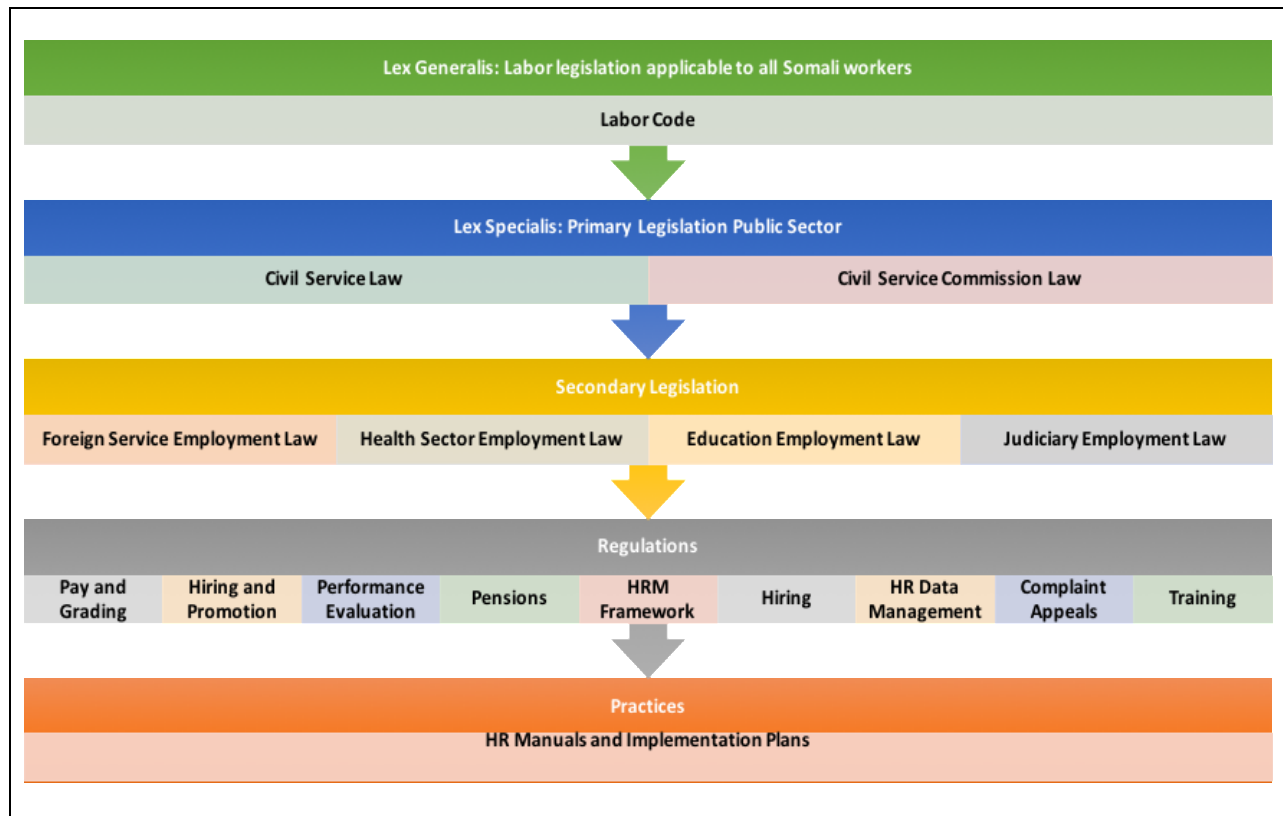
The law currently managing the federal civil service is an amended version of a civil service law which was written in the early sixties. It was modified in 2006 and in parts is obsolete. Most conspicuously absent are the concepts of competitive hiring, merit and performance management.

The Civil Service Laws of the Federal Government and Member States Government will provide the basic legal infrastructure for the management of Human Resources in Somalia. Key to this aspect is the drafting and approval of Civil Service legislation both at the Federal and Member States Governments which provides a coherent and consistent framework but allows for enough flexibility to take into account the specific circumstances of each member state.

In order to be implemented the law will require enabling legislation, regulations, rules and procedures. Furthermore, manuals highlighting practices and expectations for the consistent application of the law.

An overview is presented below in Box 5.1.

Box 5.1 – Required elements of a coherent legal public sector Labour framework



New civil service laws were recently drafted for the Federal Level and for Puntland. The new laws are awaiting review from the Cabinets and the subsequent submission to Parliament. The next step is the development of enabling secondary legislation and regulations.

By 2019, all governments will be endowed with a suitable civil service Labour law.

The government will also establish an appropriate civil service database, covering the status of the various types of public sector workers and directly link it to the payroll module in the country’s financial management system. The civil service database, however, will serve more functions than payroll.

6.5.1 Government Employment and Pay

The Pay and grading system is one of the most sensitive elements of the overall HRM framework. While the governments need to be able to provide attractive remuneration packages, the financial constraints only allow this to a certain extent. The present pay and grading system is based on education attainment and insufficiently based upon the position the staff actually occupies. Also the diversification in the set-up is insufficient to accommodate the differences in roles and responsibilities. During this planning period, a suitable and affordable pay and grading system will be designed and piloted.

6.5.2 Design and implementation of a Pension System

Presently, there is no pension system in the government. This leads to situations where staff members are passing the pension age, but feel uncomfortable to leave civil service as they do not have alternative means of income.

During this planning period, a suitable and affordable pension system will be designed.

6.5.3 Design of modalities for competitive hiring and Career Development

An important aspect of civil service management is the hiring process. The government is committed to open, transparent and merit based recruitment, where candidates need to comply with the formal requirements for the position. The government will ensure new recruitment; selection and appointment regulations are drafted and applied

6.5.4 Performance Evaluation

Performance evaluation is the backbone for performance improvements and an important input in individual career decisions. During this planning period, a suitable performance evaluation system will be designed and rolled out through the government system.

6.5.5 Training and Capacity Development

With the majority of government staff relatively new in their functions or assigned to new functions, new laws, secondary legislation, new processes and new technology, there is a need to ensure the staff members are well aware of their roles and responsibilities. In principle, the government works on the assumption that qualified candidates for the individual functions are available in the Somali market. However, their background may not fit perfectly with the functions they are responsible for or they do not have sufficient knowledge of the specific work-arrangements and work-processes in the government system. While most staff members do have a reasonable notion of their work, they may not be conversant with modern management and technology.

The government wishes to adopt a more systematic approach to training and development. Working closely with the Somali training institutes, we will co-develop curricula and course that are commensurate with manpower needs. Secondly, internal government training capacity needs to be established to ensure government specific elements can be transmitted consistently to the staff member. The governments will development a training and development strategy by 2018.

6.5.6 Performance Management

The performance management of the government falls broadly into three main categories:

- Overall planning capacities
- Implementation of the Government work-plans
- Ensuring the government keeps it promises

The NDP notes that capacities have improved significantly over the past few years. Several Federal Member States have developed their state level development plans. The NDP planning process has stimulated discussions around the need to align programmes and projects throughout the country around the core structure and objectives in the plan, whilst recognizing that the different member states do not have the same development context and hence also do have different development priorities.

During the present planning period, the government will move forward to further strengthen the planning capacities on all levels and stimulate appropriate levels of alignment between the various plans. The government will develop Guidance on strategic development planning

Oversight of overall government performance will be managed through the Office of the President and the Prime Minister offices. This will entail strengthening of their performance management functions and appropriate systems need to be in place to allow management of the information and reporting from ministries, highlighting areas where progress is lacking behind, and

developing a reporting function that allows addressing the emerging issues. The government will establish a Delivery Unit in the Office of the Prime Minister to focus on the implementation of key national development priorities.

The NDP notes that the lack of available statistics hampers appropriate policy development and the responses the government designs to the development challenges Somalia is facing. The monitoring of the realization (or not) of the development aspirations as outlined in the present National Development Plan, requires an excellent M&E system as well as an equally excellent statistics function. Without reliable M&E and statistics, the design of development initiatives risks misfiring and timely adjustments may not be possible. The body of evidence underlying decision-making needs to drastically improve.

The government will substantially invest in the M&E capacities in the different Ministries as well as the M&E capacities in the Ministries of Planning to allow the introduction of appropriate M&E standards and reporting arrangements. Appropriate Guidance will be issued to all Ministries.

Secondly, a central bureau of statistics will be created responsible for the strengthening of the system for administratively collected data and the coordination of the national surveys. The full development of an administrative data system will most likely extend beyond the life of this NDP, and hence, it is important that regularly nation-wide surveys are being carried out to fill the gap and supported by external partners. In the meantime, the Government will develop the Statistics function in MOPIC and prepare institutional development plans to establish the Central Bureau of Statistics as a Federal Government Service.

SO6 Strengthen Public Finance Management and Accountability

Effective Public Financial Management (PFM) in Somalia, just like for other states recovering from situations of Fragility is an especially critical foundation for basic economic governance and in establishing the performance, legitimacy and accountability of the State. A combination of factors, such as extreme poverty ongoing conflict, instability and resource constraints, both financial and human compound our need to work diligently to improve the efficiency with which we manage these scarce resources and support development. International experience suggests that one of the most common barriers to building resilience and legitimacy is weak core state capacity in tax, budgeting, and financial management, and the direct impact of this on the ability to implement policy and deliver public services.

Accordingly, the government has prepared a PFM Action Plan setting out how, over the next three years; improvements will be made to the PFM system. The Action Plan sets out priorities in three levels, A, B and C. The top priorities, level A, include:

Our Public Financial Management Strategy focuses on three priority areas:

1. Expenditure Management and Reporting
2. Revenue Generation
3. External Financial Audit and Control by the Auditor-General
 - o Strengthen regularity and financial audit capability in the Supreme Audit Institution

In addition, the Government has drafted a 'Use of Country Systems' interim roadmap setting out how it is proposed to increase the use of Federal Government of Somalia (FGS) country public financial management (PFM) systems. As part of the interim roadmap, a set of benchmarks was developed to measure progress towards greater use of country systems for both government and development partners in 2015 and beyond. The latest agreed version of this document is attached at Annex X

6.6 Expenditure Management and Reporting

Establishing a legal and organizational framework capable to provide predictability, transparency and legitimacy to the Financial Management System is fundamental in improving the capacity of the state to appropriately manage financial resources. Over the next three years, providing additional strength and structure to this system is of capital importance. The key element of this activity is the implementation of two key pieces of legislation: the PFM Law and the procurement law.

Both the PFM and Procurement Laws have been submitted to Parliament for review and approval. The latter just needs to be signed off by President to come into effect. Once passed, the next step is to oversee the implementation of this important legislation. This includes the definition of enabling legislation, rules and financial procedures as well as the development of capacity within the institutions entrusted with their implementation.

A key second step in this process is to develop suitable processes to ensure appropriate controls over financial resources. This include the development of payroll systems for security personnel and social sector staff at the federal level, similar systems at the local level and ample discussion on how to maintain the autonomy of member states while reducing the opportunities for double dipping.

The tax system finds its legitimacy on the expenditure side, through an acceptable expenditure policy and a functional budgeting system. Improving expenditure management priority will improve capacity to combat corruption, which remains one the bigger threats to the legitimacy of our fledging institutions. Over the next three years we will focus on putting in place mechanisms to effect/control payments, in order to close off bribery and assure the systematic payment of salaries.

Over the next three years, alongside member states, we will further review/revise budget preparation procedures, especially the budget calendar and clear budget instructions. MoF and MOPIC have greatly improved their capacity to guide this process over the past two years, however, there is further work to be done to strengthen their capacity.

Improvement in budget preparation will include improving the budgeting capacity in major line ministries at the federal government and within member states, and gradually expand this process to all Government Institutions. We will continue our gradual implementation of our financial information – not a complex IFMIS.

Finally, in order to further improve the quality of our Parliamentary review, we will establish procedures for legislative consideration of the budget – to build habits of debate and approval.

The capacity to appropriately and sustainably budget current expenditures in the future depends upon our ability to address two major uncertainties emanating from our political reform process and the current state of security, namely (i) determining an appropriate level of hiring for our public sector; (ii) preventing the appearance of ghost workers in the payroll and (iii) managing the hiring process so as to avoid uncontrolled hiring.

In order to achieve these objectives, over the next three years, we will move along four paths in parallel:

- Working with member states to ensure that there is no functional overlap and no excessive employment in those areas in which the central government and subnational government share implementation responsibility.
- Develop a pay and grading system which fairly and appropriately compensates our personnel but does not create excessive fiscal burden for the government. To do so, we will strategically plan the government employment expansion.
- Carefully focus on Operational and Maintenance Expenditures by ensuring appropriate O&M funding but selectively assessing whether existing assets warrant O&M.
- Develop a subsidies and transfer system, based on legal authority that is clear and transparent to the public.

We will additionally focus on ensuring appropriate reporting by:

- Continuing with the establishment of cash-based bookkeeping system.
- Assuring regular financial reports on budget execution
- Assuring periodic reports on the physical execution of the largest investment projects
- Gradually developing the government's own procurement and FM capacity consistent with good practice. FM and procurement rules need to be applied flexibly, but normal standards should be met as soon as the political, capacity and market situation allow.
- The political and social reconciliation process is still ongoing. There are major fundamental discussions that are still being carried out in order to define the exact nature of our federal system. A by-product of this discussion is the definition of an intergovernmental fiscal transfer system, which will anchor our decentralized institutional system.

An effective management structure is critical to the delivery of the PFM Agenda. The government is putting in place a transparent and accountable system of governance and

management



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6.6.1 Revenue

The government over the next three years will improve revenue generation. This implies, reviewing taxes which are best suited to the specific conditions, including indirect taxes. Taking advantage of the improving security situation we will work to gradually expand the tax base both geographically in territories which were previously outside the reach of certain government institutions and depth-wise by identifying new sources of revenue which do not inhibit our nascent private sector activity.

Additionally, our priority involves strengthening the institutional capacity of the revenue agency. This includes the transparent recruitment, training and evaluation of key staff, the delivery of a taxpayer ID to all eligible citizens, strengthening of basic filing capacity and improvement of payment procedures.

Finally, alongside our development partners we will strengthen our medium-term perspective in a way that underpins donor pledges and clarifies resource allocation

6.6.2 External Audit and Control

International experience in fragile states suggests that robust external audit is key to institutional legitimacy. For this reason, the PFM Action Plan invests heavily in the development of a competent external audit institution. To do so, over the next three years, we will take additional measures to increase its independence and capacity. We will obtain, when appropriate, further INTOSAI involvement and seek out twinning arrangement with INTOSAI INSTITUTIONS.

Finally, we will set up a system for internal inspection (not internal audit) in the largest ministries.

6.6.3 Enhancing the Use of Country Systems

Successful development requires capacity for countries to implement policies and manage public resources through their own institutions and systems. Development experience shows that when donors consistently bypass country national administrative systems and national policies, the sustainability of their efforts is undermined, along with the ability of countries receiving aid to manage their own future.

Since 2013, there has been significant progress in putting the processes and procedures in place to improve UCS and overall aid effectiveness. Significant progress has been made, but more is required.

Achievements include:

- Increased revenue collection by 30% in 2015
- Aligning aid to the priorities of the Somali Compact
- Commenced preparation of this NDP providing a more coherent framework of longer term government priorities and policy objectives
- Consistent and systematic joint discussion between donors and government of concepts and projects brought to the Somalia Development Reconstruction Facility (SDRF)
- Preparation & Completion of the PFM Action Plan [Annex IV]
- Establishing an improved legal framework to address PFM challenges such as money laundering and Procurement and Audit.
- Improved mapping and reporting of Aid to Aid Coordination Unit

Over the next three years the government will strengthen the relevant institutions and reduce fiduciary risks as a result of increased use of country systems and engagement of Government institutions in the planning and implementation of programs.

Over the next three years, we will focus on improving on these achievements along numerous paths:

We will further align aid priorities by strengthening allocate discussions related to whether the level of aid for different sectors is appropriate based on the availability of resources and a prioritization of needs. In this context, we will seek to discuss with multilateral development partners' country strategies and pipelines at an early stage in order to elevate discussions beyond projects and programs and provide clarity on the division of Labour across partners.

We will conduct a baseline assessment of programmatic alignment to NDP priorities. This will not be an assessment of compliance, as partners will not have had sufficient time to align their portfolios to the new NDP this year. Rather, it will provide a tool for both government and development partners to inform better alignment over the course of NDP implementation. The benchmark on the NDP also calls for adequate support to be provided to the NDP process to ensure successful completion in 2015.

We will improve ownership by providing instruction and guidance about how, when and with whom to engage in government at different stages of the project cycle. Conversely we will train staff to ensure that request for information is informed and follows proper channels.

In that respect our development of Guidance to Accelerate Delivery to provide clarity on these issues in order to strengthen government ownership in the design; implementation and monitoring of projects will further help this process. The guidance will be finalized following the HLPF in consultation with the sub-national authorities and development partners.

We will work with development partners to increase the share "on treasury" aid from the approximately 8% (US\$ 57 million) in 2015 development aid to 15% of development spending to be channeled through country PFM systems in 2016.

We will place greater emphasis on increasing UCS by partners who deliver aid outside of the SDRF funding windows. The use of all Somalia-specific pooled funding mechanisms will be encouraged and tracked, as they all contribute towards greater coordination and less fragmentation among partners.

SO7 Establish engagement arrangements to work with non-state actors in society

Non-state actors have their own roles in society, ranging from business, to charity, to lobbying, or to watchdog functions. In a number of areas, the public sector and the non-state actors have converging interests, in others they always will be in opposition to each other. However, what is important is that the public sector has the capacities to engage with the non-state sector in a productive manner, as in the consultation for the production of the NDP.

The nature of the interface between the state and non-state actors obviously varies according the nature of the actor (commercial business or community organization) and the nature of the incentive to engage with each-other. The state has the obligation to ensure an appropriate legal environment in which the non-state actors can implement their activities. Especially, in the field of the economy, it is important that this legal environment creates an enabling environment for the business community to flourish (of course with accepted parameters as to for instance Labour relations, pollution, etc.), and the same is mutatis mutandis true for the NGO sector.

This NDP will only come to reality if the non-state actors – business and NGO alike – align themselves with the objectives of the plan. Many consultations have been held to ensure that, as far as is feasible, the role and intentions of the non-state actors are fairly reflected in this plan.

It is expected that the private sector will indeed respond to the favorable environment and invests in the economy, among others to create the much needed employment. An area that is hugely important is the way in which services are delivered. The government will not have the means and capacity to deliver all the services the people may need. Here specific collaborative arrangements – that may take the form of Private-Public-Partnerships – need to be developed. The Government will develop a regulatory framework for service provision by non-state providers.

SO8 Address the issue of female under-representation in the Public Service

The government is committed to change the role of women in the public service and ensure gender equity. The government will;

- Strengthen national gender machineries so they can effectively lead the approval and implementation of gender policies and implementation plans with particular focus on women’s representation and participation in decision making in the civil service
- Seek the commitment of decision makers to support affirmative action for women’s representation in the public sector and to take into account gender policies in the allocation of budgets and formulation of national development plans
- Review policies and laws regulating civil service in order to make them gender sensitive
- Transform public institutions into gender sensitive environment conducive to women in the civil service
- Support creation of effective monitoring mechanism regarding civil service employment and produce gender disaggregated report annually
- Increase the number of women in decision making positions in the civil service and build their capacities so that they become role models and champions for change
- Promote gender sensitive service delivery and gender responsive budgeting (Capacity development for local governments in gender-responsive planning, programming and budgeting; mobilization of women to voice their needs and priorities in local level planning and budgeting processes; and investment in Local Development Funds to address women’s priorities)

6.7 Improving what enables the Government to operate

In order for the government to function more effectively and efficiently, attention has to be paid to:

- Improving the Physical working environment of government institutions (offices, equipment, amenities, transport);
- Operational Capability including administrative management, including ICT management, asset management, civil registry, records and archiving, and public communication.

No government can function when it lacks adequate physical infrastructure. Government and employees require suitable offices and appropriate instruments to perform their duties diligently and with dignity to deliver quality services to the citizen. Physically upgrading Government infrastructure has both a symbolic and functional impact.

Symbolic because it is a physical demonstration, of the return of the legitimate state into communities. Functional because it improves the ability of Government employees to perform their functions adequately.

In similar terms, no government can function appropriately in the absence of sound administrative management arrangements.

6.7.1 Challenge

The Civil War caused significant damage to office buildings and other physical infrastructure, which must be rehabilitated or constructed anew. Moreover, there's been little or no maintenance of existing governance buildings requiring additional upkeep and upgrade. Upgrading physical infrastructure of the State is expensive, and requires the allocation of funds to upkeep the upgrades in order to sustain the investment. Additionally, it requires a clear understanding of the role and responsibility of individual ministries so as to ensure that the ministry's or agency physical space is appropriate for its mission.

6.7.2 The Current situation

While over the past few years a number of (existing) government premises have been upgraded and house permanent offices, still many government institutions (on all levels) are located in inadequate, degraded or unsuitable buildings. While minimal levels of functionality are guaranteed, the inadequacy of the infrastructure restricts the ability to operate and provide effective services as required by their mandate.

While ad-hoc rehabilitation is taking place – mostly through small-scale projects - this is often implemented without sufficient attention to functionality of the concerned office, without a design that fits with our tradition, without taking environmental concerns into consideration. This piece-meal approach also prevents the realization of the envisaged impact on economic development and the development of an appropriate regulatory environment.

Each government agency has developed its own ways of dealing with the administrative processes. In order for the government system to work in a coherent manner, these systems need to be harmonized as much as possible.

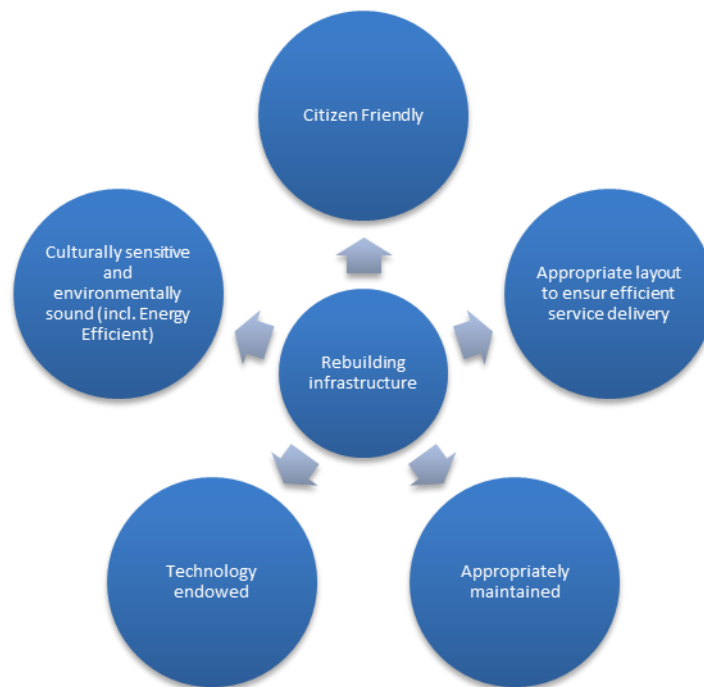
6.8 Strategic interventions to improve the operational capacity of Government

SO9 Improve the physical working environment of government institutions (offices, equipment, amenities, transport)

Over the next three years, consistently with the availability of resources, we will proceed with the upgrade of our physical infrastructure focusing on ensuring that the physical space of the agency is adapted and organized to promote the efficient delivery of services. We will ensure that all government buildings have appropriate access to information technology (computers for staff) and internet access. Finally, we work to ensure that government buildings are upgraded to ensure, and the cost for maintenance are suitably evaluated so that, within our context and our limitations, we can ensure the most environmentally and energy efficient use of resources.

The required investments are significant, as well as the projected impact of these investments on the Government's capacity to foster socio-economic development. These investments are expected to positively impact employment in the country, while stimulating the emergence of a solid construction and maintenance sector underscored by a suitable regulatory environment.

Sufficient scale also will help the private sector to invest in improved quality and innovation. Secondly, we are fully committed to building in culturally sensitive and environmentally sound manners. Our cities were beautiful and we want them back. In this vein, we will invest in architectural design that is consistent with Somali tradition, taking environmental concerns into consideration (e.g. wind and sun exposure) and we aim for all government buildings to be fully equipped with solar power. This in turn will have a positive impact on the recurrent expenditure for upkeep as well as energy, while constituting a positive contribution to the Sustainable Development Goals.



We consider the upgrading and (re)building of our government infrastructure simultaneously as essential for ensuring the government machinery can deliver on its promises and improving its ‘interface’ with the public, and as a driver for economic development and employment generation, as an opportunity to contribute to social and environmentally sound infrastructure and the development of a solid regulatory environment for construction in the country.

Over the next three years we will focus on developing and implementing a Physical Infrastructure Rehabilitation Plan (PIRP) which will work these elements out in more detail, while taking into account economies of scale and the need for Governments on all levels to cooperate. A strategic look at the physical infrastructure needs with a focus of improved service delivery will allow us to make strategic choices which will improve the interface of the citizen with the public sector.

Under the leadership of the concerned Federal Ministry, a dedicated working committee will be established – including representation from sub-national government levels – to work out the details referred to above, specifically:

- Establish minimum physical infrastructure requirements for government institutions to ensure the delivery of services of appropriate quality;
- Evaluate the infrastructure needs of individual institutions;
- Develop appropriate standards for construction (rehabilitation) including social, cultural and environmental parameters;
- Develop appropriate approaches to ensure construction and rehabilitation efforts generate the desired impact on economic development and employment generation;
- Assess longer term maintenance costs and incorporate estimates in the national budget process
- Develop a strategically sequenced government-wide Physical Infrastructure Upgrading Plan, including prioritization
- Depending on the financial resources available, develop the implementation arrangements
- Ensure implementation of the physical infrastructure rehabilitation plan
- Monitor, evaluate and document progress

Over the course of the next few months, we will further evaluate the costs associated with maintaining these structures so that the investment in the upgrade will be sustainable over time. In turn, we will focus on making sure that these costs estimates are included in the National Budget.

SO10 Develop the operational capability of government administration

Over the next three years, we intend to make a substantial effort to (re-)install appropriate government administrative management systems where they are absent and reinforce those that have been gradually introduced over the past few years.

6.9 ICT management

The ICT management falls into three distinct sets of areas:

- The ITC equipment in government offices
- The ICT tools and software used
- The ICT tools used to automate some of internal work-processes.

ICT use in the sense of service delivery or other externally directed use (like e.g. e-procurement) is not foreseen to be pursued during this planning period. The government will, however, proceed with a standard set-up for asset management (see below), which will allow an identification of the equipment presently available, and establish basic standards for equipment and access to the equipment. The aim is to standardize the equipment (at the minimum where large volumes are concerned) to optimize maintenance and spare-part arrangements.

The government will also standardize the software to allow appropriate exchange of information. Where personal information and database management software is concerned, appropriate levels of confidentiality and access need to be maintained. Development of custom-made software arrangements will be discouraged to favor open software or 'off-the-shelf' software to ensure maintenance and upgrades.

Concerning the tools to automate internal work-processes, internal studies will be implemented to identify priority processes that would have a high return on investment.

6.9.1 Asset management

Presently all government agencies manage assets, however only rarely consolidated overviews are available and asset maintenance arrangements are rare. In order to preserve our assets, each government agency will be requested to maintain asset registers, and ensure maintenance arrangements, which can be internal and externally sourced. The intention is to increasingly make investment decisions dependent on maintenance capability.

6.9.2 Civil registry

A core government administrative process is the civil registry. Although in some areas experiments are being undertaken, at present there is no common approach. Establishing a civil registry is a significant undertaking and needs to be planned with care.

During the present planning period, dedicated studies will be undertaken to design an approach that will take into consideration the specific circumstances (for instance in relation to the highly mobile population, migratory pastoralism, etc.). In case a suitable approach can be identified, piloting will be undertaken as well.

6.9.3 Archiving

No government officer can function efficiently and effectively in the absence of fast access to files and archived documentation. At present, no consistent government filing and archiving system is in place. During the present planning period, a coherent filing and archiving system will be developed and gradually introduced throughout the government system.

6.9.4 Public Communication

Public communication has broadly two sides:

- Strategically communicate to the citizens the intentions, achievements in order to provide transparency, but also to seek engagement from the citizens;
- Make publicly available government records to comply with transparency and accountability criteria and arrangements.

While each government office is communicating in both senses, at present there is no common approach not are appropriate standard set.

During the present planning period, each government will develop a public communication strategy and gradually introduce the standards into the government structures.

CHAPTER VII

SOCIAL AND HUMAN DEVELOPMENT

7.1 CHAPTER SUMMARY

The objective of the social and human development pillar is progressively to accelerate universal access to basic social services with the aim of building human capabilities and upholding the dignity of all people of Somalia.

7.1.1 Pillar Goals

- ✓ The pillar, which consists of the health, nutrition, education, labour, employment, water, sanitation, hygiene, youth, sports, culture and gender sectors; will help to advance simultaneously the physical, social, cultural and spiritual development of Somalia. As such, it will critically contribute to the overall vision of the NDP, which is to **“Enhance peace and stability, economic prosperity and national cohesion”**.

7.1.1.1 Overarching Goal:

- ✓ Promote the well-being, dignity and quality of life of all people in Somalia by progressively accelerating universal access to and utilization of basic social services.

7.1.1.2 The pillar specifically aims to contribute to the achievement of the following goals:

- i. Reduce maternal, neonatal and child mortalities and improve quality of life through improved access to essential health services of acceptable quality and through prevention and control of communicable and non-communicable diseases;
- ii. Improve the nutritional status and increase access to and utilization of quality and integrated essential nutrition services for improved survival and development of Somali people with a focus of women, children and other vulnerable communities;
- iii. Fulfill the right of every Somali to education and build an adequate, well educated, better skilled and competent workforce that contributes to the economic and human development of the nation;
- iv. Provide adequate and safe water, hygiene and sanitation for all people in Somalia;
- v. Generate decent jobs and dynamic workplaces to contribute to economic efficiency and productivity of the nation;
- vi. Enhance the participation of the youth to the development of the nation through effective mobilization, empowerment, training and sports to foster national cohesion, enhance peace and improve quality of life;
- vii. Ensure a society that upholds gender equality, dignity, respect and fairness for all women and men;

7.1.2 Sector Overview

Social and human development pillar is key to the well-being of the people of Somalia and lays the basis for the future development of the nation.

7.1.2.1 Health

In pursuit of the national health policy vision, the health sector aims at producing a healthy and productive population that effectively contributes to socio-economic growth. This will be achieved by provision of accessible and quality healthcare and essential lifesaving services to all people in Somalia through delivery of affordable promotive, preventive, curative, and rehabilitative healthcare including emergency obstetric and neonatal services. Therefore, the roles and contributions of all healthcare actors; the government, non-governmental and private sector including indigenous traditional and complimentary health practitioners remain pertinent in the implementation of this Plan.

7.1.2.2 Nutrition

Nutrition interventions will be delivered at scale and with high coverage in order to have impact on prevalence of malnutrition at the population level. The focus will be on delivering a package of high-impact nutrition services, well managed, high quality and accessible to all, particularly women and children and other vulnerable groups. Access to and utilization of micronutrient supplements and fortified supplementary food by vulnerable groups will be increased. Food based interventions will be implemented and scaled up to prevent under-nutrition in identified high risk populations.

7.1.2.3 Education

The education sector is responsible for the delivery of equitable, relevant and quality education and training for all. The sector comprises of five sub-sectors namely: (i) pre-primary education, (ii) primary education (iii) secondary education (iv) technical, vocational education and training (TVET) (v) higher education. The key stakeholders include Government, Private Sector, CSOs and Development Partners.

7.1.2.4 Water, Sanitation and Hygiene (WASH)

The WASH sector is responsible for ensuring availability and access to safe and clean water and hygienic sanitation facilities in rural and urban areas, as well as delivering viable sewerage/sanitation systems. The sector focuses (1) safe water supply both for urban and rural population, (ii) sustainable sanitation services and (iii) hygiene promotion. The key stakeholders include Government, Private Sector, CSOs, Development Partners,

7.1.2.5 Labour and Employment

The Labour and employment sector aims to create decent jobs for the productive workforce of the country and is responsible for provision of employable skills that are critical for socioeconomic transformation of the country through public and private training institutions as well as through the introduction of firm-based training programmes, apprenticeship, learnership, internship and placement programmes. The sector comprises four sub-sectors (i) employment creation through employment intensive investment programmes using Labour-based technology, (ii), skill development, (iii) social protection and welfare, (iv) Labour and industrial relations.

7.1.2.6 Youth and Sports

Youth and sports sector is at the centre for all peace building and development initiatives. Young people's leadership role in preventing and resolving conflict, violence and extremism is essential to achieving sustainable peace that is currently untapped. The sector focuses on promoting the socio-economic and political status of the youth, provision of youth friendly social services including psychosocial support, and promotion of physical, mental and emotional wellbeing of the youth through sports, recreation, cultural expression and character development in order to allow young people fulfilling its developmental potential.

7.1.2.7 Gender

Gender programme of the NDP will effectively and efficiently promote gender equality and freedom from discrimination of all persons in Somalia and reduce gender inequalities and discrimination. It will create an enabling legal, policy and institutional environment to achieve gender equality and equal opportunities. It will also improve safety and security for women and make available quality gender statistics and information to address gender disparities.

7.2 HEALTH SECTOR

7.2.1 Situation Analysis

A new environment is emerging in the Somali health sector. There are recent signs of a slow but persistent improvement in health outcomes. According to WHO estimates, maternal mortality ratio was around 732 per 100,000 live births, whereas child mortality rate was 137 per 1000 live births in 2015.

The population is estimated to be 13 million in 2016 with 42.5% living in urban areas and 22.8% living in rural areas¹⁶. Migrants and mobile populations such as pastoralists constitutes one-fourth of the total Somali population and there are 1.1 million internally displaced people living mainly in the outskirts of urban towns which constitutes 8.6% of the total population. The key high-risk groups are 2.4 million children are under the age of 5 years and more than 3 million women of child bearing age. At one time there are about 593,000 pregnant women in the country. Life expectancy is 53 and 56 years respectively for male and females in 2014.

Communicable diseases, reproductive health and under-nutrition conditions constitute the largest contribution to morbidity and mortality. One in 18 women has a lifetime risk of death during pregnancy. The country has one of the highest total fertility rates in the world at 6.7, with unmet need for birth spacing at 26%. 98% of women experience female genital mutilation/cutting, leading to serious obstetrical and gynecological complications. Non-communicable diseases and mental disorders are also on the rise.

Pneumonia and diarrhea are among the major killer diseases in children under-five. Polio transmission has been interrupted in 2015, but routine immunization coverage remains very low as only 46% of children received 3 doses of pentavalent vaccine and 43% measles in 2015.

Malaria is endemic in some parts of the country and there were more than 610,000 malaria cases in 2014. Tuberculosis is highly prevalent with 30,000 new cases every year¹⁷, of which fewer than half are detected. The HIV epidemic is growing with a prevalence rate of about 1%, and higher prevalence among high-risk groups.¹⁸

There are about 106 hospitals/ referral health centers, 391 MCH/Health centers and 620 health posts. The total number of available human resources for health is 9,856 in 2014 including 621 physicians, 2,653 registered nurses, 636 registered midwives, and 198 'Marwo Caafimaad (FHWs)'.¹⁹ WHO's minimum threshold for health worker-to-population ratio indicates that around 30 000²⁰ skilled health workers are required in the country. There are 47 medical, nursing and midwifery training programmes which need to be strengthened and regulated while ensuring quality standards.

Alongside the public health care system, a private health care system exist which is growing very fast but remain un-regulated. The private health care system includes general practitioners and specialists based in a private clinic or hospital and a vast network of pharmacies whereas there are only few certified pharmacists in the country. NGOs are the main service providers

¹⁶ Population projection based on Population Estimation Study 2014, UNFPA Somalia

¹⁷ <http://www.emro.who.int/som/programmes/tb.html>

¹⁸ http://www.unaids.org/sites/default/files/country/documents/SOM_narrative_report_2014.pdf

¹⁹ Health Workforce Assessment Reports for CSZ, NWZ and NEZ, 2014

²⁰ www.who.int/hrh/workforce_mdgs/en/

mainly contracted out through humanitarian or development health programmes and play a crucial role in the service provision.

Per capita public (including donor financing) expenditure on health is about US\$ 10–12 per person per year, which is very low and increases the risk of financial burden especially on marginalized populations (reference JRF Mission Report 2015).

7.2.2 Challenges

The key challenges facing the Somali health system are: (i) persistently high burden of disease; (ii) weak institutional capacity; (iii) inadequate and health financing, with a high share of out-of-pocket spending on health and dependency on donor financing; (iii) absence of balanced, motivated, well-distributed and well-managed health workforce with the appropriate skills mix; (iv) limited and unequal access to essential health services including family planning, and poor quality and safety of services across all levels of care; (v) inadequate procurement/supply system and irrational use of essential technologies and medicines; (vi) absence of national surveys and census, absence of births and deaths registration, limited operational research and disease surveillance; (vii) lack of synergy of humanitarian response to health; (viii) inadequate action on social determinants of health.

7.2.3 Ongoing Programmes and Projects

The Joint Health and Nutrition Programme (JHNP) aims to support sustained and improved reproductive, maternal, new-born and child health (RMNCH) and nutrition outcomes for Somali women, girls, children and their communities. It also aims to strengthen health system and improve the capacity and leadership of the Somali Health Authorities in managing and coordinating the health sector's development. It covers 49 districts in Togdheer, Awdal, Sanaag, Nugal, Bari, Mudug, Banadir, Galmudug and Lower Juba regions. The programme is funded by DfID (52.9%); Sweden (25.1%); Finland (12.8%); Switzerland/SDC (3.6%); USAID (2.8%); AusAID (2.7%).

7.2.4 Vision

“All people in Somalia enjoy the highest possible health status”

7.2.5 Mission

“Ensure the provision of quality essential health services for all people in Somalia”

7.2.6 Goals

- i. Reduce maternal, neonatal and child mortalities and improve access to essential health services of acceptable quality, prevent and control communicable and non-communicable diseases and improve quality of life.
- ii. Develop a workforce that addresses the priority health needs of Somali population, which is adequate in number, well trained, equitably distributed and motivated to provide essential health and nutrition services;
- iii. Ensure the availability of essential health supplies, medicines, vaccines and commodities that satisfy the priority needs of the population, in adequate amounts and of assured quality and at a price that the community and the health system can afford;
- iv. Strengthen the governance, institutional and management capacity of the health sector to deliver efficient and effective health and nutrition programmes and services;
- v. Create sustainable health financing system, which relies national financing and local resources, protects the poor from catastrophic health expenditure, ensures universal health coverage, allocates budget to priorities, accounts for spending accurately, and uses national and international funds more efficiently through SWAp;

- vi. Establish effective health management information system based on sound, accurate, reliable and timely information for evidence based planning and implementation, supported by effective monitoring and evaluation and by targeted research;

7.2.7. Targets

- i. Reduce maternal mortality ratio from 732/100,000 in 2015 to less than 600/100,000;
- ii. Reduce under five mortality rate from 137/000 in 2015 to less than 100 per 1000 live births;
- iii. Reduce Infant mortality from 85/000 in 2015 to less than 70 per 1000 live births;
- iv. Reduce neonatal mortality from 40/000 in 2015 to less than 35 per 1000 live births;
- v. Increase the coverage of Pentavalent 3 from 46% in 2014 to 70%;
- vi. Increase skilled birth deliveries from 33% in 2014 to 55%;
- vii. Increase contraceptive prevalence rate (CPR) to >15%;
- viii. Increase TB case detection from 42% in 2014 to >70% and treatment success rate to <95%;
- ix. Increase number of districts implementing EPHS from xxx to xxx by 2019;
- x. Increase Government share of the national budget to the health sector from 2% to 8% by 2019;
- xi. Increase the overall reporting rate to 90% by 2019;
- xii. Increase number of health facilities reporting no stocks out of essential medicine, supplies and vaccines to 90% by 2019;

7.2.8 Intervention Strategies and Milestones

7.2.8.1 Provision of essential healthcare services

During the NDP period, the health sector will increase, scale up and sustain effective coverage of a priority package of cost-effective maternal, neonatal and child health interventions through increasing access to emergency obstetric and neonatal care services, improving access to ANC, PNC and PMTCT, providing universal access to family planning services. Further, the sector will provide quality and affordable services that are consistent with the framework of Somalia Essential Health Service Package (EPHS), establish a functional referral system, set and maintain standards for safe health service delivery in both public and private sector, and strengthen the capacity to manage emerging public health conditions and NCDs at all levels.

Further, the health sector will address the burden of communicable and non-communicable diseases such as malaria, HIV/AIDS, TB, hepatitis, cardio-vascular disorders, cancer, mental health and other neglected tropical diseases through coordinated and targeted behavior change communication, improved case detection and treatment.

In addition, the sector will develop National Immunization Act. It will boost the coverage of routine immunization by implementing the Multi-Year Country Action Plan (cMYP). The sector will also introduce new vaccines into the routine immunization services such as rotavirus and strengthen community participation in immunization services. The sector will implement health promotion and communication strategy and will strengthen public awareness and empowerment to enhance the utilization of EPI, SRH and HIV prevention services.

The sector will also develop strategy to enhance the capacity for integrated disease surveillance, detection and control including maternal and neonatal death surveillance and response and emergencies management, build capacity of the HRH in field of epidemiology, establish and operationalize an emergency operating and trauma care centers, strengthen diagnostic capacity for surveillance, detection and control, establish national public health laboratory and build community resilience to health disasters through promotion of disaster risk reduction and management strategies.

The sector will finalize the assessment and mapping of health infrastructure, develop long-term master plan for health infrastructure development, renovate, upgrade and consolidate the existing health infrastructure for effective service delivery,

procure, distribute and maintain appropriate medical equipment at all levels of health service delivery and build the capacity for operation and maintenance of medical equipment.

Finally, the sector will strengthen the supervision and inspection system, establish dynamic interactions and feedback mechanism between health care providers and consumers and strengthen national and sub-national capacity to implement quality improvement interventions.

7.2.8.2 Production, development, regulation and management of the health workforce

During the NDP period, the sector will scale up pre-service education and in-service training programmes for priority cadres, attract and retain health workers, improve human resource productivity and accountability, strengthen partnerships for human resource development, develop and enforce standards for health training institutions and establish accreditation and licensing body. The sector will expand the current Government payroll and establish standard remuneration scale.

7.2.8.3 Essential health supplies, medicines, contraceptives, vaccines and commodities

During the NDP period, the sector will formulate long-term medicine and supply master plan with investment plan, explore possibility for public-private-partnership for the procurement and management of medicine and supplies in the country, introduce drug revolving fund programme in major hospitals, introduce social franchising strategy for health products, strengthen the storage and distribution capacity of the medical stores and cold chain center's and strengthen the health supply chain and reporting including logistic management information system (LMIS) for early forecasting and better decision making. In addition, the sector will establish national pharmaceutical regulatory authority; establish advanced quality control laboratory and train health workers and pharmacist on rational use of medicine,

7.2.8.4 Policy and institutional development

During the NDP period, the sector will strengthen the institutional, management and leadership capacity at all levels. Further, the sector will promote public accountability through citizen engagement and strengthen partnerships with the private sector, communities, and civil society and development partners and strengthen community structures for identification and participation in addressing social determinants of health.

The health sector will adopt a 'Health in all Policies' approach, which ensures the health sector, interacts with, and influences design implementation and monitoring processes of programs in all health-related sectors. This will include establishing and institutionalizing inter-sectoral collaboration fora to address the key determinants of health (Education, Agriculture, Gender, Water, Housing, Trade, Migration, etc.) The sector will develop and sustain collective action and mutual accountability for ending preventable maternal, new born and child deaths and harness non health sector interventions that impact on maternal, new born and child health.

7.2.8.5 Sustainable health financing system

During the NDP period, the sector will lobby to increase government allocation, diversify funding sources and explore innovative mechanisms to increase domestic resource mobilization and allocation for the sector, develop a system to collect pre-payments and voluntary contributions, design and pilot a national health insurance scheme (social health insurance, private health insurance and community based health insurance schemes), design and implement a co-payment system for healthcare, develop innovative purchasing and payment mechanisms for efficient use of health resources.

7.2.8.6 Effective health management information system

During the NDP period, the sector will enhance health information, research and evidence generation and strengthen the health management information system (HMIS) to inform policy development and implementation of health interventions and improve

decision making processes. Further, the sector will create a robust and effective monitoring and evaluation system, build the capacity of the M&E department and harness joint annual reviews and evaluations. The sector will establish a functional surveillance, monitoring and research system to support prevention and control of communicable and non-communicable diseases.

7.3 NUTRITION SECTOR

7.3.1 Situation Analysis

Prevalence of acute malnutrition and chronic malnutrition are alarming throughout the country with some variations by zone and livelihoods. The most recent assessment from FSNAU bi-annual nutrition and food security assessments, Deyr 2015, found a national median global acute malnutrition (WHZ < -2 SD) rate of 12.2%, severe acute malnutrition (WHZ < -3 SD) rate of 2.2%, based on WHO growth standards. This prevalence corresponds to an estimated 304,700 children acutely malnourished of which 58,300 children are suffering severe acute malnutrition. Thus one in four children aged 6 to 59 months are acutely malnourished and one in nineteen, severely malnourished. In addition, according to the FSNAU, Deyr 2015, and seasonal assessment 38862 pregnant and lactating women were estimated to be acutely malnourished.

FSNAU meta-analysis of data from 2001 to 2011 highlights the chronic nature of this alarming situation. The results show that over this period, median prevalence of global acute malnutrition have remained at *Serious* (10 to <15%) or *Critical* (15 to <20%) levels (WHO Classification 2000) throughout, with a national median prevalence of 16%. Furthermore, annual national median prevalence of stunting was above 20% i.e. at *serious* level throughout the period 2001 to 2011, according to WHO classification (2000).

The meta-analysis report highlights how the situation has been consistently worse in South Central Somalia than Puntland or Somaliland. In South Central Somalia, median prevalence of stunting was found to be 29.7% and wasting 18%; this compares to 20% stunting and 17% wasting for Puntland and 18% stunting and 13% wasting for Somaliland. This reflects the devastating effect of chronic political conflict and insecurity in South Central Somalia in particular.

Prevalence of malnutrition also varies according to adopted distinct livelihoods. Findings of 2001 and 2011 nutritional data analysis revealed that riverine and agro-pastoralist groups had the highest median prevalence of wasting, stunting and underweight suggesting a higher nutritional vulnerability to shocks – floods, drought, displacement, disease outbreak. Prevalence of malnutrition among the urban population tended to be lower, reflecting better access to a diversified diet and to public services including health.

On the other hand, The 2009 National Micronutrient and Anthropometric Survey highlighted micronutrient malnutrition as a significant public health problem throughout Somalia. The prevalence of both nutritional anemia and vitamin A deficiency among women and children of all age groups was found to be above WHO thresholds for classifying a severe situation in the country.

The volatile political situation and civil unrest have led to a chronic and continuing humanitarian crisis that is at the root of the high prevalence of malnutrition in Somalia. Somalia is also prone to drought and floods. Many of the environmental and man-made shocks have been multiple and recurrent, over stretching families' coping mechanisms resulting in inadequate access to and availability of food at household level.

However, even in years of relative stability and improved food production, the malnutrition rates in some regions of Somalia have been consistently high, pointing to the important role of other underlying causes. These include sub optimal infant, young child and maternal feeding and care practices as documented by the national micronutrient and anthropometric nutrition survey 2009. Morbidity is high while access to and utilization of quality health services is limited. The water and sanitation situation is poor. Feeding, care and hygiene practices are inadequate not only due to lack of public services but also due to cultural practices and beliefs.

7.3.2 Justification

As described above, Somalia faces multiple challenges - not least conflict, drought, flooding, inadequate and inequitable social and public services and massive population displacement - but persistently high levels of malnutrition are undermining the survival, growth and development of the population. Prevalence of acute and chronic malnutrition has consistently exceeded emergency thresholds in some areas for more than 10 years now. Due to the scale of the humanitarian situation in Somalia and the alarmingly high rates of acute malnutrition, the vast majority of the nutrition interventions are focused on the management of acute malnutrition. This remains a key priority to prevent associated excess morbidity and mortality.

However, the situational analysis shows that in some regions rates of chronic and acute malnutrition remain high even outside of times of crisis, with multi factorial underlying causes. These underlying causes include: sub optimal infant, young child and maternal feeding and care practices, poor dietary diversity, inadequate water and sanitation and high morbidity coupled with poor access to and utilization of health services. These multiple and overlapping determinants of malnutrition in Somalia require a holistic package of interventions delivered through a multi sectoral channels to address the huge public health problem. The variety of stakeholders and the variety of approaches and projects with a nutrition outcome or goal mean a more coordinated approach is necessary. The response also requires longer term planning, funding and programming. Therefore, the NDP focuses on priority actions aimed to respond to this need for a shift in approach, whilst continuing to improve the quality of management of acute malnutrition.

Nutrition is an important component in the new SDGs and the Government of Somalia is committed to working towards the realization of the goals and targets set for nutrition.

7.3.3 Ongoing Interventions

Nutrition response programming is mainly undertaken by UN, international and national NGOs. Outpatient therapeutic feeding programmes (OTPs) for the management of severe acute malnutrition are being implemented across Somalia. Targeted supplementary feeding programmes (SFPs) for the management of moderately malnourished under-fives and pregnant and lactating women are being implemented.

Activities for the prevention of moderate acute malnutrition include the provision of fortified supplementary food to all children under-two and pregnant and lactating women. In addition, a new initiative is launched targeting children aged 6-36 months with blanket distribution of ready-to-use food (Plumpy Doz) every two months in areas showing the highest malnutrition rates.

Food assistance is provided to vulnerable groups through institutional feeding and school feeding. General food ration is also provided consisting of cereals, CSB, sugar, fortified oil and iodized salt when available, to the rural population affected by the humanitarian crisis, the urban poor and IDPs.

Good nutrition booster health interventions are also delivered through health campaigns include vitamin A distribution, deworming and nutritional screening during child health days. Furthermore, nutrition interventions are delivered through the different levels of the public health system i.e. primary health care unit, health center, referral health center and hospital. However, coverage and quality is currently limited due to overall weaknesses of the public health system.

7.3.4 Vision

Attain adequate nutritional status, which is an essential requirement for a healthy and productive nation;

7.3.5 Mission

Improve access and scale up the delivery of essential nutrition services with a focus on children, women and other vulnerable groups and strengthen the national and local capacity to deliver evidence-based and cost-effective nutrition interventions;

7.3.6 Goals

- i. Improve access to and utilization of quality services for the prevention and management of malnutrition with a focus on children under-five, women of reproductive age and other vulnerable communities;
- ii. Strengthen, expand and sustain availability of up-to-date, timely and quality nutrition information and operational research for effective and timely response of malnutrition including its underlying causes;
- iii. To strengthen the capacity of the national institutions and stakeholders for the effective and sustainable delivery of essential nutrition services;

7.3.7 Targets

The targets to be achieved by 2019 are as follows:

1. Reduce the prevalence of underweight in children aged 0-59 months (weight-for-age z-score <-2 SD) from 13.4% to 9%
2. Reduce the prevalence of stunting in children aged 0-59 months (height-for-age z-score <-2 SD) from 12% to less than 7%
3. Reduce the prevalence of wasting in children aged 0-59 months (weight-for-height z-score <-2 SD) below 10% at all times.
4. Prevalence of exclusive breastfeeding in children <6 months increased from 33% to 50%.
5. Reduce the prevalence of vitamin A deficiency among children aged 6-59 months (serum retinol levels <20 µg/dL) from 31% to less than 20%.
6. Reduce the prevalence of anaemia (haemoglobin concentration <11 g/dl) among pregnant women from 49% to less than 20%.
7. Reduce the prevalence of anaemia among children aged 6-59 months of age (haemoglobin concentration <11 g/dl) from 59% to less than 30%.

7.3.8 Intervention Strategies and Milestones

The following strategies and milestones are identified to achieve the goals and the targets set:

7.3.8.1 Essential nutrition services with a focus on children, women and other vulnerable communities

Nutrition interventions will be delivered at scale and with high coverage in order to have impact on prevalence of malnutrition at the population level. The focus will be on delivering a package of high-impact nutrition services, well managed, high quality and accessible to all, particularly women and children and other vulnerable groups. Quality services for the management of acute malnutrition and treatment of micro-nutrient deficiencies will be enhanced and expanded. Access to and utilization of micronutrient supplements and fortified supplementary food by vulnerable groups through health services and community structures. De-worming interventions will be scaled up through campaigns, health facilities, schools, outreach programmes, and other nutrition programmes. Food based interventions will be implemented and scaled up to prevent under-nutrition in identified high risk populations.

Advocacy will be intensified to raise the visibility and profile of malnutrition at all levels, and increase the commitment and resources for its alleviation. Public awareness raising and education programme will be implemented at scale to increase the utilization of available services for the prevention and treatment of acute and chronic malnutrition. At the household and community level, behaviour change communication program will be implemented at scale to improve the rates of early initiation, exclusive breastfeeding as well as optimal complementary feeding practices. A programme to promote the use of locally available nutrient dense and increase the intake of energy, protein and micronutrient-rich foods will be developed and implemented. At health facility level, nutrition education and counselling for pregnant and lactating mothers will be implemented and scaled up.

7.3.8.2 Robust nutrition information and operational research

Research, monitoring and evaluation are essential for evidence-based decision making and enhancing public accountability. Monitoring, evaluation and research generate to systematically and objectively assess progress towards and the achievement of nutrition goals and targets and provides further evidence for policy and programming aiming to improve the nutritional status of the population. Quality nutritional surveillance, monitoring and evaluation will be strengthened and reviewed on a timely basis to inform the targeting of vulnerable populations with appropriate responses. Operational research and surveys to identify effective programmes to address the causes of under-nutrition will be conducted, according to an agreed upon set of priorities and plan of action, and is used as evidence base for long term strategic planning.

7.3.8.3 Institutional development for the effective and sustainable delivery of essential nutrition services.

The policy and legal environment will be strengthened to create supportive environment conducive to good nutrition. These include measures to prevent unethical marketing of breast-milk substitutes, to protect the breastfeeding rights of employed women, to ensure adequate labelling and quality of products intended for consumption by infants and young children, and for the fortification of food.

Because there are multiple causes of malnutrition; nutrition will be mainstreamed into national and sectoral policies, plans and programmes of the health, WASH, livelihood, agriculture, livestock, education, trade, industry and community development sectors as part of SUN approach. Public-private partnerships and collaboration with NGOs will be strengthened to increase the opportunities for delivering and scaling up nutrition services.

The institutional and technical capacity of the nutrition sector will be strengthened at all levels by increasing the numbers and quality of human resources for nutrition. Pre-service and in-service training courses will be provided to health workers to keep pace with latest policies, strategies, guidelines and scientific thinking.

7.4 EDUCATION SECTOR

7.4.1 Situation Analysis

The collapse of the Somali state in 1991 led to the breakdown of all formal learning systems in the country and destruction of education facilities. To date the country does not have a uniform education system as the education sector is supported by various stakeholders, including regional administrations, international NGOs, Community Education Committees (CECs), community-based organizations (CBOs), education umbrella groups and networks, NGOs, private sector, and religious groups.

As a result of this state of strife, civil war and lack of consistent good governance within the education sector, the overall adult literacy rate, which according to the 1975 population census was 54 percent, dropped to 40 percent according to PESS 2014 data. In terms of adult literacy Somalia has the third-lowest literacy rate among ten sub Saharan neighboring countries. Somalia's rate of 40 percent is only lower than Ethiopia (39 percent) and South Sudan (27 percent).

The delayed entry into primary school is the main reason why only about half of the pupils enrolled in primary education are 6-13 years old. The phenomenon, called overage enrolment, is very common all throughout the Somali formal school system. Delayed entry at the primary level obviously transmits to late entry at secondary and tertiary levels of education. Of the enrolled students, 35 percent are aged 14-17 years, and another 15 percent are 18 years or older. The percentages of students who have an age that is typical for the level of education in secondary school (14-17 years) and tertiary education (18-24 years) is even lower than for primary education.

Gross enrolment for primary education is very low at 30 percent; for secondary education the gross enrolment rate is 26 percent. Comparisons with neighboring countries reveal that Somalia's primary and secondary gross enrolment rates are lower than in any other country in the region.

Because of huge overage enrolment, the net primary school enrolment rate (NER) is considerably lower than the comparable gross enrollment rate at 17 percent. This means that only 17 percent of the 6-13 year old population is enrolled in primary school at the right grade. The Sustainable Development Goal of reaching Universal Primary Education (NER is close to 100 percent) currently appears as an unrealistic goal.

Generally, the male education indicators are better than the indicators for females. There is an 8 percentage point gap in the adult literacy rates in favor of males. Although the recent population estimation survey results demonstrate encouraging signs in terms of equal access for boys and girls to primary education (GPI for primary 0.986) and even in secondary education (GPI for secondary 0.916), the retention and transition rates for girls tends to be much lower, especially in rural areas. In tertiary education, boys are much more than girls (GPI for tertiary 0.688). Males beyond school going age have more favorable rates of highest level of education completed than females for all levels of education.

Urban residents consistently have the best education indicators and the nomadic population the worst ones. This applies to adult literacy rates, highest level of education completed for the out-of-school population and for school enrolment of the persons currently in school. Distance to schools appears to be the main factor that explains the observed patterns. In addition, the calendar and schedule of formal schooling is not adapted to the nomadic lifestyles. This underscores the need to develop quality alternative basic education programmes for this population.

There exist huge differences between the regions on all education indicators. Without having applied advanced statistical techniques like multivariate analysis, it is not possible to assess the role of main determinants in explaining regional variations. However, in studying the patterns two factors stand out: regions that have had relative peace appear to perform well on almost all education indicators. Another pattern is that the regions with large urban center's contain also the most reputable center's of higher learning in the country; they tend to do better, especially on indicators pertaining to tertiary education.

5.4.2 Main Challenges

The key challenges currently facing the education sector irrespective of the growth is the inadequate level of funding to achieve national objectives reliant largely on donor funding which is often short-term, ad-hoc and unpredictable. This in particular affects long term planning, management and sustainability of service provision.

The gross enrollment rate in primary and secondary education is extremely low 30% and 26% respectively coupled with limited education infrastructure which further exacerbates the low enrolment levels. In addition to the low rates of enrollment, student retention and high gender and regional disparities have been noted, particularly in secondary and higher education.

The collapse of the central government and subsequent insecurity in many of the regions created huge brain-drain limiting the institutional capacity of Ministry of Education in areas of human resource management, public administration, finance, data collection, monitoring and evaluation. Further, this government role in the oversight, quality assurance and performance management is very weak. The sector also lacks approved policies and legal acts to effectively manage and regulate the provision of the education in both public and private sector.

Moreover, qualified teachers are very limited and there are no systematic teacher training and continuous professional development programmes underway. Most of the teachers are either paid by the parents or implementing partners and the incentive provided by development partners is often insufficient to retain qualified teachers. Teachers are currently not on government payroll affecting the sustainability of education service provision.

The current government budget to the education sector is 3% and is very insufficient to address the needs of the sector. The lack of resources in the sector has also affected the operational and maintenance costs for schools and the recruitment of qualified and provision of adequate and appropriate teaching and learning materials including text books.

7.4.3. Justification

Education serves as the central pillar for Somalia long-term stability, poverty alleviation and economic development. The government recognizes that the economic growth of the country correlates with proportion of population with access to education placing high emphasis on access to education for all, aligned with the SDGs.

According to the article 30 of the constitution of the federal government, the education sector must be compulsory and free for the children aged 6-18 years. The Government will work towards the direction to increase access, affordability and quality of primary and secondary education. The government will also make education relevant and inclusive for all children of Somalia regardless of their regional affiliation.

Higher education is central to the economic development of the nation. The quality of their learning experiences and the environment in which students learn will shape the future development of the country and the society in general which demand to invest in education to support job creation, innovations and economic growth.

Government commits to fulfill the national and international obligations that emphasize the rights of the children for education such as the convention for the rights of children (CRC), convention on the elimination of all forms of discrimination against women (CEDAW), sustainable development goals (SDGs) and education for all agenda.

7.4.4 Current Intervention (Ongoing Programmes and Projects)

A number programmes with support from donors are underway from 2016. These include:

The EIMIDOON Enhanced Action (ELENA), funded by the European Union, supports the construction and equipment of primary schools and TVET centers, teacher training, development of regulatory frameworks, capacity injection and systems strengthening in all regions of Somalia and will continue up until 2018. Target locations include Lower Shebelle, Middle Shebelle, Hiiraan, Gedo, Lower Juba, Bay and Banaadir.

The Educate a Child Project, funded by the Qatar Foundation, supports increased access to primary education for out of school children, through infrastructural development, provision of textbooks and teaching and learning materials, training of teachers and will continue up until 2017. Target locations include Lower Shebelle, Middle Shebelle, and Hiiraan.

The Somali Youth Leadership Initiative (SYLI), funded by USAID, focuses on increasing access to secondary education through construction of schools, provision of materials and female teacher training.

The Global Partnership Education (GPE) provides incentives to teachers, regional education officers, and contributes to the training of teachers as well as capacity building of the education institutions;

The Girls Education Challenge, funded by DfID, provides scholarships and supports female teacher training;

The Strengthening, Equity, Access, Quality Education (SEAQE), funded by NORAD, contributes to contribute capacity building, girl education, rehabilitation of school infrastructure.

7.4.5 Vision

Fulfill the right of every Somali to education and build an adequate, well educated, better skilled and competent workforce that contributes to the economic and human development of the nation.

7.4.6 Mission

Ensure the provision of accessible, equitable, affordable and quality education services to all people in Somalia.

7.4.7 Goals

1. Improve equitable access and increase the gross enrolment ratio in primary and secondary education, reduce gender disparity and address the early childhood education and development needs of 3-6 years age group of children;
2. Enhance the quality and accreditation of education system through teacher training, licensing, curriculum development, common examination, supervision and inspection;
3. Strengthen the governance, management and partnerships to enable the Ministry deliver efficient and effective programmes and services by 2019;
4. Create a sustainable education financing system, which relies more on national financing and local resources, that allocates budget to priorities, accounts for spending accurately and uses national and international funds more efficiently through Sector Wide Approach;
5. Strengthen information system to better plan and manage the education sector based on better quality, up-to-date, timely, reliable, complete and accurate data, analysis and reporting;

7.4.8 Targets

1. Increase GER of primary schools from 30% to 45% by end of 2019 (5% per year);
2. increase GER of secondary schools from 26% to 35% by end of 2019 (3% per year);
3. Reduce dropout rates at primary education level by 50% by end of 2019;
4. Increase the number of teachers that demonstrate appropriate classroom competencies, including skills in assessment for learning to 30% by end of 2019;
5. Increase the proportion of the primary and secondary schools adopting revised primary and secondary curriculum to 80% by end of 2019;
6. Increase the proportion of the primary schools who have active community education committees (CEC) to 70% by end of 2019;
7. Increase school administrators (principals and vice principals) who attend certified school leadership and management course to 50% by end of 2019;
8. Increase government allocation to the education sector from 3% to minimum 12% by end of 2019;
9. Increase the number of primary and secondary schools receiving at least one full supervision once every year to 50% by end of 2019;
10. By end of 2019, policy and legal framework developed, enacted and disseminated to support the regulation of the education and training sector;
11. By end of 2019, Ministry publishes annual progress report with the performance of key education sector indicators;

7.4.9 Intervention Strategies and Milestones

7.4.9.1 Access to Primary Education

During the NDP period, relevant policies and programmes will be developed and implemented to increase the number of primary schools offering free education. Standard, unified and inclusive curricula will be developed and text books provided that are non-discriminatory, relevant and child friendly with the specific objective of achieving age specific learning goals.

Community will be engaged to advocate increased enrollment and retention of children in primary schools and vibrant parent-teacher associations will be created for universalization of primary education. Similarly, partnership with the private will be strengthened to increase access to primary education and improve the overall learning environment. Teacher training will be instituted and classroom interactions improved. Strategy to modernize Madrasa and other such educational institutions will be developed to mainstream national curricula, syllabus and teaching methods with specific attention to the education of the girl child;

7.4.9.2 Secondary Education

During the NDP period, national secondary education programmes will be developed and implemented to increase the gross enrolment and completion rates for secondary education. Learning environment for secondary education will be expanded and improved. Standard, unified and inclusive curriculum will be developed and appropriate teaching and learning materials provided including text books. Adequate qualified and competent teachers will be recruited, trained retained in the system. Basic libraries and laboratories will be established in secondary schools;

7.4.9.3 Higher Education

During the NDP period, the Government will establish a higher education commission to develop and implement improvement programmes in the teaching and learning environment in higher education institutions. The Government will work with stakeholders to ensure that students have access to scholarship, research and professional development. The higher education commission will develop a robust performance framework to review the quality of teaching, scholarships and external engagement of academic staff and engage with institutions to enable them collectively meet the national priorities, without wasteful duplication. A contractual relationship with higher education institutions will be formalized as part of a wider strategic dialogue and requirements for performance, autonomy and accountability are aligned ensured. Quality assurance system and programme will be developed and support provided to academic staff to have range of pedagogical methodologies available to them to be qualified in their disciplines.

7.4.9.5 Technical, Vocational Education and Training (TVET)

During the NDP period, the education sector will strengthen the TVET and will create better pathways from school to work in collaboration with the Labour and employment sector. The education sector will strengthen the existing TVET schools and establish new schools and programs to equip students with the practical skills, knowledge, and entrepreneurial tools that match labor market needs. Such school and programs will provide quality training and accreditation in the field of study and directly link students to industry through apprenticeships. Lastly, the sector will ensure that all students, regardless of gender, are equipped to make informed career choices, and provide equal access to both men and women to opportunities to sustainably improve their livelihoods.

7.4.9.6 Adult Literacy and Non-Formal Education

During the NDP period, the education sector will establish and expand adult literacy and non-formal education and provide quality learning opportunities to the large numbers of youth and adults who missed out on formal education during the civil war. The Ministry of Education will establish non-formal and adult literacy department; develop policy, strategy and programme at federal and state level. Ministry will recruit and train non-formal education teachers and establish education facilities in remote and rural areas. In addition, Ministry will form standard examination and certification system to enable students in the non-formal education to transition to formal education, training, grading and certification.

7.4.9.7 Quality Education

During the NDP period, the Ministry of Education will establish standards for quality assurance and develop monitoring and evaluation framework to monitor the quality performance of the sector. Further, the education sector will develop unified, standardized and inclusive national curricula for both primary and secondary education and provide appropriate and adequate teaching and learning materials. The Government will establish quality assurance department, recruit and train quality assurance officers and education inspectors at federal, state, regional and district levels.

7.4.9.8 Teacher Training

During the NDP period, the Ministry of Education will establish teacher training colleges at federal and in the states. A baseline survey will be commissioned to document the level of training, qualifications and competencies of school principals and teachers in order to establish competency framework for principals and teachers in primary and secondary schools. Leadership certification programme will be designed and initiated to facilitate training opportunities for school principals and administrators on leadership and management skills. Standards for the development and delivery of continuous professional development (CPD) through teacher training colleges will be developed. The profession of teaching will be promoted as a career by targeting high performing students from secondary level to enter the profession.

7.4.9.9 Policy, Legal and Institutional Development

During the NDP period, the Government will establish semi-autonomous institutions such as the National Examination Board, Higher Education Commission, the National Science and Technology Commission, the Vocational Education and Training Commission, Curriculum Development Centre. The overall policy and legal framework of the education sector will be strengthened. Conducive working environment created at federal, state, regional and district levels. Sound and accountable management systems such as human resource management system, procurement system, asset management system, and information management system developed at federal and state levels. Assessment of the status of school management will be carried out, common standards developed ensuring all school principals appointed have at least minimum agreed qualifications and experience.

7.4.9.10 Partnerships and Coordination

Development of education sector is taking place in a highly complex political, social and physical environment. The Ministry of Education will take bold steps towards creating strong partnerships with all stakeholders at all levels in terms of research, planning, resource mobilization, coordination and communication. The Ministry of Education will create partnerships with development partners and review the aid architecture and funding streams to the education sector in line with principles and declarations for aid effectiveness. The Ministry will leverage partnerships with the private sector, civil society organizations and the community and ensure that education sector development remains a fresh and dynamic process at all times.

7.4.9.11 Financing

During the NDP period, the Government will increase the share of the national budget spent on education sector by 3% each to reach a total of 12% by 2019. The education sector will explore other ways of generating additional funding for the sector. Ministry of Education will set up a reporting system and data-base of all funds being allocated and spent in education sector of Somalia. This is a major area of work that will require international technical support to develop and implement. The Ministry of Education will work with the donor community to simplify and improve coordination mechanisms for external finance through establishing a more effective government–donor joint planning and joint consultation process based on separate and direct meetings among government, donor and other agency representatives who are able to make programming and financial decisions.

7.4.9.12 Information Management System

During the NDP period, the Ministry of Education will strengthen and consolidate the capacity of the EMIS office at federal level and establish robust EMIS offices at state and regional levels. The Ministry of Education will develop monitoring and evaluation framework and plan; establish and build the capacity of the M&E units at federal and states' levels and introduce joint annual reviews and impact evaluation to closely monitor the progress prior to the implementation of the education sector plan. Ministry will produce and publish annual progress reports based on key education sector performance indicators. Standard monitoring and supervision tools, guidelines and reporting formats developed and used at all levels.

7.5 WATER, SANITATION AND HYGIENE (WASH) SECTOR,

7.5.1 Situation Analysis

Somalia is experiencing rapid urban growth, accelerated by internal displacement due to conflict and drought. According to the results of the recent UNICEF WASH KAP Survey in 2015, access to piped water stands at 35%. However many of the urban & peri-urban poor (including IDPs) rely on small-scale water vendors who provide low quality water at a high price so that poor people pay up to five times more for water.

Drought and internal displacement severely constrains access to water, with supply needs often met through costly water trucking to water storage facilities in permanent settlements. The network of functioning pastoral water supply structures is highly inadequate and leads to environmental degradation through overgrazing around existing water points. In recent years rural water projects have focused on infrastructure rehabilitation.

According to the AfDB report, in last 2 years alone, a large number of boreholes (possibly over 50) have been drilled. However, new drilling without proper coordination and community consultation risks environmental damage to critical pasture areas and over-depletion of fragile aquifers. According to report, there is evidence that the same water supplies are routinely “rehabilitated” every 2-3 years by different organizations. This is both a failure of the approach to water interventions which are often short term, relief oriented and do not consider sustainability and of the responsible water authorities which do not maintain records of water projects.

The need for sanitation can be seen throughout the country. According to the WASH KAP survey in 2015, majority of Somali people don't have hand washing facilities at home. Less than half (44%) has a general hand washing facility. Although 44% of the households have a hand-washing facility only 10% of them have water and soap whilst 4% have a combination of water, soap and drainage. Further, access to sanitation facilities stands at 34%. Access to hand-washing facility near the toilet area is very low and stands 12% whereas access to water near the toilet area is as extremely low as 3% nationally. Access to latrines with slabs stands at 8%. Defecation in open air stands at 59%; whereas majority of nomads defecate in an open air or in the bush.

In addition, healthcare waste, like bio hazardous and biological waste, including disposable medical supplies pose serious public health problems. These include infectious waste among which are sharps waste, body part waste, chemical or pharmaceutical waste, and radioactive and cytotoxic waste.

The institutional set up of the WASH sector institutions largely remain under-resourced leading to widespread institutional inertia. There are serious capacity gaps in human resources and management systems. Roles are not clear and often overlapping among different government institutions. There are no harmonized and coordinated legal, regulatory and policy frameworks. The policies and acts in place remain draft for long in all institutions. However, sustainable water resources management, urban and rural water supply services and improvement of sanitation and hygiene require an effective institutional setup and legal framework which addresses the growing challenges in the sector.

It is difficult to understand how the WASH sector of Somalia is financed and there is no statistics or information on the trends of external aid to water and sanitation sector of Somalia. However, the current financing arrangements failed to achieve any real progress in improving sustainable access to water or sanitation services.

Private sector plays an important role in the provision of water and sanitation services and filled the void created by the lack of public leadership in providing water and sanitation services. Entrepreneurs throughout the country have built berkads, drilled private boreholes, provided services throughout the main cities and to some extent improved WSS operation. PPPs were developed in major towns and many of the urban water companies are now owned by local investors who operate with local business people as shareholders.

According to AfDB report, private sector operated systems provide water that is sold at US\$ 5 and US\$ 15 per cum² during the wet and dry seasons, respectively. Comparatively, private operators in most developing countries sell water between US\$ 0.4 and

US\$ 1.5 per cu. m on the average, which questions equity by the poor and the vulnerable communities including internally displaced people.

The WASH sector lacks reliable data to undertake proper sector analysis and presents a major gap in informed decision-making. There is currently no consolidated and consistent countrywide database on water, sanitation and hygiene. As a result, there are multiple data sources, including sample surveys and evaluation reports from organizations and country program documents of the partner organization such as UNICEF, FAO, AfDB, etc. The only countrywide database currently available is dependent on sample surveys conducted by SWALIM (FAO) which has obvious limitations.

7.5.2 Challenges

Somalia faces increasing challenges for managing the water, hygiene and sanitation sector, as a consequence of the lack of a national policy, organized and coordinated legal, regulatory and institutional frameworks and deficiency in the provision of both urban and rural water supply and sanitation facilities and services.

The major challenges facing the urban water sub-sector include increasing the urban water supply coverage from 35% to 70% through revival of the existing non-functioning water supply schemes and developing new water supply facilities; the pressing need for improved management in operations and maintenance of water supply; increasing the quality of water supply services; difficulties in setting tariffs to recover costs in managing operations and maintenance of water supply and ensuring equity for the poor and the marginalized communities as well as inadequate revenue and investment in water supply facilities.

The challenges related to sanitation in Somalia involve various issues, from the low level of access to sanitation facilities and services as well as the low service coverage with poor quality to the lack of a legislative and institutional framework.

7.5.3 Justification

Water, hygiene and sanitation are important and critical development issues which like other development issues need serious consideration for sustainable development of the country economy and management of resources. There are constant outbreaks of WASH related diseases and increased episodes of diarrhea negatively affecting the survival, growth and development of our children, particularly the most vulnerable group such as women and children.

The Government is determined to stop the falling trends in water supply coverage and quality through programs of rehabilitation, expansion and improvement. However, this requires consistent high levels of investment from the Government and support from development partners.

The Government is also endeavored to strengthen and reform the WASH sector and make it more vibrant, competent, strong, accountable and responsive through policy and legal reform, institutional development and advancement of management capacities and systems of all concerned government institutions at federal, state, regional and district levels.

6.5.4 Vision

"Adequate and safe water, hygiene and sanitation for all"

7.5.5 Mission

Improved access and use of safe, affordable, equitable, sustainable and quality water and sanitation services, and increased adoption of hygienic practices at the personal, household and community levels, resulting in (i) reduced morbidity and mortality rates and (ii) enhanced people's health, productivity and quality of life.

7.5.6 Goals

1. Increase access to safe water supply in urban and rural areas through a coordinated approach and achieve high coverage of piped water in line with the national and international goals and targets (SDG);
2. Increase equitable access to sustainable sanitation services, promote hygiene behavior change at scale and end open defecation in line with the national and international goals and targets (SDG);
3. Establish and strengthen the institutional, policy and legal framework of the WASH sector for the proper management of water resources as well as hygiene and sanitation services;
4. Promote community participation, private sector engagement, inter-sectoral coordination and donor partnerships for the holistic and sustainable development of the sector;
5. Increase government allocation, diversify income sources including community financing mechanism and introduce common basket funding to attract more funding to the sector development through Sector-Wide Approach;
6. Develop a robust and vibrant information management and early warning system to use for proper planning of the sector, track the progress, improve accountability and manage water resources, hygiene and sanitation services;

7.5.7 Targets

- i. Increase equitable access to safe and affordable drinking water from 35% to 45% by 2019;
- ii. Increase access to child-friendly and gender sensitive WASH facilities with menstrual management facilities to 50% of primary and secondary schools by 2019;
- iii. Increase the percentage of people living in open defecation free environment to 40% by 2019;
- iv. Increase the use of hand-washing practice with water and soap to 50% by 2019;
- v. Increase the proportion of the garbage collected and disposed into appropriate dumping sites to 50%;
- vi. Ensure 50 percent of local governments have WASH units and basic laboratories to test water quality;

7.5.8 Interventions Strategies and Milestones

7.5.8.1 Safe water supply

During the three year NDP period (2017 - 2019), the Government will establish the policy and legal framework of the sector to govern the provision of water supply in the country. The water sector will develop and implement water supply projects targeting both urban and rural areas in order to increase access of safe water 25 liters per person per day of safe water according to WHO Guidelines for drinking-water.

Further, the Ministry of Water will develop a master plan on the supply chain of the water sector including equipment's, consumables and spare parts. Further, The Ministry of Water will commission an assessment and inventory of the human resources available for the water sector and develop a comprehensive human resource development programme targeting the technical and management skills and competencies required by the water sector.

Water quality (WQ) testing laboratories will be established at the federal level equipped gradually with advanced analytical equipment and standard water quality testing equipment will be provided to the states and regions to do a range of parameters such as physical, microbiological and chemical. Further, basic water testing facilities will be provided to district councils.

7.5.8.2 Sustainable sanitation services and hygiene promotion

During the NDP period, the Government will develop waste management policy and plan to strengthen and scale up the garbage collection capacity and efficiency for all types of wastes. Public-private partnerships (PPPs) companies will be constituted for garbage collection and the private sector will be encouraged to participate in waste management interventions such as recycling, landfills and incineration systems. Efficient transportation will be provided to local governments to transport various waste streams; while suitable disposal and treatment facilities will be constructed in a controlled landfills to prevent any contamination to water and soil during the whole lifespan of the landfill.

Surveys to study various options of safe low cost household and communal excreta disposal facilities will be conducted and later promoted and replicated at scale. Further, National community-lead total sanitation (CLTS) strategy and costed plan will be developed and implemented in rural villages across the country. Ministry of Health will closely monitor, review and evaluate the progress and the realization of the ODF status over time.

Access to WASH in schools will be provided through provision of adequate water, hygiene and sanitation services in schools for drinking, cooking, cleaning and personal hygiene and construction of toilet facilities and menstrual management facilities in primary and secondary schools that are gender-specific (i.e. separate for boys and girls), sufficient, child-friendly, adequate, well-equipped, well-maintained and culturally appropriate.

Healthcare waste management policy and guidelines will be developed to support integrated management of bio-medical wastes including collection, treatment, disposal, etc. in line with the WHO guidelines. Regulatory body will be constituted to regulate and monitor the quality of emissions of incinerators and other medical waste treatment units. The WASH sector will lobby the establishment of proper incineration or autoclave systems in health institutions (public and private). A public awareness campaigns on the impact of different types of wastes on human health will be developed and implemented so as to increase community participation and positive attitude and knowledge on the quantity, type and toxicity of hazardous waste and their environmentally sound management;

7.5.8.3 Policy, legal and institutional development

During the NDP period, the institutional capacity of WASH institutions at federal, state, regional and district levels will be strengthened through provision of appropriate office space, facilities, equipment's, communication technology, transport, etc. The Government will finalize, approve and disseminate the WASH policy to wider stakeholders. WASH sector strategic plan with master plans will be developed in line with the vision, mission, and broad WASH policy objectives. The capacity of senior and mid-level managers will be strengthened through attending certified leadership and management courses, mentorship, study tours and exposure visits to overseas countries.

The existing draft legislations will be reviewed and updated and a new water law and environmental health act enacted in order to create an enabling environment for all those involved in the sector, public and private, at present and future. Regulatory authorities in water resource management and waste management will be established at federal and state levels to regulate the water and sanitation service provision.

7.5.8.4 Partnership development

During the NDP period, community mobilization programme will be developed and implemented to promote the development of water supply and sanitation facilities as well as hygiene promotion. A management framework will be developed that includes the establishment of viable management systems for operation and maintenance of water and sanitation facilities by the community. Local technicians will be trained in the maintenance of water/sanitation facilities in collaboration with local councils.

A policy and regulation for private sector participation in WASH service provision will be developed including public-private-partnership and the private sector will be encouraged to participate in the procurement of goods and services such as construction materials, spare parts, water pumps, pipes, taps through commercialization and social marketing approaches. The WASH sector will work with the private sector and leverage any gaps in their skills and abilities.

Finally, the WASH sector will strengthen partnership with development partners, non-governmental organizations, civil society organizations and academia to work together towards the development of the WASH sector; strengthen the inter-sectoral collaboration among government WASH institutions and strengthen the coordination and oversight role of the inter-ministerial WASH steering committee at federal and state levels.

7.5.8.5 Sustainable financing

During the NDP period, the Government will develop a financing strategy based on the principle of cost sharing that equally spends on hardware (water points/toilets) and software (training, capacity building, M&E, etc.). Further, the Government will introduce sector-wide approach and move from emergency-based adhoc interventions to common basket funding. The sector will develop the tariff policies which ensure every person has at least a basic level of service with special arrangement for the poor and the vulnerable communities.

The sector will establish sound financial management system and build the capacity of service providers in terms of billing, commercial activities, customer management in line with the benchmarking indicators of the International Benchmarking Network for Water and Sanitation Utilities.

7.5.8.6 Robust and vibrant information management and early warning system

During the NDP period, the WASH sector will establish and strengthen information management systems within WASH institutions at federal, state, regional and district levels. Ministry of Water will pursue support to implement national hydrological survey and mapping of all water points and facilities across the country. Similarly, the sector will support the establishment of a database to capture waste generation rates and waste data with characterization on types, sources and composition to support planning for sustainable waste management. Finally, the WASH sector will strengthen the capacity of the flood forecasting centre and carryout regular water metric assessments; produce periodic analytical reports on annual basis.

7.6 LABOUR AND EMPLOYMENT SECTOR

7.6.1. Situation Analysis

A strong, dynamic and empowered labour force is critical in catalysing and driving the transformations required in making Somalia a competitive and growth-oriented country providing quality jobs to her growing labour force. The ILO estimated Somalia employment to population ratios for Somalia at 41%. The labour force participation rate was estimated at 65.9% and 37.6% among males and females, respectively.

Amongst the youth, male youth aged 30-34 years had the highest labour force participation rate of 83.3% compared to females (44.0%). Among the adults, male adults aged 45-49 years and 35-39 years had the highest labour force participation rates at 86.6% and 86.4%, respectively. This was about twice the labour force participation rates for females in the same age cohorts. Also, the urban population had the lowest labour force participation rate at 40.1% compared to 56.7% for the rural areas. The labour force participation rate among the nomadic community was estimated at 68.7% compared to 44.9% for the Internally Displaced Persons (IDPs). The disparity in the labour force participation rates between males and females is attributed to the religious and cultural practices, which limit women from actively engaging in the labour market. The relatively high labour force participation rate among the nomadic community is due to the fact that the members of the community are mainly self-employed; their working life starts relatively early but does not often stop at old age. Those in the IDP camps experience restricted movements and limited labour market opportunities hence the low labour force participation rates.

In overall terms, Somalia suffers from high unemployment and under-employment. The country has relatively high vulnerable unemployment estimated at 59%, and a considerable unemployment rates for persons with upper primary level of education at 20.9% and those with secondary level of education an unemployment rate of 34.6%. Also, 41% of the employed in Somalia are in elementary occupations. The largest proportion of employed persons are elementary occupations (41%) followed by professional (15%), Skilled agricultural, forestry and fishery workers (10%) and craft and related trades workers (9%).

The level of vulnerable employment is high in Somalia given that own account workers (OAW) and contributing family workers (CFW) account for 40 per cent of total employment (35.6 per cent among male, and 53.3 per cent among females). The average number of hours of work per week cumulatively has been computed as 24. There is evidence that most females in both urban and rural areas work for less than 25 hours a week.

As is the case in developing countries, the informal sector is a major employer in Somalia. However, the jobs in the informal sector are precarious in nature. They are characterized by low pay, limited competitiveness, job insecurity and other atypical forms of employment.

Somalia has weak frameworks for promotion of safety and health in workplaces; inadequate employment security largely characterized by employment on contract, casual, temporary and outsourcing; weak social protection system; limited social security coverage; gender gaps in access to employment, and in pay and benefits; and low trade union representation, and discrimination

7.6.2 Justification

The nature of work is changing. It has become increasingly dominated by service industry occupations such as telecommunication. Merchandize employment as a share of the total workforce is projected to rise. Small business has become an ever more vital engine of job creation. There are a considerable proportion of jobs that are non-standard. Also, a growing portion of the workforce is paid for work done in the informal labour market. However, the emerging technology will transform jobs and require better skills to do them. Technological change is likely to increase the demand of skilled workers. The majority of jobs will continue to need workers who have acquired knowledge and skills via college, vocational training, and moderate to long-term on-the-job training and real work experiences.

However, there are a large number of unemployed potentially productive populations in the country that are sitting idle and hence, hamper national development. Therefore, there is an urgent need the government and the international community to work towards enabling the nation's workforce to gain employment opportunities through employment intensive investment programmes and support for the provision of small and medium-sized grants and or loans to encourage entrepreneurship.

Given the change in the Labour market, the Federal Government of Somalia needs to develop new approaches to create sustainable employment opportunities, ensure compliance with national and international Labour laws and practices at the workplace, and industrial harmony. The Government also needs to put in place policies and a legal framework to improve health and safety in work places, promote social security, settle industrial disputes, strengthen collective bargaining and promote social dialogue.

The sector will also promote enterprise development and address the existing constraints to business growth in order to reduce the rate of failure of those enterprises and, secondly, support their growth. The sector in collaboration with other stakeholders involved in human resource development activities will develop an integrated human resource development strategy that will provide linkages between the Labour market and knowledge factories (training institutions) in order to create synergy in the production of skills required by the economy.

7.6.3 Vision

Decent and gainful employment for all

7.6.4 Mission

Create an enabling environment for job creation and dynamic workplaces that meet the needs of workers and employers alike through the development of a set of policies, programmes and legislation that contribute to economic efficiency and productivity;

skills development and employment creation; sound Labour relations; eliminating inequality and discrimination in the workplace; enhancing occupational health and safety, respect for employment standards and worker rights.

7.6.5 Goals

1. Support the labour market to create employment opportunities, increase productivity, economic growth and national competitiveness;
2. Provide all individuals for improved skills to access and gain decent employment and contribute to economic growth and competitiveness in the region;
3. Develop the policy, legal and institutional framework of the labour and employment sector to harness effective, healthy and safe work places and promote standards and equity in the labour market;
4. Establish a robust social protection system and promote social security and employee welfare;
5. Promote labour relations, improve dispute resolution mechanisms, enhance collective bargaining, mediations, and social dialogue;
6. Establish national labour market information system to better plan and manage the labour and employment sector based on better quality, up-to-date, timely, reliable, and accurate data, analysis and reporting;

7.6.6 Targets:

1. Reduce vulnerable unemployment from 59% in 2016 to 50% by 2019;
2. Reduce time-underemployment from 24 hours per week in 2016 to at least 35 hours per week;
3. Reduce cases of occupational accidents by at least 10% per year up to 2019;
4. Increase workplace inspections by at least 5% per year up to 2019;
5. Reduce open unemployment rate by at least one percentage point per year from 12.1% in 2016 to at most 9.1% by 2019;
6. Increase employment to population ratio from 39.4% in 2016 to at least 50% by 2019;
7. Increase the share of women in the Labour force from 35% in 2016 to at least 40% by 2019;
8. Reduce child Labour from 11.2% in 2016 to at most 8.2% by 2019;
9. Reduce youth unemployment rate from 22% in 2016 to almost 17% by 2019;
10. Create at least 50,000 formal jobs per year up to 2019;
11. Reduce the share of formal employment in total employment from 10% in 2016 to at least 20% by 2019;
12. Reduce the cost of doing business by at least 5% per year between 2016 and 2019;
13. Reduce industrial disputes by at least 10% per year up to 2019;
14. Put at least 20,000 students from universities on industrial attachment/internship annually;
15. Put at least 30,000 students from middle level colleges on industrial attachment/internship annually;
16. Increase the number of collective bargaining agreements negotiated by trade unions and employers by at least 10% per year up to 2019;

7.6.7 Intervention Strategies and Milestones

The labour and employment chapter of the NDP prioritizes the following areas of intervention:

7.6.7.1 Employment creation through increased productivity, economic growth & national competitiveness:

Productivity and national competitiveness is a critical pillar for creation of productive and sustainable employment opportunities. The key areas of focus is to put in place a strategic framework to reduce cost the of doing business, lower the macroeconomic risks and simplify business registration processes to promote the growth and development of the small and medium sized enterprises (SMEs). Also, a cluster development strategy will be adopted so as to promote balanced regional growth and industrial competitiveness in strategic areas. Science, Technology and Innovation (STI) will also be promoted to align the country to the new development paradigm and benefit from the employment opportunities arising from technology enabled

services. Overall, strategies to improve productivity, competitiveness and absorptive capacities of both the formal and informal sectors will be developed and implemented. Employment intensive investment programmes will be designed and implemented to accelerate and expand job opportunities. Labour technology will be used in all infrastructure development projects;

7.6.7.2 Skills Development

A skilled, productive and healthy human resource is a major catalyst of national growth, competitiveness and employment. Skills development interventions to be pursued are expected to bring the quick gains to the country. The key measures will be to reform and revamp the technical, vocational education training system; institutionalize internships, industrial attachments and apprenticeships; and promote targeted provision of soft skills within framework of public and private employment services. Other measures will be promotion of entrepreneurship and entrepreneurship, especially for the youth; enhancing linkages between industry and education and training institutions through the triple helix approach; strengthening labour market information system; and implementing targeted active labour market programmes focused on influencing labour supply, demand and intermediation.

7.6.7.3 Robust Social Protection System

Social protection is one of the key pillars of decent work. Measures towards putting in place a robust social protection system include developing and implementing a wages and remuneration policy; developing, implementing and monitoring an appropriate minimum wage system; strengthening social security provisions and broadening the range of products and coverage of the social security; and establishing and operating efficient cash transfers system, especially for the most vulnerable.

7.6.7.4 Labour Relations and Social Dialogue

Social dialogue is a key enabler for national transformation, employment growth and sustainability. Key measures to be taken to achieve this will include establishing and strengthening institutions of social dialogue; building the capacities of trade unions and employers' organizations to promote industrial democracy; strengthening tri-partism; promoting and strengthening Labour inspection services; and ensuring an effective Labour administration.

7.6.7.5 Policy, Legal and Institutional Development

A number of policies, legal and institutional reforms will need to be undertaken in Somalia during the NDP period (2017-2019) so as to promote efficient operations of the Labour market and creation of productive and sustainable employment opportunities. The key policy reforms will entail developing and implementing the Vocational Training Master Plan, National Employment Policy, Foreign Employment Policy, Somalia National Occupational Classification Standards, Wages and Remuneration Policy, including minimum wages; and Child Labour Policy. The legal reforms will target Labour Law review. The institutional reforms to be undertaken will be geared towards expansion and strengthening of Labour administration offices at all levels of government; establishing and equipping modern Vocational Training Centers; establishing and operationalizing a National Tripartite Commission. An institutional framework for policy implementation, monitoring, evaluation and reporting will be established.

7.6.7.6 Labour Market Information System

A labour market information system will be established at federal and state levels. A country-wide labour market survey will be carried out to generate comprehensive, up-to-date baseline values for the key labour market indicators.

7.7 YOUTH, SPORTS AND CULTURE SECTOR

7.7.1 Situation Analysis

Somalia is one of the countries with highest young population in the world. Eight out of ten Somalis are younger than 35 years old²¹. After decades of unrests, conflicts and instability, young generation face multiple, diverse and complex challenges. They have grown up in a country hit by conflicts, natural disasters, and poverty. Most young people experienced difficult transitions to adulthood caused by multiple social, economic and political exclusions. In most parts of the country, avenues for youth to obtain an education and gainful employment remain limited and barriers to engage politically, economically, or socially remain high.

According to PESS 2014, 1.7 million youth (or 44%) can't read and write, and 62% are not currently enrolled in school (45% and 55% male and female respectively). Unemployment among youth in Somalia is unacceptably high. According to PESS 2014, 27% of youth are employed 58% male and 42% female, majority of the employed (70%) are in the primary sector that is livelihood, agriculture, forestry and fisheries. Also with some of the worst indicators in the world, the health of young people in Somalia remains in a critical state.

There is complete lack of sustainable economic opportunities for youth, which is a major driver of out-migration, and threatens to exacerbate an already dire situation in which approximately two thirds of Somali youth have expressed a desire to leave the country in search of livelihood opportunities overseas. Further, the participation of young people in decision-making is extremely low or non-existent due to prominence of elders in the political system as well as issues related to clan and cultural affiliations, gender, age, illiteracy and poverty, among other factors. Those exclusions limit the opportunities, and squeeze the contributions of youth to peace, stability and development of their own country. It forces many young people to embark on an often dangerous journey across borders searching for better lives. Those that stay behind are tempted by crime, drugs, radicalism, piracy and armed groups. Young women are particularly disadvantaged, facing displacement and having even less of opportunities due to cultural biases and traditional practices.

The involvement of some young people – especially young men, but increasingly also young women – in extremist groups has led to a widespread portrayal of youth as a threat to peace and global security. Consequently, the depiction of youth in conflict is marked by a dichotomy: they are either portrayed as victims or perpetrators. The reality is much more nuanced. Increasing evidence shows that youth can and should play active and valuable roles in bringing peace and development to the country. Yet, the potential contribution and inclusion of young people to effective peace and estate-building has received little attention and support.

Young Somalis lack basic social services such as access to safe water, sanitation facilities, healthcare services and education among others. The supply of social services and public goods has not only been very limited but of poor quality. Around the country, youth suffer from inadequate legal protections, which fail to deliver justice or deal with young delinquents appropriately. Gender disparity exists within the justice system: female youth are less likely to report crimes than their male counterparts and face discrimination in the traditional justice systems. In such a context, young Somalis are both perpetrators of the conflict and violence as well as victims of it.

The Somali youth show a great level of optimism and commitment to contribute to the development of the people and the country. All they need is a chance to become drivers for peace and stability so that they can bring sustainable and innovative solutions for the reconstruction, recovery and development of their country.

Although the Federal Government recognizes the role that young Somalis could play in their country's peace- and state-building processes, so far, youth programming and interventions have lacked a comprehensive and integrated long-term approach. There has been inconsistent engagement of Somali youth from civil society in the planning, implementation and monitoring of policies and programmes as well as very limited impact on the few youth programmes being led by the Government. Failure to respond to the aspirations and needs of the country's youth undermines the prospect for lasting peace and instability in Somalia.

7.7.2 Justification

²¹ Approximately 81.5% of the Somali population is under 35 years old according to the population Estimation Survey 2014, UNFPA Somalia

Somali youth face multiple social, economic and political exclusions and remain politically, economically, and socially weak or non-existent. The space and opportunities are even further restricted for girls and young women.

Improving young people's lives is key in order to build lasting peace and stability in Somalia. There is an urgent need to empower the youth through the delivery of quality services which meet the needs and aspirations of the young Somalis in a coherent and inclusive approach including access to social services, economy empowerment, employment creation, justice and security as well as leadership and political participation.

Placing youth empowerment at the core of all peace building and development goals is essential. The multidimensional concept of empowerment – social, economic and political – provides ample scope for harmonizing approaches to youth policies and programming, and harnesses the full potential of youth to become recognized social and economic actors, as well as peace builders. It may sound obvious, but this aspect sometimes gets overlooked. Young people's leadership and roles in preventing and resolving conflict, violence and extremism are rich resources essential to achieving sustainable peace that is currently untapped.

7.7.3 Vision

Enhance the participation of the youth to the development of the nation through effective mobilization, empowerment, training and sports to foster national cohesion, enhance peace and improve quality of life.

7.7.4 Mission

Provide appropriate policy framework to enable youth to develop social, economic, cultural and political skills and enable youth to partner with Government and the international community to bring peace and stability to Somalia, enhance their participation in the overall peace-building and development process of the country.

7.7.5 Goals

1. Strengthen the policy, institutional and legal framework of the Ministry of Youth and Sports to effectively respond to the needs and aspirations of Somali youth and deliver efficient and effective programmes and services by 2019;
2. Promote the socio-economic and political status of young people and support their engagement in the leadership and decision-making portfolio at all levels;
3. Provide appropriate, youth friendly social services to the youth including psycho-social support to the youth in conflict and difficult circumstances;
4. Promote physical, mental and emotional health among youth, through play, sports, recreation, artistic and cultural expression, personality development and character building.

7.7.6 Targets:

1. Increase youth participation in the political and leadership positions of up to 20% by 2019;
2. Establish one (1) youth employment center in every region by 2019;
3. Establish youth councils at federal and in all states by 2019;
4. Establish one (1) youth network organization in every region by 2019;
5. Reduce youth unemployment rate in 10% by 2019;

6. Increase access to ASRH services for both in and out of school youth up to 30% by 2019;
7. Establish play grounds and leisure center's (football, basketball, tennis and gym) for youth male and female in all district's by 2019;

7.7.7 Strategies and Milestones

7.7.7.1 Policy, legal and institutional development

During the NDP period, the Government will strengthen and expand administration offices in charge of culture, youth and sports at the federal, state, regional and district levels and institutionalize the management capacity of the Ministry through the introduction of necessary technical and operational policies and guidelines. The Government will finalise the national youth policy and develop a policy implementation plan. In addition, the government will develop national youth council act and support the establishment of the national youth council. The government will also develop the national sports policy.

In addition, the capacity of the sector will be strengthened with the necessary investments in training and recruitment of qualified and competent staff and advisers that adequately trained on youth and sport policies and programming, as well as public administration. Moreover, the sector will advocate for the promotion of innovative ways of mobilizing resources for services for the youth emphasizing the partnership with central and local governments, NGOs and private sector.

7.7.7.2 Promotion of socio-economic status of the young people

During the NDP period, the sector will lobby the development and implementation of income-generating activities, as well as the creation of employment opportunities and will encourage local recruitment for the youth in all sectors. Further, the sector will create skills development programmes for the youth through training and establishment of internship and apprenticeship to enable the youth acquire a range of skills and essential tools to support their fortune and future career development. Youth skills center's will be created in all districts to enable youth, their leaders, workers and youth organizations to access information and acquire practical skills.

7.7.7.3 Promotion of political status of the young people

In addition, the sector will work to increase youth participation in political dialogue and social reconciliation. This support entails the establishment of the national council for youth organizations, the Somali youth parliament and regional and national youth conferences. Further, the sector will undertake and support nationwide civic education programmes targeting young people. The sector will develop and implement capacity development programme for youth organisations and networks including leadership training for youth, and support the facilitation of appropriate platforms for youth engagement with political leaders.

7.7.7.4 Provision of youth friendly services

During the NDP period, the sector will lobby for the provision of basic social services including information, guidance and counseling and make them youth friendly by removing all structural, medical and attitudinal barriers to accessing such services including adolescent sexual and reproductive health services. Further, the sector will equip the youth with appropriate life skills and mobilize adults, families, communities, institutions and policy makers to create a safe and supportive environment for the growth and development of the youth.

The sector will provide full protection of young women and men from all forms of violence, including gender-based violence, sexual abuse and exploitation, and promoting the psychological recovery and the social and economic reintegration of the victims or survivors. Moreover, the sector will support and advocate for realization of the rights of the youth with disabilities and ensure

their participation in all youth development programmes. It will also develop and implement specific programmes and services to youth returnees and those who are internally displaced with particular attention to their needs of basic social services such as education, health services, skills training etc. Finally, the sector will provide appropriate functional literacy programme and special training for youth who are illiterate and migrants including pastoralists, the internally displaced persons, refugees, street children and the disabled.

7.7.7.5 Play, sports, recreation, artistic and cultural development

During the NDP period, the youth and sports sector will provide adequate sports and recreational facilities both indoor and outdoor sport facilities such as gymnasiums, playing grounds for football, basketball, tennis and track and field, and fitness center's to the youth in the neighborhood as well as the youth in schools and educational institutions. Further, the sector will integrate sports and physical education with the educational curriculum, making it a compulsory subject of learning up to the secondary school level. The sector will build the capacity of schools and teachers to effectively deliver sport and physical educational programmes.

The sector will promote and organize inter-regional tournaments as a way to bring young people from various backgrounds together and strengthen the capacity of the administrative institutions, federations and clubs through coaching, mentorship and exposure visits to neighboring countries. The sector will work towards the establishment of Somali sports institute to provide academic training programme and produce cadres of sport professionals for the long-term development of the sector.

The sector will promote cultural initiatives including: book fairs, photo-exhibitions, artistic competitions, etc., which would give young Somalis the opportunity to revive Somali culture and to express themselves creatively. It will establish cultural centers and organize competitions like drawing, painting and other art.

7.8. GENDER

7.8.1 Situation Analysis

Following 20 years of conflict, women's traditional gender roles and responsibilities have been stretched beyond pre-existing limits to meet new social, economic and domestic needs. Somali women have continuously been at the center of social mobilization in support of peace, and have acted as principal agents of change and social transformation. The situation of women in an environment of such complexity and instability as Somalia is now among the most challenging in the world and requires focused attention by all actors if peace, stability and development are to be achieved.

Although statistical data on the situation of women in Somalia is not readily available, there is evidence that shows Somalia scores the 6th lowest in the world as the country where women face highly discriminatory family laws, very high levels of restricted physical integrity, and very high level of restricted resources and assets²². The changing gender roles manifest, for example, in the increasing number of single-headed households primarily due to the prolonged conflict; with 66% of these headed by women²³. In 2014, starting from age 15, the Labour force participation of men rose to over 80% around age 30, while the gender gap increases and the Labour force participation of women reaches only slightly more than 40% at the same age.²⁴ The continued lack of access to services, such as education and health, or lack of access to agricultural production or other livelihoods and employment opportunities have kept most of the female population disempowered.

The increased responsibilities that women face at the household level as a result of the conflict are not matched with a comparative increase in their voice at decision-making levels. The participation and role of women in politics and decision-making spheres remains limited, perpetuating narrow gender based roles and inequalities. The proportion of seats held by women

²² 2014 Social Institutions and Gender Index, OECD Development Centre

²³ UNFPA Somalia (2016), 'Population Estimation Survey 2014', Analytical Report Vol. 2

²⁴ UNFPA Somalia (2016) 'Population Estimation Survey 2014', Analytical Report Vol. 2

in the national parliament is only 13.8% (275 seats with 38 held by women)²⁵ and even lower in State Parliaments. Although some encouraging statistics are seen in the South West which has 22% women in Parliament.

Across the country, traditional or customary laws often override the state judiciary and a lack of justice for sexual and gender-based violence has been a challenge that predominantly results in underreporting of incidents²⁶. The age of marriage for many girls is early, with 45% of women aged 20 to 24 married before the age of 18.²⁷ Practices such as polygamy, early and forced marriages, FGM, and wife inheritance, continue to undermine development towards increased gender equality. FGM remains at an extremely high rate of 98%.²⁸ Security discourse around women is usually focused on seeing women as victims, but quite rarely as active agents who can be instrumental in improving security situation not only for themselves, but also for others. There is information that indicates that women used to be more involved and had more influence in the past, but with decreased security their influence in reconciliation and decision making decreased as well. It stands to reason that precisely when security for women gets harder to get, they need to be closely involved in designing measures to keep them safe.

7.8.2 Challenges

The global 2030 Agenda for Sustainable Development explicitly recognizes that the achievement of full human potential and of sustainable development is not possible if one half of humanity continues to be denied its full human rights and opportunities²⁹. There is mounting evidence which shows that inequality, including gender and other forms, are not simply consequences but rather determinants of poverty. Increasing gender equality leads to economic growth, human development, poverty reduction and it positively affects lasting peace and post-conflict recovery.

Gender considerations are relevant for all development areas from macroeconomic frameworks, through governance, to social services and resilience. The achievement of development goals will be limited, and at the same time more costly, in a situation where half the population is disempowered or has limited access to full rights. Peace, stability and development can only be efficiently achieved by addressing the obstacles women face to fully contribute to their country's development. As such, the Somalia National Development Plan (NDP) for 2017 – 2019 recognizes the importance of addressing gender disparities and the empowerment of women to enhance overall development efforts.

Given the many pressing priorities Somalia faces and the need to keep the NDP realistic, it is critical to be strategic in prioritizing those goals that are necessary preconditions for advancing work on women's empowerment in the upcoming three years and that lay down the groundwork for further transformational change. As such, the NDP focuses on three strategic priority goals:

7.8.3 Justification

Recent gains in this area must be built on. Elections for the National Parliament in Somalia are scheduled to be held in 2016. At the time of drafting the NDP, the 30% quota of seats for women in parliament is being advocated for. However, most women are still excluded from public decision-making spaces. Political power and authority are perceived as masculine spaces, and the women who are included in politics often act through their husbands or other male family members.

Insecurity is still the predominant issue preventing gender equality from being a feasible objective as women continue to suffer disproportionately from ongoing challenges to their safety. The ongoing fragility and conflict is responsible for an increasing number of Internally Displaced Persons (IDP) within Somalia, including a high proportion of women. They are often subject to poor security arrangements, which leave women and girls particularly vulnerable. At the same time, women are not actively included in defining solutions for a security and peace agenda.

²⁵ Inter Parliamentary Union <http://www.ipu.org/wmn-e/classif.htm>

²⁶ Gender in Somalia, UNDP Brief II, pg. 3, <http://reliefweb.int/sites/reliefweb.int/files/resources/Gender%20in%20Somalia%20Brief%202.pdf>

²⁷ United Nations Development Programme (2012). Somalia Human Development Report 2012: Empowering Youth for Peace and Development, p. xviii. http://www.undp.org/content/dam/rbas/doc/Women's%20Empowerment/Gender_Somalia.pdf

²⁸ Gender in Somalia, UNDP Brief II, *ibid.*

²⁹ Transforming our world: the 2030 Agenda for Sustainable Development A/RES/70/1

As noted above, the lack of access to credible statistics on the status of women in Somalia hampers the efforts designed to address and breakdown barriers to gender equality. It is of necessity that rigorous political economy analysis be coupled with a gender analysis for the Somali context. Closing the information gap by ensuring that basic knowledge and data is available will be essential to a) empower women by allowing them to articulate their needs through information collection exercises, b) challenge social norms by providing and disseminating gender-relevant information, c) inform policy priorities and appropriate responses, c) ensure robust monitoring that provides feedback loop on approaches that work and on whether expected results are being achieved, and d) provide data without which further gender-sensitive accountability exercises including gender analyses, audits or gender responsive budgeting would not be possible.

7.8.4 Vision

A society that upholds gender equality, dignity, respect and fairness for all women and men

7.8.5 Mission

To effectively and efficiently promote gender equality and freedom from discrimination of all persons in Somalia and reduce gender inequalities and discrimination through legal and policy reform, advocacy, empowerment, and creating secure and safety nets for women.

7.8.6 Goals

- i. Create an enabling legal, policy and institutional environment to achieve gender equality and equal opportunities;
- ii. Improve safety and security for women;
- iii. Make available quality gender statistics and information to address gender disparities.

7.8.7 Targets

- i. Key legislation and policy frameworks enacted and popularized (CEDAW, Sexual Offences Bill, FGM Bill, FGM Policy, UNSCR 1325 National Action Plan)
- ii. Increase women's representation in political and leadership positions up to 30% by 2019;
- iii. Monitoring framework to measure women's rights and gender equality in place by 2019;
- iv. Mechanism for tracking public allocations to gender equality in place by 2019;
- v. Women's participation in law enforcement and SNA increased based on temporary special measures
- vi. Reduce the incidence of SGBV 20% by 2019;
- vii. Gender responsive locally contextualized interventions identified (based on mapping of opportunities and barriers for women's participation in conflict resolution)
- viii. Statistical information on men and women and gender reporting available annually;
- ix. Reduce the prevalence of FGM/C to less than 70% by 2019

7.8.8 Intervention Strategies/Milestones

7.8.8.1 Policy, legal and institutional development

In order to address existing gender disparities it is important to create an enabling environment for gender equality and equal opportunities. This means to lay out the groundwork in terms of defining normative standards against which public actions are assessed, building institutional capacities of gender machineries at national and state level, and defining accountability mechanisms to provide feedback on how well the normative standards are upheld. In the NDP period, the Government will focus on adopting a core set of legislative and policy frameworks addressing the need to increase women's representation in leadership

positions, their participation in peace building and recovery, and to ensure women's protection against SGBV. In addition, the Government will sign CEDAW as an overall framework for upholding women's rights and ensure compliance of domestic legislation with the Convention to ensure its full implementation. A necessary precondition for creating enabling environment for gender equality is also to strengthen institutional capacities of gender ministries at national and state level together with ensuring adequacy of their office premises. Finally, the Government will put in place accountability mechanisms in the form of monitoring framework for women's rights, coordination structures between national and state level stakeholders, and annual production of a report assessing the status of gender equality in the country. All these efforts will be greatly dependent on and complemented by the work to be done under goal 3 on gender statistics and information.

7.8.8.2 Safety and security for women

Ensuring increased security, safety and access to justice for women and girls will lay the foundations for increased gender equality in Somalia. Evidence shows that the inclusion of women as decision-makers and drivers in processes related to the prevention, management and resolution of conflict leads to more peaceful, stable, inclusive and gender-equal societies. In light of this, the approaches laid out in the NDP to improving the safety and security of women in Somalia are premised on the understanding that an inclusive approach to security provision and conflict resolution holds the greatest prospects for success. Therefore, strengthening overall security responses to women and girls will be realized through a number of key strategies. These include, increasing specialization on gender throughout the justice chain (gender desks, specialized prosecutors, and judges), decentralizing SGBV prevention and response services to increase accountability and action at the local level, enhancing standards on safety and accountability in reporting on SGBV, and increasing the participation of women in law enforcement and the SNA.

The security discourse around women is usually focused on seeing women as victims, and rarely as active agents who can be instrumental in improving the security situation for themselves and others. As such, integrating women and women's perspectives into the processes and institutions of conflict resolution are key to making them more gender-responsive. Through the NDP, the Somali Government will undertake mapping on the opportunities and barriers for women's participation in conflict resolution to generate gender-responsive locally contextualized interventions to improve women's safety. Support will be given to more fully engage communities in GBV prevention through modalities such as community policing plans that are developed in consultation with women, and by fostering women's community networks working on protection mechanisms.

7.8.8.2 Gender sensitive and gender-disaggregated statistics and information

Gender data and statistics are important tools for devising policies to achieve gender equality and women's empowerment, assessing their impact, and ensuring accountability. To ensure availability of a core set of gender statistics for the above purposes, in the NDP period the Government will conduct an assessment of the existing state of the availability of gender statistics, an overview of indicators for which data is already collected and monitored, and identify the existing gaps in data collection and in the relevant legal/policy and institutional framework governing the production of statistics. Based on the assessment and taking into account existing constraints and priorities in collecting the data for monitoring NDP and SDGs, a core set of gender indicators to be collected in Somalia will be identified drawing on the minimum set of gender indicators endorsed by the UN Statistical Commission and other standards. Legal, institutional and financial constraints will be addressed and partnerships put in place to ensure that the core set of gender indicators is developed and produced. Statistical information on men and women in Somalia based on the core set will be produced annually as of 2019.

7.9 CHILDREN'S RIGHTS

7.9.1 Situation Analysis

The children of Somalia remain among the most vulnerable in the world. Under-five mortality rates are at 137 per 1,000 live births, the third highest in the world. Ninety per cent of babies are delivered at home and less than one in twenty children are fully immunized by their first birthday. Fifteen percent of children under five suffer from acute malnutrition, with only 45% of the population using safe drinking water. 11% of urban and 44% of rural households practice open defecation. In addition, civil

conflict brings widespread violations against children, including killing, maiming, sexual abuse, abductions, child recruitment and attacks on schools and health facilities. Somalia has the highest rate of Female Genital Mutilation/Cutting (FGM/C) in the world and child marriage is widespread. Net attendance in school remains low, with four out of ten children reaching school.

7.9.2 Challenges

While statistics underline the bleak situation and apparent stagnation of progress for children's access to the most basic social services, including adequate nutrition and protection from abuse, opportunities to champion child rights in Somalia abound. Most notably, the Government's ratification of the UN Convention on the Rights of the Child (CRC) in October 2015 presents an opportunity for the National Development Plan to ensure that Somali children are at the center of all development and investment decisions.

7.9.3 Justification

Somalia is a young country. With a median age of 16.3, Somalia ranks the fourth youngest country in the world. As Somalia promotes new pathways to stability and social cohesion – promoting and protecting the rights of its children and women will play a vital part in providing clear direction and focus for the future. Current laws and legal framework in the country are not consistent, particularly on children.

7.9.4 Vision

Well-nurtured children with full opportunities for growth and development in a safe and protective environment

7.9.5 Mission

Through the lens of the universality of the rights of the child, transform the lives of all children through institutional and legislative reform, spreading awareness about the rights of the children and accelerating progress towards the Sustainable Development Goals to enable children to grow and develop to their full potential.

7.9.6 Goals

1. Build the institutional and legal systems to ensure that best interest of the child is upheld in all policies, plans, programs, interventions and in strategies;
2. Empower all children as citizens by promoting their participation in decisions that affect their lives, the lives of their families and communities and the larger society in which they live;
3. Design a social welfare system which honors existing cultural and religious systems and recognizes the effects of the war and conflict upon children and the civilian population;
4. Address the problem of early marriage and eventually eliminate early marriage;
5. Ensure universal birth registration and preserve the right of the child to their name, nationality, and identity.

7.9.7 Strategies and Milestones

A National Children's Policy and Act will be developed drawing on Somalia obligations under the CRC as well as the African Charter and other Relevant Instruments. A National Commission for Protection of Child Rights shall be constituted to uphold child rights and prevent child rights violations. Further, a National Plan of Action for Children will be developed and implemented at national and sub-national level. The capacity of the national institutions in charge of provision and protection of children will be strengthened. Strategic partnerships will be built with the Government, Civil Society, Private Sector and the Media, while social movements will be established for the realization of the rights of children. Effective monitoring and

evaluation system will be established to report on the status of the Somali children and influence policy dialogue and programming.

CHAPTER VIII

INFRASTRUCTURE

8.1 INTRODUCTION

Infrastructure is subjected to damage and destruction during the course of any conflict. Restoration of infrastructure is a major dividend of peace and a critical factor in the success of post-conflict recovery. In conflict-sensitive environments, the effectiveness of infrastructure is a barometer to help determine whether a society will slip back into violence or make a peaceful transition out of the conflict cycle.

Infrastructure encompasses institutions and human capabilities, as well as material and physical processes, systems and structures. Thus restoration of infrastructure systems must include economic (transport, energy and communication) social infrastructure (water, sanitation, housing, schools and hospitals) and institutional infrastructure including the facilities, equipment, and personnel required for governance at the local and national levels. A vision and framework for planning, reconstruction and development of such infrastructure systems requires national and local in-depth stakeholder consultation to achieve legitimacy and ownership.

Infrastructure systems in its broadest sense can be described by three main constituent components: assets, knowledge and institutional capacity. Infrastructure systems are acting as the vehicle needed to deliver goods and services to ensure the effective functioning of society. Without any of the above three elements there will be neither a functional asset nor capacity (knowledge and institutions) to manage (develop, own, operate or maintain) the assets. Infrastructure systems therefore are the enabler through which delivery of goods and essential services to the economy and society as a whole are provided. The inability for infrastructure to perform effectively as the enabler to supply goods and services will not only limit the economic development of Somalia but will ultimately stifle recovery and reconstruction.

Infrastructure development does not stop with the provision of built facilities; service provision that actually makes the physical infrastructure accessible to the citizens is likewise important. Roads are rehabilitated to provide access to markets and employment, hospitals are built to provide health services, government buildings are rehabilitated to enable civil servants to work. Housing, water and sanitation are needed to provide adequate living conditions to IDPs, returnees, urban poor and other vulnerable groups. Demands placed upon infrastructure systems resulting from protracted displacement, migration and rapid urban growth have been neglected for decades and strained existing physical infrastructure beyond their functional limits.

In the case of Somalia, several consultations with stakeholders ranging from civil society, national and local authorities and international development partners have been undertaken, including assessments of the current state of infrastructure, the priority needs for reconstruction and practical requirements to achieve priority improvements in the country. It is on this basis that this National Infrastructure Development Plan has been developed. National infrastructure

National infrastructure planning in Somalia involves at least five key federal ministries

1. Ministry of Public Works, Housing and Reconstruction (incl. roads authority)
2. Ministry of Ports & Marine Transport
3. Ministry of Transport & Civil Aviation
4. Ministry of Energy & Water Resources
5. Ministry of Post & Telecommunication
6. Environmental Agency Office of the Prime Minister

In line with the Federal Government of Somalia's endorsement, the Sustainable Development Goals (SDGs) will act as a guiding framework for the infrastructure sector development priorities with due consideration given to localizing the SDGs with the needs of the Somali people.

The consequences of over two decades of a civil war, that has had adverse effects on the political and economic systems of the country and culminated in complete institutional collapse which can be directly felt by many Somalis who as a result have no access to fundamental public services. Larger scale rehabilitation and expansion of infrastructure systems will have enormous impact on the perception and improvement of stability in the country.

The lack of an effective federal government since 1991 has significantly hindered the country's development in particular with regard to maintaining and expanding the national public infrastructure and developing the necessary regulatory and governance frameworks. This has left Somalia faced with the complex and pressing challenges of state building and reconstruction in the absence of endogenous sources of public revenue, and with hardly any institutional capacity.

Support to development and rehabilitation of transport infrastructure (roads, ports and airports) will help re-establish the physical links destroyed by war, facilitate the strengthening of social links, and expand regional trade. In the road sub-sector, there is need to re-establish regional interconnectivity with countries such as Ethiopia, Kenya and Djibouti, and between the various regions within Somalia with the aim of supporting efforts towards peace and reconciliation and regional linkage. Agriculture and livestock account for 65% of the Somali economy, and employ around the same percentage of the Somali labour force. This value chain requires specific attention from the perspective of trade, transport and development corridors when planning the transport sector in the country, also with regard to exporting livestock through Somali ports.

Infrastructure to support the social sector, such as health facilities, schools, housing, water, sanitation and waste management are critical to provide decent living conditions for the Somali people. The economic return from these types of investments will materialize in the form of improvements in health conditions and education attainment. There are over 1.1 million IDPs within Somalia and more than half a million Somali refugees in neighbouring countries. All of these people will need housing, water, sanitation, health and education infrastructure if they are to willingly return or resettle in a sustainable and peaceful manner. Simply addressing these needs through humanitarian efforts is no longer appropriate.

This chapter addresses some of these key challenges beginning with capturing both the short and long term vision of the Federal Infrastructure Ministries, then progressing on to analyse the present conditions of the infrastructure sector, the main challenges facing the infrastructure sector's growth and expansion including the need to harness the humanitarian infrastructure spend, highlighting the sector's development objectives, strategic policies and sector development priorities. This chapter will also highlight the infrastructure sector's main programs needed to achieve the defined sectorial objectives for 2017 to 2019 while also assessing the aggregated resources required and planning the milestones for infrastructure development. Finally, it will engage in a discussion on the coordination mechanisms required to successfully implement the strategic objectives and activities across Somalia.

8.2 TRANSPORT - ROADS, PORTS AND AIRPORTS

8.2.1 Introduction

Somalis want good roads. Efficient transport infrastructure is essential within an economy as it dictates the type of economic and social activities that can be conducted within a particular section of the country. One of the most important factors for making investment decisions is the availability of proper transport networks that facilitate the movement of goods, services as well as workers. Moreover, a well-developed transport network enables the underdeveloped communities to access essential goods and services. The transport infrastructure is also particularly important in enabling connectivity which will enable the efficient delivery of other infrastructure programs and other development plans. There is potential to link Somalia with land-locked countries in the region (Ethiopia, South Sudan, Uganda and Central Africa) through rehabilitation of inter-state and inter-regional road corridors and development of transit service facilities.

8.2.2 Situation Analysis

Roads

The 21,933km long road network in Somalia is in poor to very poor condition. 90 % of the primary roads have deteriorated and are well past their designed life-span.³⁰ With a huge maintenance backlog, there is a significant need for reconstructing or resurfacing these existing paved roads throughout all of Somalia. Within the country, only 2,860 km (13%) of a total 21,830 km of roads are paved. The rest of the network is earthen or gravel. A major part of the investment in the roads and transport program can deliver livelihoods and cash transfer benefits. Overall in Somalia, approximately 80% of the population living in settlements, towns and cities resides in only 10 large cities; this is 50 per cent of the total Somali population. Thus priority also needs to be given to roads serving main cities, towns and settlements. This will help create employment, link markets, and reduce the cost of doing business, making Somali enterprises more competitive. Somalia is also not well connected to its neighbours. This limits economic activities such as trade within the region. An independent Roads Agency on the federal level does not exist but could significantly contribute to coordination of rehabilitation and maintenance efforts in the country. Competences for road construction, rehabilitation and maintenance are so far distributed between several ministries decreasing the efficiency of all on going and intended interventions.



Map 1: Overall road network of Somalia³¹

7.2.2.1 Table 7.1 Road classification and surfacing data:³²

Type Surfacing	Primary/Main Roads	Secondary Roads	Rural/Feeder roads	All roads	Percentage
Paved	2,442	418	-	2,860	13%
Gravel	-	844	-	844	4%

³⁰ 'Transport Sector Needs Assessment', FGS, AfDB, EU and UNOPS, Dec 2015, p. 68 ff.

³¹ 'Transport Sector Needs Assessment', FGS, AfDB, EU and UNOPS, Dec 2015

³² Infrastructure Cluster Report, World Bank, 2006

Earth	220	3,588	14,421	18,229	83%
	2,662	4,850	14,421	21,933	100%

Ports

Somalia's strategic location at the Horn of Africa on the Suez Canal shipping route and the longest country coastline (3,025 km) in Africa offers a great advantage to port operators. Despite the long shoreline Somalia has only four deep-water ports. Built in the 1980s, these four major operational ports are situated in the economic centres of Mogadishu, Berbera, Kismayu and Bossaso, with only Mogadishu and Berbera handling significant volumes of traffic. All these ports were originally under the control of the Somali Ports Authority, which no longer exists.



Map 2: Existing Somali ports

Somalia's ports are important for the country's exports, which are heavily concentrated around livestock that makes up 81% of all the total exports, oil seeds (10.5%) and animal hides and skins (2.4 %) with Saudi Arabia being the largest trade destination accounting for over 55% of all exports by value. Largest import sectors are the construction sector and related industries as well as food items (vegetables, flour, cereals, dairy products and tobacco), together comprising 62% of total imports. Though there is easing of security situation, Somali ports had been badly affected by piracy with 237 cases reported in 2010, 75 in 2012 and 15 in 2013.

Despite the devastating effects of the civil war and due to rehabilitation activities undertaken in support to humanitarian operations between 2007 and 2013, these major ports are in reasonably good condition. However, the ports face considerable challenges in augmenting their operating performance, which is poor for two main reasons: First, the ports have limited equipment, with most of the cargo handling being carried out using the gear of the ships themselves. Second, they are operated by the government with a large pool of unionized dockworkers and based on out-dated working practices. These challenges limit the capacity of the port to meet the demands of economic growth. As the primary mode of importing and exporting economic goods into the country, the capacity of ports needs to be enhanced in order to strengthen the potential for economic growth. To facilitate exports rehabilitation of feeder and coastal roads linking the ports to interior agricultural productive zones of the country are needed.

Airports

Somalia has an estimated number of 60 airstrips, airfields and airports evenly spread across the country and developed since independence mainly for military strategic reasons. There are 7 major feeder airports, and 23 other important airstrips. The 6 main airports include Mogadishu, Berbera, Hargeisa, Bossaso (recently upgraded), Garowe and Kismayu. Almost all other major urban centres also maintain at least one airstrip that is capable of handling a small aircraft.

With its thin population, spread out over a large area with only a few large urban centres and with a roving pastoral population of 40%, airports are critical for national and international connectivity, access and mobility. Airports and the aviation industry are a critical backbone of the national economy due to its important role in delivering critical humanitarian and emergency assistance to large vulnerable population groups, ensuring high value trade benefits for the economy and as a generator for revenue and job creation. Somalia's per-capita income is among the lowest in the world. As a result, the ability of Somalis to pay for commercial aviation is low. Somalia's aviation sector is underdeveloped in comparison with other African states, as well as with the rest of the world. Somalia has very low levels of commercial aircraft activity and passenger movements, and some inherent limitations with regard to the operating environment, political instability and internal conflicts. There is a need for revised regulatory environment.



Map 3: Major airports and airstrips in Somalia

8.3 LAND AND URBAN PLANNING

Urbanization in Somalia has been happening haphazardly, with no spatial planning or urban management. While some urban centres of the main settlement are relatively structured in terms of lay-out, based on pre-civil war planning attempts, much of the urban space, including vacant space within the formal urban fabric, holds pockets of 'nomadic' tents ('buuls') belonging to internally displaced communities or recent arrivals of refugee returnees. The impact of IDPs on land ownership and thus any type of intervention in urban areas is substantial. In some areas former farmland is being converted into 'urban' land by tracing a grid with a bulldozer, subdividing it into plots, leaving no space for public infrastructure and taking little account of potential natural hazards, for instance from flooding. IDP settlements are often concentrated in peril-urban areas of large cities and constitute there a significant settlement typology³³ which has grown uncontrolled and unplanned and is characterized by high density, lack of social services, absence of livelihood opportunities and devastating living conditions.

While the Somali construction sector is booming due to the current reconstruction activities in the country, the infrastructure ministries at federal and state level are operating in a grey zone without any up to date urban legislation. The majority of

³³ For instance, in Mogadishu 33% of the cities IDP live in the peri-urban district of Dayniile in 142 informal settlements, 19% in Kaxda in 112 informal settlements and another 17% in Hodan. Source: UNHCR, 'Internal displacement profiling in Mogadishu', April 2016

legislation for the infrastructure sector dates to a pre-war period and its status is either not clarified or not existing. Regional and local governments lack guidance through policies, norms and standards and the few current infrastructure rehabilitation projects are not built hand in hand with planning of related service provision.

The same applies to land management. With the exception of Puntland, land legislation on managing land and resolving land disputes at the municipal level is largely out-dated.

8.4 HOUSING

Access to adequate housing³⁴ is a challenge growing fast with Somalia's high urbanization rate³⁵. 1,106,751 or 9% of the population or 14.7% of households are IDPs³⁶ of which most live in camps and informal settlements. An increasing number of urban dwellers, especially the most poor and vulnerable groups (not only IDPs, but also women-headed households, refugee returnees, persons with disabilities and youth) are living in precarious conditions, addressing their housing needs informally, lacking access to basic services, isolated from livelihood opportunities and vulnerable to forced evictions or homelessness. Somalia's public and private housing stock has after more than 20 years of conflict been largely destroyed³⁷. Adequate housing is not affordable to IDPs and the urban poor, and affordable housing is not adequate.

Protracted internal displacement situations exist in all regions, most of them in urban areas. The majority of IDPs settle in informal and unplanned settlements with inadequate housing, regularly at risk of forced eviction and in deplorable and impoverished living conditions. Most settlements are controlled and dominated by gatekeepers. The urban dimension of the protracted nature of displacement is evident and in many instances IDP settlements have turned into urban slums and sites of urban impoverishment, where economic migrants, returnees, refugees and urban poor have joined IDPs. While protracted displacement is a rather static situation, newly displaced persons regularly join existing IDP settlements adding further pressure on the community.

Furthermore, IDPs are not a homogenous group when it comes to their displacement history. Many have been displaced during different phases and types of armed conflict, others by clan conflict, by drought or famine or by other disasters triggered by natural hazards, such as recurrent floods. Still others had to move due to forced evictions. Many IDPs have been repeatedly displaced several times due to various causes.³⁸

The Somali population is growing by almost 3% per year, with a high fertility rate of 6.26 children per woman, which is the 4th highest in the world.³⁹ Based on this anticipated growth rate the Somali population will grow to approx. 14.3M people by the end of 2019 or by 1.2M people in the three-year period covered by the NDP. Housing strategies need therefore take into account not only the deficit of adequate housing for the current population, in particular for the urban poor, IDPs and refugee returnees but also plan for the natural population growth.

8.4 WATER, SANITATION AND SOLID WASTE MANAGEMENT

A large portion of Somalia's population relies on uncontrolled, low quality shallow-wells for its water supply. The majority of the water sources in rural areas are dug wells (62%) and boreholes (19%) complemented by surface water sources. Urban areas depend mainly on boreholes complemented by dug wells for water supply. Overall access to improved water supply in Somalia increased from 21% in 2000 to 30% in 2011. However, proportion of rural dwellers with access to water and sanitation significantly decreased from 15% to 7%, while that of urban areas increased from 35% to 66% in the same period. Existing urban and rural infrastructure systems are aged and in some cases destroyed during the prolonged civil war. About 60% of existing water supply infrastructure assets requires rehabilitation, expansion or replacement in both urban and rural areas to meet the increasing demand.

³⁴ For housing to be adequate, it must, at a minimum, meet the following criteria: Security of tenure; Availability of services, materials, facilities and infrastructure; Affordability; Habitability; Accessibility; Location and Cultural Adequacy. Source: UNHCR and UN-Habitat, 'The Right to Adequate Housing', Fact Sheet No. 21 (Rev1)

³⁵ 4.06% annual rate of urbanization growth (2010-15 est.), source CIA 'The World Fact Book'. Mogadishu is the 2nd fastest growing city in the world.

³⁶ Population Estimation Survey, Federal Government of Somalia and UNFPA, Oct 2014

³⁷ In 2005, it was estimated that about 85% of the total population was living in slums or partially destroyed housing. About 40 villages were damaged or destroyed by the tsunami of December 2004. Source: <http://www.encyclopedia.com/topic/Somalia.aspx>

³⁸ Somalia IDP Solutions Initiative, Prof. Walter Kaelin, Special Advisor to the DSRSG/RC/HC on Internally Displaced Persons, 'Mission report 27 Jan to 11 Feb 2016'

³⁹ Source: <http://worldpopulationreview.com/countries/somalia-population/>

The extreme shortage of surface water in parts of the country, especially in Puntland and Galmudug states, means that groundwater is the only reliable water source and this is at depths of up to 400 meters in some areas. Due to the depth of the groundwater, rural water supplies often rely on diesel-powered pumping systems, which require regular maintenance from skilled mechanics, which are only found in urban areas. Studies show that up to 40 per cent of the water supplies are non-functional at any one time. In urban settings where water systems have been established in the past they are usually operated by private or public-private partnerships. These urban water supply services are often uncoordinated and unregulated resulting in inefficiency and non-optimal use of available resources. In other urban areas surface water or shallow wells are used, but are at high risk of contamination, as most urban waste is disposed of into open drains.

The water supply sector is confronted with the challenges to accelerate delivery of improved water infrastructure services while lacking institutional and organizational capacities, policies and regulatory framework, adequate sector financing, and skilled labour, that would be key to building the capacity of the sector, enhancing its operation, maintenance and delivery mechanisms. Absence of adequate infrastructure for harnessing the available surface and ground water potential hinders easy, reliable and equitable access to water supply for domestic and agricultural uses.

Access to improved sanitation in urban areas jumped from 45% in 2000 to 52% in 2014. About 3% of the urban dwellers still resort to open defecation. However, without any functioning sanitation system or sewers in the urban areas, most human waste is disposed of directly into open drains. Access to improved sanitation in rural areas decreased from 10% to 6% over the same period. Approximately 83% of the rural population practices open defecation. This explains the observed high incidence of water and sanitation related diseases. For the past 25 years the incidence of diarrhoea in children under five years has remained at alarming high level of 23% in spite of improvement in access to improved water sources. About 40% of sanitation infrastructure systems require rehabilitation in both urban and rural areas

There are no sewerage systems in urban areas of Somalia and in rural areas less than one third of households have their own latrine. Most schools and health centres have very poor water and sanitation infrastructure. Where these exist there are no recurring funds to ensure maintenance and repair.

Solid Waste Management

In urban areas, while some pilot initiatives have explored sustainable approaches towards solid waste management, most are characterized by informal dump sites, dirty streets and absence of sustainable solid waste collection systems and facilities. In Somalia, municipalities have limited human and technical capacity and skills to carry out sustainable and systematic solid waste collection and management. In some cities small private companies are involved in waste collection and disposal but contracts with municipalities are often of short duration, a fact that hinders larger investment in technical equipment. Urban communities are used to disposing off household, business and hospital waste on the streets or informal dump sites and are reluctant to pay for regular waste collection and management. Urban residents are, after more than 20 years of conflict, used to irregular city clean up campaigns based on cash for work type activities and lack understanding of the importance of sustainable and regular solid waste collection and management. Urban poor, in particular women and youth, often collect household and business waste for a small fee and dispose it unregulated and uncontrolled. The few existing formal waste disposal sites do not meet minimum environmental standards. There is a huge potential for private-public partnerships centred on recycling and reuse which can generate employment and SME opportunities, biomass energy, natural fertilisers, etc. In rural areas there are no solid or liquid waste disposal methods. Knowledge of the risks to health is very poor and there is no incentive or motivation for people to dispose of their waste properly.

8.5 ENERGY

The limited availability, reliability and the high cost of energy are major constraints on economic growth in Somalia. The energy mix in Somalia is reliant upon locally available charcoal and firewood as the core sources of energy, meeting nearly 80 to 90% of the energy needs of the whole country and resulting in excessive exploitation of these primary sources. Annual consumption of charcoal is estimated at around 4 million tons per year, equivalent to about 400 kg/capita/annum, a rate that is fast exhausting Somali's few forests. The prevalence of charcoal and wood for cooking also has serious health impacts at the household level that can be mitigated by the introduction of cleaner, more efficient and cost-effective end-use devices and modern and environmentally friendly cooking fuels. Petroleum products, essentially for transport, electricity generation, cooking and lighting account for about 10% of the total energy use. Electric power generation (almost entirely diesel-fuelled) accounts for about 2 of

these 10%. Several cities (Garowe, Hargeisa, Bossaso, Berbera, and Qardo) have small, generally dilapidated grids which are not always in use. Overall, the total installed and operational generating capacity in Somalia is estimated to be 80 to 85 MW and an estimated 250,000 connections. Drops in voltage are frequent and supply is limited to 5 to 6 hours per day. The low tension (480/220 V) over sometimes long distances leads to tension and technical losses with most small generators reporting 40% to 50% power loss.⁴⁰

On the other hand, renewable energy potential is abundant. The solar energy potential ranges from 5 to 7 kWh/m²/day with over 310 sunny days in a year or 3,000 hours of sunshine per annum. Somalia is also characterized by strong wind regimes with annual average speeds of 1.5 to 11.4 m/s with potential for small hydro power (around 100 to 120 MW) along the Shebelle and Juba rivers.⁴¹

Due to the lack of investment, the volatile security situation and the absence of public resources and public oversight, the potential to cultivate electricity and expand electricity infrastructure systems and markets has been hampered over the past two decades. Renewable and alternative energy sources, such as solar and wind power, present substantive opportunities to diversify and expand the energy infrastructure systems of Somalia but so far has not been harnessed, due to both security and funding problems. Developing both fossil and renewable resources will require a functioning transport and logistics sector and fiscal regimes which promote private sector investments. Major challenges experienced within the energy sector include inadequate qualified and skilled personnel as well as limited access to, generation, transmission and distribution of electricity power, depletion of biomass, and low penetration of modern and environmentally friendly energy, especially in the rural areas.

Some investments have been made in solar energy by international donors and aid agencies. In the water and health sectors there are successful solar powered pumping systems and vaccine refrigeration units working in health centres across the country, sustainably for almost a decade.

8.6. INFORMATION COMMUNICATION TECHNOLOGY (ICT)⁴²

The ICT sector in Somalia has flourished under a self-regulated private sector regime and is known to be a key contributor to the economy. Somalia's ICT market consists of 11 operators and 4 million mobile connections, but teledensity is only about 7% and the proportion of Internet users is only about 1%. However, ICT is one of the fastest growing sectors and the third largest industry by employment in the country. The sector employs around 25,000 Somalis, generates substantial profit and has enabled a mobile penetration rate of 7 subscriptions per 100 people. Most readily available ICT media are radio and mobile phones.

The TV and press sectors are weak, with radio being the dominant medium. The country has around 20 radio stations. 86% of households have access to radio and 26% to TV. Radio and TV sub-sectors need to be further developed as employment and revenue generating sectors. However, Somalia lacks an ICT policy and regulation to guide infrastructure roll-out as well as the development of ICT applications such as mobile money transfer. The country's volatile security and lack of stable energy sources greatly hinder growth in the ICT sector. Low literacy and ICT skill levels among vast groups of the population limit demand for ICT services in the country.

Somalia has access to the East Africa Sub-Marine Cable System (internet) with Mogadishu so far being the only landing point that also connects to local optic-fibre cable lines. Somalia is, however, extremely close to several major undersea cable networks which connect Europe, the Gulf Region in Middle East and India through the Gulf of Aden and transfer a major share of the globalized Information Economy of the 21st century, for example through the Europe-India-Gateway (EIG) or India-Middle East-Western Europe (I-ME-WE) network. The strategic position of Somalia has not been explored when it comes to investment opportunities for the growing number of educated young people who do not find adequate jobs at the domestic labour market.

⁴⁰ 'Energy Sector Needs Assessment', FGS and AfDB, Aug 2015, p.11

⁴¹ 'Energy Sector Needs Assessment', FGS and AfDB, Aug 2015, p.15

⁴² Compare 'Needs Assessment of ICT Sector in Somalia', FGS and AfDB, July 2014

8.7 MAIN CHALLENGES HINDERING THE INFRASTRUCTURE SECTOR GROWTH AND EXPANSION

Systemic challenges to infrastructure development include weak institutional frameworks and the absence of an integrated and long term national infrastructure plan that is grounded in a sustainable approach to development for all the regions in the country. Factors include:

- ✓ The lack of funding to enforce harmonized policies and regulatory frameworks at the federal and local levels of government including basic standards such as building codes also inhibits the development of the sector as it prevents the capacity of government structures to effectively regulate on-going projects.
- ✓ The lack of water quality standards hinders the possibility of regulation of private water supply companies, and the control of industries which might cause pollution to water sources. This challenge is further exacerbated by a dearth of infrastructure professionals and a skilled labour force, who can substantively contribute their technical capacity to the development of the sector. The absence of both is adversely impacting the capacity to adequately deliver, monitor and maintain quality infrastructure systems.
- ✓ Dual claims over land, unresolved land disputes and informal occupation of public land hinder both private and public investments for infrastructure assets, in particular in the urban areas. The extremely limited capacity of Somalia's existing four deep-sea ports combined with the high percentage of imported construction materials, low production in-country, does not only lead to high construction and transportation costs but also creates a serious bottle neck for scaling up construction and rehabilitation investments and efforts
- ✓ Gaping budgetary constraints and Somalia's inability to access international financing for large-scale infrastructure projects have also limited the possibilities of investment in the sector. Because of the lack of a centralized coordination and regulatory mechanism, haphazard sector development activities hamper the realization of the long term national vision, underpinned and delivered through systems based approach to long term national infrastructure planning. Furthermore, there are no significant budget allocations for the maintenance of infrastructure investments.
- ✓ The volatile security situation in large parts of the country poses specific security threats that hinder expansion of the infrastructure sector: ensuring security of workers, materials and works during rehabilitation works in insecure areas, safeguarding long infrastructure networks/ pipelines after completion, creation of critical but vulnerable infrastructure assets in particular with regards to energy plants and securing large scale immobile investments. As security challenges continue, investment in the development of private and public infrastructure will struggle to take off.

8.8 VISION, MISSION, GOALS AND STRATEGIES

8.8.1 Vision

Create infrastructure that enhances the employment, increases food security, builds up resilience to climate change and variability, respect Somali cultural heritages and is environmentally and economically sustainable.

8.8.2 Mission

Lay out the foundations of resilient infrastructure systems⁴³ that will contribute to the countries stability and will provide the necessary services for all through improved organizational structures and capacity, enhanced infrastructure standards and legislations, increased resources for infrastructure development, proper planning for long term infrastructure development including land and urban planning while simultaneously rehabilitating, (re)constructing, upgrading, mapping and developing the existing infrastructure systems.

⁴³ Resilience is the ability of assets, networks and systems to anticipate, absorb, adapt to and/ or rapidly recover from a disruptive event. Source: UK cabinet office, 'Section A: Introduction, Definitions and Principles of Infrastructure Resilience', https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/78902/section-a-natural-hazards-infrastructure.pdf

8.8.3 Goals

- i. Revitalize, operate and maintain essential infrastructure and services to improve stability and set foundations for social, economic and sustainable development.
- ii. Strengthen policy and regulatory frameworks at the Federal Infrastructure Ministries to guide, plan and implement infrastructure development and related social service provision;
- iii. Strengthen institutional and technical capacities of different infrastructure sub-sectors to be able to plan, implement, operate, maintain and monitor sector specific infrastructure development;
- iv. Improve mobility and connectivity throughout Somalia and to the neighbouring region with a strong focus on rehabilitation and maintenance of existing transport infrastructure;
- v. Strengthen urban and territorial planning processes;
- vi. Improve access to clean energy systems and equitable access to safe and affordable drinking water and sanitation;
- vii. Increase access to adequate and affordable housing in particular for IDPs, returnees, the urban poor and other persons in vulnerable situations
- viii. Encourage development of telecommunication networks that ensure free and rapid flow of information.

8.8.4 Strategies and Milestones

8.8.4.1 Development of appropriate Policies for the Infrastructure Sector

Development of several sector specific policies will provide a strong legal framework to support stability and infrastructure system development in Somalia. Key among the policies needed to facilitate this includes:

8.8.4.2 National Urban/Land Policy

Land related conflict is by far the largest driver of conflict across Somalia.⁴⁴ Lack of clear land tenure system with customary and formal land ownership systems operating together affects not only infrastructure development but also reintegration of the Internally Displaced Persons (IDPs). Destruction of land registries, related information and lack of a functional legal system makes land administration even harder. Unresolved occupation of land and property requires sustainable solutions to enable medium and large-scale infrastructure investments, proper urban planning and sustainable housing solutions. A functioning system of land administration needs to be re-built. A land policy that creates institutions and laws to meet claims for property restitution and that shapes future social and economic structures is needed, without which infrastructure and other investment will be deterred. Urban land policies and related legal and regulatory frameworks would prevent overcrowding, public health risks and the development of slums. As a first step towards a practical and functional solution based on successful local interventions and best practices needs to be developed to accommodate the instant need for urban planning and serviced land.

8.8.4.3 National Housing Policy

Housing rights challenges are common in Somalia like in other post conflict countries. Post- conflict housing reconstruction would play an important role in supporting peace. A National Housing Policy addressing widespread property destruction, mass population return and internal displacement, reconstruction needs of the post conflict communities, innovative housing finance mechanisms and promotion of local building culture is needed.

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8.8.4.4 National Transport Policies

Policies and regulatory frameworks for the transport sector are required to ensure development of effective, efficient, and safe land, air and sea transport systems. Regulations need to steer both public and private investments in line with the national priorities and support economic growth through the provision of better access to employment and enhance social service provision.

Establishment of competent transport authorities or administrations is essential for management of transport sector resources. Preparation and ratification of the new codes as well as other relevant international conventions is mandatory to regulate the transport sector operations and give confidence to potential investors.

8.8.4.5 Sustainable Energy Investment Policy and Energy Strategy

The FGS does not have any policies or regulations specific to the energy sector. The Energy Sector Management Department of the Federal Ministry also lacks human and financial capacity. Little capacity is available to develop legal and regulatory frameworks; hence the sector operates in a vacuum. However, Somalia is endowed with renewable energy resources to increase affordable energy supply for Somalia. To harness the potential of renewable energy sources, strengthen the energy sector, increase its efficiency and affordability, policies, related regulations and strategies for implementation are inevitable. As a first step a Sustainable Energy Investment Policy focusing on energy efficiency, renewable energy and promoting decentralized renewable energy systems as well as the development of an Energy Strategy for the whole country, which takes into account the role of the private sector, are essential.

8.8.4.6 WASH Sector Policy

The water supply, sanitation infrastructure and waste management sector in Somalia is generally driven by a vibrant private sector with complementary services from the public sector, primarily in urban areas. Despite the public sector playing a facilitative role, the sector lacks a policy and regulative framework hindering adequate and systematic sector development. Urgent institutional strengthening and sector capacity building to address institutional and organizational development and capacity deficiency challenges is needed. The Inter-Ministerial WASH Steering Committee is currently working on the development of a WASH Policy. This policy will cover all aspects of WASH in Somalia including water supply and quality, sanitation and waste management, hygiene education and behavioural change. The WASH Policy will have a human rights based approach and is aligned to the relevant SDGs. The policy will define roles and responsibilities for this overlapping sector.

8.8.4.7 ICT Policy

The area of policy and regulation is the number one priority for development of Somalia's ICT sector to harness the potential of further investments, job creation and expanded e-service provision.

8.8.4.8.Roads Improvement Program

- Develop policies and regulatory frameworks to guide future roads maintenance, expansion and related service delivery,
- Establish an independent road authority at federal level,
- Develop a robust maintenance regime,
- Establish reliable and regular funding for the road agency in order to ensure no medium-term collapse of the existing road system,
- Strengthen institutional and technical capacity to design, build and maintain roads,
- Plan, rehabilitate and expand inter-state and inter-regional road corridors
- Create employment opportunities through labour-intensive approaches to roads rehabilitation incorporating appropriate labour policies, standards and procedures,
- Prioritize use of locally produced construction materials to enhance private sector development and employment creation.

8.8.4.9 Ports Upgrading Program

- Establish Somali Maritime Administration/Authority,
- Develop detailed Somalia Ports Development Strategy, update Somali Merchant Shipping Act, prepare and ratify the new maritime code and localize International Conventions for shipping and seafarers,
- Institutional strengthening of authorities responsible for managing different ports,
- Expand/ upgrade the existing deep-sea ports and construct one new port, incl. rehabilitation of seamarks and lighthouses,
- Rehabilitate and expand existing cost barge berths,
- Harmonize port charges as a source of government revenue and facilitate sustainable use by local exporters,
- Conduct feasibility studies and technical assessments for planning future investments,
- Extend network of secondary ports and jetties to facilitate development of local fisheries and improve sea-based transport links.

8.8.4.10 Aviation Infrastructure Program

- Reform Aviation Sector Policies and relevant Acts,
- Carry out infrastructure rehabilitation at the main regional state airports, including rehabilitation of terminals,
- Construct new international airport in Mogadishu, This is impossible to realize in the NDP period and there is possibly private operator that must do the work needed.
- Develop capacity and capability of regulatory and operators personnel,
- Improve basic air navigation services and reconstruct the airport infrastructure to provide safe passenger and freight services to/from/via Somalia.

8.8.4.11 Institutional Capacity Building Program for the Infrastructure Ministries

- Support in development of policies and regulatory frameworks governing the sector and linking them to those of international and regional associations and bodies such as EAC, COMESA, NEPAD etc.,
- Undertake comprehensive capacity enhancement, including development of standards, procedures and technical trainings on effective reconstruction, infrastructure financing, assessment and planning, managing, maintenance and procurement of public infrastructure works in Somalia,
- Support the ministries capacity to develop and implement the NDP

8.8.4.12 National Land, Physical Planning and Urban Solutions Program

- Develop national land and urban policies with a focus on climate change adaptation and mitigation and natural disaster planning,
- Lay-out foundation or road map for reconstruction of national land cadaster and registry,
- Develop national public land inventory – to facilitate infrastructure system development,
- Strengthen institutional and technical capacities (human resource and technical skills) of national and regional planning institutions, including in economic, social and environmental assessments (e.g. Strategic Environment Assessments),
- Facilitate planning of regional development corridors and settlement systems,
- Develop regional and urban strategic plans with special focus on urbanization and local economic development, and develop spatial strategic plans for all state capitals and other urban centres which guide city extension and other urban development plans,
- Undertake urban renewal/ reconstruction and expansion including rehabilitation of public space,
- Develop and implement Urban Regulatory Frameworks for new states and for Mogadishu.

8.8.4.13 National Housing Program: Adequate, Affordable and Sustainable Housing

- Develop resettlement and integration solutions that are durable and at the same time upgrade conditions of temporary IDP shelter to meet minimum living standards through participatory pilot projects,
- Develop National Urban Housing Sector Profile and National Housing Policy,
- Facilitate access to land for housing development,
- Identify and promote suitable and sustainable alternative construction techniques, and promote a local building culture, which makes use of local raw materials and labour, is affordable and of low embodied energy, and spurs local economic development in the short and long term,
- Identify and, if necessary, establish supply chains,
- Establish municipal housing programs (including rental subsidy programs or owner driven incremental reconstruction using micro-credits for purchase of building materials).

8.8.4.14 Utility Service Expansion and Affordability Program

- Develop sustainable energy investment, water and sanitation policies, and national energy provision strategy,
- Develop institutional capacity to regulate, operate and maintain energy, water and sanitation utility infrastructure and service provision,
- Rehabilitate and expand energy, water and sanitation systems,
- Expand access to clean energy (solar, wind, biogas) and reduce biomass based energy sources like fuel wood and charcoal,
- Undertake assessment and map renewable energy resources, incl. wind pattern maps to harness wind energy,
- Map ground water resources to provide updated and more reliable data on aquifers, including aquifer monitoring and management to avoid over exploitation,
- Support the development and implementation of Integrated Solid Waste Management Plans in cities and promote sustainable and regular solid waste management, develop respective legislation and implement pilot projects at municipal level.

8.8.4.15 ICT Program

- Develop ICT Policy and Strategy for Somalia,
- Technical assistance to establish an independent regulator and identification of key regulatory issues,
- Develop National Broadband Plan,
- Develop National e-strategy,
- Develop National Digital Migration Strategy,
- Connect Mogadishu, Garowe and Hargeisa to the Broadband network.
- Establish local loop network
- Providing Backbone connectivity to Federal and Regional states
- Establish X communication rooms at national and state level
- License Media and Operators
- Expansion of connection to secondary schools, technical institutes and vocational training institutions
- Return the ownership and management of the Somalia Domain to hand of MPT

CHAPTER IX

BUILDING RESILIENCE CAPACITY

9.1 CHAPTER SUMMARY

The Resilience Chapter outlines how all Somali's will benefit from and contribute towards peace and prosperity described in the NDP and how that development will be risk-informed. It seeks progress in three areas during: the economy and society will incur fewer losses and hardship to future crises; development will be accelerated by the economic and social integration of youth, displaced, returnees and diaspora and the extremely poor will be independent and access developmental not humanitarian support.

This Resilience Chapter is about moving from a reactive approach to a proactive one... resiliency is the will to survive and for a person to claim his/her rights as members of just and equitable society

Progress towards these objectives will be made through a three-pronged strategy:

- Where decades of conflict have eroded cross-community collaboration or an ability to plan, there will be support to plan key physical and market infrastructure investments, the actions communities themselves can take and the sustainable management of natural environments all of which will promote peace, broad economic growth and minimise loss from predictable crises
- Where extreme poverty leads to conflict or natural hazards having disproportionately severe impacts, investments to support the economic independence and social inclusion of the poorest in society will be made.
- Where peace and economic growth is encumbered by the exclusion of large, potentially dynamic segments of our community (particularly the youth, displaced and returnees and diaspora) their economic and social integration will be accelerated by specific initiatives.

The chapter speaks to a desire for Somalia to *stand on its own feet* and manage its problems and challenges itself. It explicitly seeks to reduce the current humanitarian caseload by connecting those people with developmental solutions and priorities in place of humanitarian actions. It recasts a role for what is currently termed humanitarian actions – within developmental paradigms where those actions contribute to the social and economic inclusion of the poorest in our society. Currently, the “humanitarian caseload” is largely composed of displaced and returning populations and the extremely poor in rural and peri-urban areas. The speed and scale at which achieve financial independence and social inclusion will determine how quickly we will move from relief to development. Lastly, the chapter recognises the inter-dependence of Somali society and economy; whether rich or poor, strong or weak, one’s resilience is vested in another’s and their resilience does not exist in isolation as part of the larger whole.

The issues of the Resilience Chapter cut across the priorities and strategies of other NDP chapters. The chapter connects those priorities to specific populations or to address specific cross-sectoral issues (Figure 1). In many cases, it will require that specific programmes are initiated, which otherwise would not be planned within a single ministry or collaboratively across several ministries. MoPIC will establish Coordination Committees at federal and regional-state levels enabling coordination and collaboration across line ministries and sectors. MoPIC will prepare operational guidelines for these committees which detail how the collaborative issues in this chapter can be managed. Partners such as the Somalia NGO Consortium will be used to ensure that these Coordination Mechanisms involve key non-government partners in this work

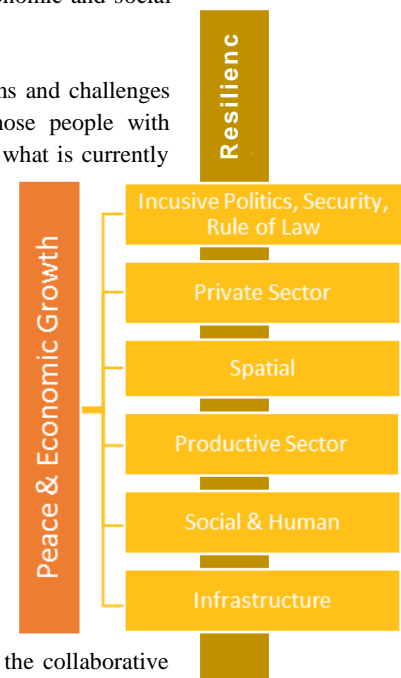


Figure 1 Resilience is derived from other chapters of the NDP and their developmental priorities.

Issues covered in this chapter include: Reintegration of the displaced and returnees (durable Solutions), Migration (safe management of *Tahriib* and return), Diaspora (remittances, knowledge transfer, and investment), Disaster management (preparedness, response), Climate change & Environment (natural resource& urban environment management), Social Protection (poverty reduction, economic growth for vulnerable, employment for youth), Food & Nutrition Security (availability, accessibility, prices).

9.2 Goals for the Next Three Years

Promote equitable, risk informed development to achieve the vision of the NDP

1. **Economy & society act to mitigate and manage crisis**
 - federal state's infrastructure & services protected economy & people
 - key environments sustainably managed
2. **Extreme poverty is addressed**
 - social minimum standard for the most vulnerable
 - economic minimum standard for the very poor
3. **Priority groups included in social/economic initiatives**
 - Work for youth (IDPs, returnees & youth at high risk of Tahriib)
 - Return & Reintegration of IDP & returnees
 - Diaspora supporting public and private sector institutions

9.3 Situation Analysis

There is great potential for economic growth, improved developmental standards and continued peace in the next three years and beyond. Economic growth of Somalia's 6-billion-dollar economy requires that it manages an extreme level of risk. The World Bank's Natural Hotspots Study identified 43% of Somalia's land area as exposed to flooding and droughts. Climate change is likely to increase heavy rainfall events and flooding. Drought not only costs individuals but undermines the economic growth of the country⁴⁵. The impact of these events is amplified by extreme levels of poverty, which work together to create a latent risk of catastrophe as was evident in 2011. Currently, Somalia is ranked 165th out of 170 countries on its human development index. *The majority of the population continues to survive at a basic subsistence level.* (AfDB 2013). Fourteen percent of the population or 1.8 million people are still classified as a humanitarian caseload (FSNAU 2016). Fifty-four percent of the population is highly exposed to extreme weather and natural risks.

Reducing levels of poverty can in part address reducing impacts of these hazards. Reducing poverty as well as economic growth can be better served through a strategy of inclusive development (Ravallion 2013). Somali's value inclusive development. Mutual dependence and assistance was critical success factor for those who managed the worst effects of 2011 (Maxwell, et al. 2015). The also consider it as important factor to build a successful and peaceful future. There is an overwhelming sense of potential for the country with peace, equitable development. (Office of the National Resilience Focal Point 2016).

Notions of inclusive development must be cast in a context of a rapidly changing society and economy. 70% of the country that is under 30 years of age. These young people are looking for lives and futures with jobs and often living in towns. Somalia in the future will look very different than it did in the past. These changes will also alter ideas of how one must reduce poverty as well as factors of risk.

Integrating the displaced and returnees into the formal economy and society can drive and diversify economic growth and greatly reduce levels of vulnerability. There are currently an estimated 2 million displaced Somalis scattered in partly formal, but mostly informal and unplanned settlements throughout Somalia and in refugee camps in neighbouring countries. IDPs constitute alone 71% of the current humanitarian caseload (FSNAU 2016). Most wish to integrate in their urban environment and others wish to return to their places of origin. Their reintegration is impeded by their exclusion from rule of law, physical insecurity, lack of

⁴⁵Drought in Kenya between 2008-2011 was estimated to cost the economy USD 12 billion (Government of Kenya with technical support from the European Union, United Nations and World Bank 2012). Economic costs of drought in Kenya are estimated to cost 2% of the GDP per annum (Stockholm Environment Institute 2009)

tenure and access to basic development services (health, education, water and decent employment) (Disaster Management Agency and Protection Cluster Profiling Working Group 2016).

The *Tahriib* lures some of Somalia's best and brightest young people. They do not see a future at home. Their frustration is reflected in the enormous risks they take travelling on dangerous routes and arriving in destinations where they are poorly received or poorly equipped to make a living. This mass and uncoordinated and informal movement not only endangers them, is not equipped to succeed and diminishes efforts to rebuild the country. At the same time many of the hundreds of thousands of refugees in neighbouring countries or migrants elsewhere are looking to return home but hesitate due to concerns of how they will reintegrate.

Creating the conditions to actively involve the diaspora is critical. In addition to their financial and technical contribution to the country, their networks offer global business opportunities and a wealth of ideas, perspectives and relationships. The diaspora, estimated at 1–1.5 million people, maintain strong links with Somalia and provide remittances of USD 1 - 2 billion per year (AfDB 2013). *Remittances are estimated to provide up to 40% of household income* and help provide basic services (AfDB 2013). Those remittances played an essential role in preventing containing the catastrophe in 2011 (Maxwell).

Twenty-five years of conflict has driven extreme poverty and disparities in developmental opportunities. Whether resident, displaced, or returnee populations, 70% are under the age of 30. They mostly look to life and work in towns but often lack the skills or education. An estimated 33 percent of households in Somalia are female-headed most are poor. These disparities also affect access to essential health and education services. These segments of society are equally disadvantaged to access support from extended family, clans or remittances. Most of the quarter of a million deaths from the 2011 famine were drawn from these segments of society been excluded from the developmental opportunities and with poor limited support from extended family.

Efforts to reduce vulnerability must be matched with an ability to prevent and manage crisis. Somalia ranks 15th on DFIDs list of developing countries at high disaster risk. Annual flooding for example disrupts rural production and business. Basic water management infrastructure destroyed over the last 25 could reduce those impacts and channel that excess water into productive purposes. The years of conflict have also undermined local coordination mechanisms that can manage local crises. Years without government have led to the loss of the public bodies, which can manage locally crisis and emergency.

There is an urgent need to address environmental issues to sustain a rural livelihoods and for the future economy. *Appropriate policies and practices for sustainable management of natural resources are required both at the national and regional levels.* (AfDB 2013). With a population growth rate of 2.3%, competition for and conflict related to access to natural resources is exacerbated. Policies and structures to ensure continued access to water resources originating in neighbouring countries are not in place. The export of charcoal may be worth more than USD 300 million but *has resulted in the massive deforestation and desertification across Somalia ...even forcing...herders off their lands* (The Economist 2014). Moreover, Eighty-seven percent of Somalis depend mainly on charcoal and fuel wood for their household energy. Urbanisation is and will continue to have environmental impacts. Disposal of solid waste is quickly becoming an important issue. Towns also require electricity, which is currently very expensive and produced by generators. Fifty percent of the country could produce electricity from wind at competitive rates.

For the last eight years, FSNAU classified just under twenty percent of the population in crisis or emergency phases of food insecurity. Of these, women headed households comprise a significant proportion, spending 75% of their income on food. Also their workload diminishes time for child care which is linked to higher rates of acute malnutrition for their children (Nutritional Causal Analysis Study - South and Central Somalia 2015). About 12% of children under five are acutely malnourished. The rural poor comprise another significant element of the acutely food insecure. Local agricultural production normally provides twenty-two percent of per capita cereal needs. (WFP 2015). The rural poor must buy part or all of their food like the forty-two percent of Somalis who live in urban centres. The urban poor and food insecure depend on unreliable, poor paying labour opportunities or small businesses for their income. Whether rural or urban, their fragile existence and dependence on weak food markets leaves them highly vulnerable to any form of crisis. Commercial food imports are important yet trade restrictions owing to insecurity, taxation and poor road conditions along trade routes continue to affect the smooth flow of commodities to markets.

9.4 Section Overview

In this section the seven issues which comprise the Resilience Pillar are discussed. Each issue in and of itself is complex. Each section requires policies, legal frameworks and capacity to take forward their work are essential to achieve the goals/outcomes in this Chapter. While not goals or outcomes in and of themselves, policy, legal framework issues and capacity building are included as milestones.

To help map linkages between these seven issues themselves and with other chapters, the shared goals or outcomes are summarised in each Section.

9.5 Reintegration of the Displaced & Returnees

9.5.1 Challenges

An analysis of the current displacement situation in Somalia points at five intertwined developmental priorities that form the framework for crafting the development response to finding durable solutions.

1. **Rule of law and Governance:** The long absence of governance and exercise of this state responsibility in fact, is a key factor that contributed to the current displacement situation and the recurrence and persistence of some of the immediate causes of displacement. The responsibility to assist and protect its displaced citizens, as well as to provide them with a durable solution to end their plight, remains with the Government of Somalia at the federal, regional and municipal levels. Enhanced governance and rule of law at all levels of the Federal State, including at the municipal level, is required to ensure safety and security and freedom of movement the IDPs and returnees, as well as increased access to basic services, Labour markets and documentation.
2. **Access to Land and tenure security and inclusive development:** The majority of IDPs live in urban environments and protracted displacement is therefore largely an urban challenge. A substantial number of IDPs (47% in Mogadishu quoted IDP profiling survey) prefer to integrate locally whereas 37% want to return to place of origin. However, a forced eviction is a key impediment to attain a durable solution in an urban environment. In order to allow for local integration in urban environments, inclusive urban planning that considers IDPs and refugee returnees will be required.
3. **Individual documentation, social inclusion and participation:** Displacement results in social marginalization and exclusion. Most displaced face discrimination and have limited opportunities to participate in public affairs, rendering these significant population groups disenfranchised from public affairs and fosters their marginalization. Family reunification will be vital to ensure family unit as part of the durable solution process and decrease marginalization. An important factor contributing to this is the lack of documentation. In Mogadishu, for example as the result of IDP profiling only 1% of the internally displaced population own a personal identification document. Documentation is further essential to facilitate freedom of movement.
4. **Access to services and Labour markets:** finding of IDP profiling survey In Mogadishu alone, 62% of all IDPs are under the age of 18 with limited education as less than a third attended school, mostly Madrasas, not formal primary education. 69% of those above the age of five cannot read or write. Similar struggles in accessing other services, such as for water and sanitation or for health exist. Access to employment sectors and Labour markets is very constrained and most livelihoods accessible to IDPs are precarious and unsustainable. Limited education, un-employability and poverty of the majority of youth make them vulnerable to forced recruitment. Prevention of and protection against forced recruitment need to include vocational skills and employment opportunities.
5. **Rural reintegration capacity:** For returning refugees as well as IDPs that have expressed the intention to return to their places of origin, the current infrastructural, security, employment and education conditions in many parts of rural Somalia pose significant challenges to the feasibility and sustainability of return and impedes effective reintegration, in particular in the absence of social protection mechanisms and limited access to land. Ensuring that returnees, IDPs and refugees, can benefit from a safe and dignified standard of living and are able to participate in the overall resilience and development initiatives of Somalia is essential for the sustainability of returns through effective reintegration.

9.5.2 Ongoing programs

Due to the multi-sectoral nature of durable solutions interventions to support the integration of displaced people into mainstream life, contributions are made by a multitude of stakeholders, which are not necessarily labeled as durable solutions interventions. Among key programming supporting durable solutions is programming by UNHCR, UN Habitat, NRC, DRC, Mercy Corps, IRC and organizations with a similar profile, as well as resilience consortia including SOMREP, BRCiS, SSNP, the UN Resilience Consortia as well as development organizations with sectoral responsibilities such as UN Habitat, UNICEF, FAO, or UNDP.

9.5.3 Vision statement

To reverse the trend of protracted displacement and substantially reduce the number of IDPs in such displacement by facilitating and supporting durable solutions that bring them back into mainstream life and address underlying causes of their displacement and its protracted nature.

9.5.4 Mission statement

Increased number of IDPs and returnees benefit from durable solutions initiatives aimed at integrating them into mainstream life and addressing underlying causes of their protracted displacement.

9.5.5 Goals (Chapter Outputs)

- **Strategic goal 1:** To protect, respect and ensure the social, economic, cultural, political and civil rights of IDPs and refugee returnees reversing social marginalization and displacement-related discrimination through enhanced governance and rule of law ensuring access to relevant offices and justice mechanisms at district, municipal, state and federal levels.
- **Strategic goal 2:** To create opportunities for IDPs and refugee returnees to participate in public affairs and most importantly in decision-making pertaining to their own future, such as local and urban development processes, and remove obstacles to such participation.
- **Strategic goal 3:** To systematically enhance the absorption capacity of basic services for IDPs and returning refugees, enhance access to affordable housing and land as well as to vocational skill and professional development and facilitate and diversify access to employment sectors and labour market.

9.5.6 Institutional Arrangements & Collaboration with Other Sections or Chapters

Creating job or income opportunities for youth is shared with the Migration, and Social Protections sections of the Resilience Chapter. They will also be aligned to and coordinated with the Labour and Youth & Sport Sections (Human and Social Development);

Housing, tenure and rental related issues are shared with the Housing Section (Infrastructure), and Security & Rule of Law (Consolidating Peace)

Access to basic services (education and health) is shared with Education & Health (Human and Social Development)

Some of the reintegration planning issues can be addressed at the federal state level through MoPIC's coordination units. Others require a formal body to be established to capture initiatives and work undertaken by non-government, *Durable Solutions* partners.

9.5.7 Intervention Strategies and Milestones

- **Legal protection, participation and access to governance for IDPs and returnees improved.**
 - Ratification and implementation of the African Union Convention on the assistance and protection of IDPs in Africa (Kampala Convention), including through the finalization of the IDP policy and the setup of an inter-ministerial body at federal and regional levels.
 - Ensuring respect for the rights of IDPs and returnees in line with international treaties, notably their right to and ability to

- make a free and informed decision on their durable solution, and capacity building of authorities at all levels.
 - Set up participation methods to ensure that the IDPs, returning refugees and host communities in the planning of any durable solutions programme
 - Improved access to public offices, public affairs and decision-making by setting up local forum for formal exchange between IDP and returnee communities with relevant authorities to discuss relevant public policy matters related to their displacement and their future.
 - Inclusion of IDPs and refugee returnees in country-wide individual documentation programmes and remove obstacles for them to obtain such documentation.
 - Establishment of an accountability mechanism to minimize harmful impact of gate keeping and increase access to authorities by IDPs and returnees.
- **Displacement causes mitigated whenever possible.**
- Strengthening the capacity relevant authorities at all levels to anticipate, prevent and mitigate natural disaster impacts and reduce disaster-related displacement through effective early warning and disaster risk reduction notably in areas affected by recurrent natural disaster patterns.
 - Review and improve the legal framework for protection against forced evictions from public and private property and improve access to land and land tenure security for IDPs and returnees.
- **Displacement data updated** through collaborative profiling methodologies to better enable and operationalizing complementary and integrated humanitarian and developmental solutions.
- **Durable solutions advisory services established** at local levels which facilitate contacts and provide relevant information for IDPs and returning refugees, including support and cooperation with local authorities, on safe and free movement, notably by informing on and removing explosive hazards as well as managing the residual threat, and on access to services.
- **Integration capacity in urban environments integrated** through inclusive urban development, spatial and master planning, and strategic expansion of basic services in catchment areas with high displacement concentration and extension of services into settlements.
- **Access to land and property, regulated land use, tenure security and affordable housing improved**
- Establish, strengthen and amend existing and new legal and policy frameworks with fair and accessible procedures for resolving disputes involving IDPs and returnees over the ownership of land and property they were previously forced to abandon.
 - Provide special support and incentives for the private sector to engage and invest in the development of land, low-cost housing and infrastructure, especially in areas where forced evictions of IDPs or risks thereof are most prevalent
 - Strengthen community structures to address land-related concerns at grassroots level as a mechanism for increasing access to justice.
- **Education and vocational skill development strategy for public and private sectors developed** leading into a youth employment initiative targeting IDPs and returning refugees allowing children and youth to tie back into the formal education sector after early school drop outs and disruption of education due to displacement. As part of this strategy/initiative:
- Introduce an education allowance for children of IDPs and returning refugees to overcome financial obstacles to access education and as an incentive for them and their families to ensure they attend and remain in primary and secondary school and mitigate forced recruitment risks.
 - Create literacy and numeracy skills training programmes for IDPs and returnees, targeting in particular the youth and women.
 - Improve the decent work opportunities available to IDPs and refugee returnees and improve their employability through targeted skills training.
 - Undertake special cash for work ventures giving IDPs and returning refugees priority in training and hiring for expanded public infrastructure projects.
 - Consider protected livelihood schemes for extremely vulnerable members of IDP, returnee and host communities, notably for persons with physical and mental disability or elderly persons without support structures.

9.6 Diaspora

9.6.1 Challenges

Decades of conflict led to the migration of large numbers of Somali's who now, with their skills, experiences, education, networks and resources could make a great contribution to the country. Their commitment to the country and their extended family is demonstrated by the money remitted each year. While remarkable financial innovations have made that volume of remittance possible, there are many challenges to other forms of engagement by the diaspora. Those who may wish to make contributions to local development priorities, struggle to do so as those priorities are poorly identified and may provide little transparency or accountability. People who wish to contribute skills and experience to public service have no means to connect with initiatives requiring their contribution. Legal provision for the diaspora to engage or invest in the country is minimal or absent. There is no official state recognition of Somalis living in or citizens of other states as Somali's or what rights they have. Diaspora communities abroad are organised on an *ad hoc* or familial basis. Somali businesses lack structured or formal mechanisms to connect with and collaborate with Somalis abroad. Informal utilisation of social media and the internet has brought down geographic borders between individual Somalis and corporate Somali entities but formal structured mechanisms to accelerate and amplify those processes do not exist.

9.6.2 Vision statement

Diaspora and Somalia will work together – unhindered by geography - to create global, social and business networks that will accelerate and diversify the development of the country and Somali's around the world.

9.6.3 Mission statement

Facilitate the engagement of diaspora financial and technical resources in the rebuilding of the country, which will also assist the vulnerable in time of crisis. Develop two-way dialogue and relationship building between the country and diaspora and address legal impediments to creating commercial networks that grow Somali businesses at home and abroad.

9.6.4 Goals

- remittances link with social & economic priorities
- diaspora expertise supports to public sector initiatives
- new business developed through diasporas capital, technical know-how and links to international/regional markets

9.6.5 Institutional Arrangements & Collaboration with Other Sections or Chapters

Aligning remittances with local development priorities is a shared priority with Infrastructure, Finance, Social Protection (Resilience) and federal state governments.

Creating opportunities for engagement and support by diaspora in the public sector is shared with the Civil Service.

While some planning issues can be addressed at the federal state level through MoPIC's coordination units or by MoPIC federally (i.e. legal or immigration issues), the scope and urgency of work in this section will require the establishment of a secretariat or a public-private partnership to develop a hub to lead on Diaspora issues.

9.6.6 Intervention Strategies and Milestones

Where federal states or localities identify, prioritise local infrastructure or development initiatives or where beneficiaries of social protection initiatives are registered, that information will be communicated to the diaspora together with formal means channel and account for their financial support. Where there are members of the diaspora who wish to contribute skills, expertise or advice to the development of the country, information on opportunities and mechanisms for their participation will be developed. Where business interests in the diaspora are either interested to invest in the country or to develop business relationships with

firms in the country, communication mechanisms will be developed as will financial and legal instruments to encourage and facilitate those collaborations.

- Diaspora Communication resources/portal established
- Mechanism developed for Diaspora sponsorship (remittances) of local priorities operational
- Agreed cap on transaction costs agreed with financial service providers
- Coaching / mentoring programmes developed
- Citizenship or “overseas Somali’s” status provided for in Immigration law
- Tax advantages for Diaspora investment in the country
- Engage in Financial reform/legislations to ensure limit obstacles to investment by diaspora

9.7 Mixed Migration (TAHRIB)

9.7.1 Challenges

The impacts of years of conflict mean that many capable young people do not see a future at home. Instead they are drawn to the Tahrīb with hopes of a better future outside of the country. Not only is this a loss to the country, but those young people face enormous dangerous *en route*, dubious or poor working conditions upon arrival and difficulties to return to Somalia. For those who feel they must leave the country, they have only informal means of connecting with employment opportunities. They may lack practical or life skills that could make their migration a success. Others may rather develop their future at home, if they were better informed and had assistance to establish attractive economic opportunities and living conditions. At the same time, there is also a growing interest to return to the county. Many migrants or refugees, young and old, may now wish to return but are unable due to financial reasons, a lack of information about local conditions, questions about the tenure of their properties, lack of documentation or capital required to re-establish themselves.

9.7.2 Ongoing programs

None

9.7.3 Vision statement

Regularized migration benefits individuals and the country, allowing normal movement of labour and people and strengthens Somali links to the global economy and society.

9.7.4 Mission statement

Make labour migration a safe and successful enterprise for Somali youth that benefit them and the country. Migration will also become regularized to facilitate the repatriation of labour migrants and refugees.

9.7.5 Goals

- regulated youth labour migration
- Support to the repatriation of refugees & migrants

9.7.6 Institutional Arrangements & Collaboration with Other Sections or Chapters

Structuring labour opportunities abroad and developing placement bodies is an outcome shared with Labour (Human & Social Development).

The repatriation of refugees and migrants is a share piece of work with Reintegration section of this Chapter, the Human & Social Development, federal state& municipal government and international partners

9.7.7 Intervention Strategies and Milestones

By creating a body, which can identify skills sets of young Somalis it can negotiate with nations looking for these skills sets and establish the agreements providing for the normal, short-term labour migration. Private sector recruitment firms in the country can connect aspiring migrants with foreign labour opportunities. These initiatives will be developed together with the Ministries of Labour and Immigration.

By identifying groups of refugees or migrants wishing to return home, their legal situation and repatriation costs can be negotiated. They will receive clear message that the country desires their return, through the availability of information on their rights, entitlements and support they will receive upon arrival in Somalia. Short term assistance to help re-establish returnees will be available. These activities will be complementary to those of Reintegration.

- **Agreements with 10 countries**
- **6 recruitment agencies placing young people**
- **Strategy Developed to encourage return**
- **Package of Return entitlements and support**
- **Federal state and local level migration management coordination structures**

9.8 Management of Environment and Natural Resources

9.8.1 Challenges

The collapse of the State and governance structures as well as the lack of security, with resulting chronic conflict, low rule of law and an environment has placed enormous obstacles to the consistent and sustainable management of environmental resources. This has led to rapid deforestation creating the conditions for desertification in semi-arid livelihood zones. This condition is felt very acutely where forests have been depleted due to uncontrolled or managed charcoal production for export, despite a ban, and a growing domestic as charcoal remains the primary domestic cooking fuel. Equally, pastures and rivers are being unsustainably exploited, diminishing economic opportunities they could provide and diminishing essential resources required by the agricultural sector to manage times of crisis or stress. Rapid urbanization is creating a growing solid waste problem, which in the absence of plans, legislation and enforcement will create a growing health and economic risk. Absence of rule of law has led to the unchecked dumping toxic and hazardous materials that present significant risk to human and environmental health. Rebuilding the ministry of environment will entail vigorous efforts aimed at restoring the capacity of institution, communities' natural management and putting in place effective and accountable governance structures, policy and achievable plans. Appropriate policies and practices for sustainable management of natural resources are required both at the national and state levels.

9.8.2 Ongoing Programs

- EU – MDG Initiative (Your Environment is Your Life, Puntland)
- UNDP –
- FAO – rangeland management
- World Bank
- SWALIM
- IUCN
- Charcoal Programme

9.8.3 Vision

Through sustainable management of our natural environment will continue to promote the economic growth of all Somalis.

9.8.4 Mission statement:

To improve the sustainable management of key natural resources and ensuring equitable access and use of those resources. Make urban environments a healthier more dignified place to live.

9.8.5 Goals

- forests, watersheds & pastures better managed
- Output: urban solid waste management improved

9.8.6 Targets

- National Action Plan on Desertification developed and approved
- Strategic environment assessment for Somalia as baseline of environmental resources and hazards (including UXO & mines)
- River management policy established to protect the volume and quality of water available
- Improved Environmental waste management in XX cities?
- Some control over the charcoal trade?
- Number of key pastures under improved management regimes

9.8.7 Institutional Arrangements & Collaboration with Other Sections or Chapters

Issues of forest, river and pasture management are shared with Productive Sector and possibly Human and Social development (depending on where water resource management will sit)

Issues of solid waste management are shared with Infrastructure and municipal government.

The institutional lead on these issues will be the Ministry of Environment

9.8.8 Intervention Strategies and Milestones

Where forests, rivers or pastures are being unsustainably and inequitably exploited, policies and plans will be developed with users and local government to responsibly manage the resources for immediate and long-term growth, and also local enforcement mechanisms will be put in place.

Where growing urban populations have no safe, long-term means to manage solid waste, policy will be developed and technical support provided to municipal governments and private sector stakeholders to develop long-term, cost efficient and safe solutions

- ✓ National Adaptation Programmes of Action established inclusive of climate smart agriculture
- ✓ Air and water quality standards established link to national land management policy under infrastructure pillar
- ✓ Environmental standards for urban development established under national land & urban management policy including guidelines for managing, awareness raising and monitoring toxic & hazardous materials
- ✓ National institution and mechanism to oversee river basin policy development and management
- ✓ National land use plans developed incorporating, existing traditional laws and climate vulnerabilities for Arid and Semi-arid zones and with the support of SWALIM
- ✓ Participation of local communities ensured and their capacities strengthened in sustainable natural resource management
- ✓ Identify appropriate national institution and mechanism for river resource policy and management

9.9 Disaster Management Authority

9.9.1 Challenges

Predictable, regularly occurring natural events results in significant economic losses and hardship as key pieces of infrastructure to manage those events and mitigate losses are not in place. This is also true for market infrastructure, which in its absence increases prices of basic food commodities, reduces food availability and depresses prices and opportunities for rural producers. The consequences are particularly felt during periods of drought. Developing governance structures at the Federal state and local levels face enormous challenges and are not well equipped to lead and identify proactive actions that can be taken to manage normally occurring challenges, which if managed would not deteriorate into crisis. Existing early warning systems are based in another country and are designed to serve international humanitarian interests. There is currently no data, system or capacity to monitor changing conditions, their impact on people or to with the legal mandate to trigger actions by the Government, private sector or citizens. There are not clearly defined pre-emptive actions in place to bridge developmental actions and emergency response. The grass-roots have not been in a position to plan or to see how it can undertake pro-active measures to protect themselves or their property. Non-government partners have been working with communities to build that capacity, but in the absence of government, it has been in an ad hoc basis.

9.9.2 Ongoing programs

- FSNAU
- SWALIMS
- CBDRR (NGOs)
- FEWSNET

9.9.3 Vision statement

Effective disaster preparedness and response will be mainstreamed in public and private sector work and by individuals significantly reducing deaths, damage, economic loss and people affected by disasters.

9.9.4 Mission statement

Establish bodies and infrastructure which will mitigate future against future crisis. Ensure federal state level monitoring and early warning is in place and the local action can be taken to manage crisis.

9.9.5 Goal

- i. Priority infrastructure constructed
- ii. DMA Federal state centres operate and provide food security monitoring, early warning and risk mitigation functions
- iii. Federal & federal states DMA structures operational

9.9.6 Targets

- i. # of flood reducing water infrastructure constructed
- ii. # of markets with improved volume and sales due to infrastructure (transport, communication, financial)
- iii. No of relevant 1) Policies, 2) Strategies 3) Laws formulated, approved and adopted (detailed listings)
- iv. No of Regional disaster management centres established and functional
- v. No of officials of various disaster management institutions trained and equipped

- vi. No of community base disaster management organizations established
- vii. % reduction in number of people affected by disasters through preparedness and early warning
- viii. % of population reached during time of disaster by DMAs

9.9.7 Institutional Arrangements & Collaboration with Other Sections or Chapters

Construction of priority infrastructure is shared with Private Sector; Infrastructure & Agriculture, Livestock (Productive Sector) DMA Centres and early warning activities are shared with the Food & Nutrition Security section of this chapter and with Productive Sector

Establishment of DMA functions sub-nationally is shared with federal state and local government.

The institutional lead on these issues will be the Ministry of Environment

9.9.8 Intervention Strategies and Milestones

Where impacts of floods or drought can be reduced by the construction of water or market infrastructure, DMA will plan with other sections of government and donors to prioritise those investments on the basis of their dual value – economic growth and risk reduction.

In communities chronically affected by floods and drought and where key early warning indicators are known, DMA will establish Centres to serve Federal state government, private sector and individuals to monitor and provide alerts for changing conditions as well as to support early action to be taken to minimize loss and hardship. Also, local disaster response mechanisms will be established to work together with government, private and local interests to ensure the safety of the local population from disaster.

- Develop a national disaster management policy.
- SoDMA information and Coordination Centre established at National and regional levels
- hazard risks and vulnerability to disasters is mapped, updated and shared with all levels of government
- regional and federal levels undertake preparedness activities and develop early warning/food security systems
- Working with relevant ministries at federal state and federal level to repair or construct key infrastructure that can reduce the impacts of flood, drought or conflict.
- National supply hubs established in 10 disaster prone districts
- Community Managed Disaster Risk Reduction systems established and strengthened?
- Hazard risks and vulnerability to disasters and food insecurity mapped systematically and periodically updated,

9.10 Social Protection

9.10.1 Challenges

Extreme poverty, vulnerability and exclusion retard economic growth and magnify impacts of crisis. Somalia's extremely impoverished and vulnerable require consistent and appropriate forms of assistance. While Somalia has a rich tradition of familial and community-based coping strategies, which provide the first and most consistent channel of support it is neither adequate nor consistent. Humanitarian assistance has complemented that support. That assistance is however, driven by humanitarian mechanisms prerogatives which vary and cannot provide a consistent means to equitably and ethically identify recipients nor provide consistent forms of assistance. There are also large numbers of very poor who face many of the same problems but require different forms of assistance. This group is classified as a humanitarian caseload and on that basis receive relief, yet they require economic support and technical assistance to establish new forms of income or livelihoods or to re-establish viable forms of farming or livestock keeping.

The very poor are further constrained by an access to basic services coverage poorer than for the general population. Basic services are available by private providers which may be too expensive or not available to the very poor. NGOs, whose

programmes often focus on the poorest, struggle to provide the coverage, continuity or range of services required by the very poor due to security constraints or dependence on short-term, humanitarian funding.

Poverty excludes many young people from education, at a time when their future and the country's development requires an educated population and labour force. Young people, many of whom had been excluded from education themselves, are increasingly drawn to urban life but do not have the skill or cannot find the jobs they need.

9.10.2 Ongoing programs

- Graduation Programmes (time bound cash transfer/skills training) – BRCiS, SomReP, SSNP
- School Lunch/Feeding programmes (WFP)
- Micro-business development/financial inclusion for the poorest
- Food aid (WFP, ICRC)
- Unconditional transfers (SSNP)
- Support to with pregnant and lactating mothers

9.10.3 Vision statement

Through using as a transformative agent the most marginalised can become productive members of society and the economy and the most vulnerable can live with dignity and safety as a tenet and reflection of a compassionate Somali society.

9.10.4 Mission statement

During the period of the NDP, aims of both ensuring equitable development and reducing risk will be furthered through provision for the extremely poor in society to earn an acceptable income or live in a minimum level of safety and dignity. It will also be furthered by the reintegration of displaced and returning populations and the accelerated participation of young people in the economy.

9.10.5 Goals

- i. Extremely poor students receive education (primary, secondary, adult literacy and non-formal)
- ii. Barriers to water and health services reduced for the very vulnerable
- iii. The most vulnerable receive a package of dependable assistance
- iv. Job creation or sustainable incomes for rural and urban poorest
- v. Youth employed through training & internship programs or able to start their own business

9.10.6 Targets

- i. National, scalable social protection policy or system designed
- ii. No of households registered in an integrated social protection Information Management System
- iii. Social protection expenditure as a % of GDP
- iv. No. Youth (from priority populations) participating in non-formal training (skills)
- v. No. people (from priority populations) with supported through graduation cash transfer programmes
- vi. No. of youth (from priority populations) assisted to attend school through financial assistance
- vii. No. people (from priority populations) with access to health care through establishment of new facilities

9.10.7 Institutional Arrangements & Collaboration with Other Sections or Chapters

Health, education and water goals are shared with Health, Education and Water (Human and Social Development). Job creation and income for rural and urban poor is coordinated with Food Security & Nutrition and DMA in this chapter. Social Protection initiatives will focus on establishing new jobs or incomes for the urban or peri-urban poorest. Job creation and income for youth (displaced, returnees or populations at high risk of *Tahriib*) is coordinated with Reintegration in this chapter and shared with Labour, Youth & Sports (Human and Social Development). MoPIC Coordination Committees will facilitate these initiatives at the Federal and Federal state levels with ministries of Health, Education, Water, Labour, Youth & Sport, Private Sector and with development partners and also for the Social Protection activities for which there is not yet an institutional home.

9.10.8 Intervention Strategies and Milestones

Where extreme poverty prevents children from attending school bursaries, sponsorships of other forms of support will ensure their attendance. Where the poorest, disabled, aged are dependent on alms from family or the society, measures that provide a minimum level of dignity and subsistence will ensure their safety. Where cost acts as a disincentive for the very poor to purchase water or use health care services, pro-poor tariffs will be agreed with service providers to ensure equitable access to service. Where expecting or young mothers are too poor to pay for essential health services for themselves or their children, they will be encouraged to utilize those services by special provision made for them. Where the poorest struggle to subsist, training and technical support can see them improve their incomes, financial independence and build a future for their families. Where displaced or very poor young people do not have the skills or support to gain decent employment or where young people see no opportunities in Somalia and are drawn to *Tahriib*, the provision of technical support and employment can help them create decent livings and progressive economic opportunities

- Comprehensive social protection policy and strategy formulated and approved
- An effective system for monitoring and evaluation of social protection program developed
- Current programmes planned together with State/FGS, Donors and implementers
- Bi-monthly State Coordination meeting of social protection actors
- Current planning harmonized with Social Protection Policy Strategy and Plans
- Pro-poor tariffs for water and health services established
- Extremely poor children under five and pregnant mothers access essential health care

9.11 Food Security & Nutrition

9.11.1 Challenges

Acute food insecurity has become a chronic feature and is found in the poorest households whether rural or urban. Traditionally, food insecurity is found amongst the rural poor farmers, livestock keepers and fishermen. That situation continues due to the inability to command surplus levels of production or viable prices for their products. Weak value chains and marketing undermine the food security of poor rural producers as much as these production issues. As Somali becomes an urban nation, similar problems of weak incomes undermine the ability of the urban or peri-urban poor to buy them food they require or provide a safe, healthy environment for their children. Whether rural or urban, fluctuating food prices and food availability due to poorly functioning of markets is a threat to their food security. In extreme events, poorly functioning markets, food supply and food prices can put larger segments of the population at risk.

There no Somali institutions to develop and oversee policy that affects the multiple determinants of food insecurity. There is no Somali institution to neither provide the monitoring, analysis nor compile the data required to monitor food security conditions. There is no national institution to work with different levels of government to take actions necessary to put an end to food insecurity or to guide the development of early action to prevent a food insecurity related crisis.

Acute malnutrition in children under five has been and remains an important health issue. Its causes are evolving with the changing livelihoods of their parents. Constraints on poor parents, particularly single mothers, to provide the caring required to avoid acute malnutrition is causal pathway is becoming more common – not only in rural households but also peri-urban and urban ones as well.

9.11.2 Ongoing programs

- FSNAU
- FEWSNET
- Seasonal public works programme (i.e. food for work, cash for work)
- Resilience programmes (agriculture components for very poor or returnees)
- NGO programmes (agriculture components for very poor or returnees)

9.11.3 Vision

All Somalis will have enough good food at all times.

9.11.4 Mission statement

In the next three the most food insecure to generate the incomes required to feed their families; to improve the improve the food available and prices, particularly in times of crisis with improved food markets; and by helping the poorest parents ensure their children are well nourished

9.11.5 Goals

- i. priority markets developed
- ii. food price stabilisation
- iii. food security monitoring & early warning units operational
- iv. Establishing incomes for rural poorest & rural returnees
- v. Stabilise seasonal incomes with increased short-term employment

9.11.6 Targets

- i. Improve market performance and food price stability
- ii. Develop early actions to stabilise food markets in crisis
- iii. Decrease in numbers of rural acutely food insecure in IPC Phase 3 or above
- iv. Improve child care

9.11.7 Institutional Arrangements & Collaboration with Other Sections or Chapters

Market development, price stabilisations are issues shared with the DMA section of this chapter and with Private Sector; Infrastructure & Agriculture, Livestock (Productive Sector)

Early warning activities are shared with the DMA section of this chapter and with Productive Sector. Establishing incomes for rural poorest & rural returnees is coordinated with Reintegration, Social Protection and DMA in this chapter and Agriculture, Livestock (Productive Sector). Food & Nutrition Security focuses on re-establishing farming, livestock keeping or fishing incomes. Nutrition issues are share with Health & Nutrition (Human & Productive development). Short-term employment is shared with Labour (Human & Productive development). The institutional lead on these issues will be MoPIC's Coordination committees who will provide a coordinating function between developments partners supporting pieces of work not grounded in line ministries.

9.11.8 Intervention Strategies and Milestones

Where rural extremely poor, wish to develop incomes through rural production, technical support can help them to achieve an acceptable standard of living. Where rural and urban populations depend on markets for their food, improvements in transport, communication, finance, and taxation can improve the volume, quantity and quality of food and the consistent availability, even during times of crisis. Where crops, livestock or fisheries value chains depend on those markets, the same market improvements will deliver stable or improved prices for producers. Where spikes in prices of basic commodities, can drive extreme levels of food insecurity, price control mechanisms can avert the worst consequences of a food crisis. An effective, Regional-state level food security monitoring and early warning mechanism can identify those populations in advance and provide alert when critical thresholds are being met.

Where particularly short-term employment, seasonally or in advance of a crisis, can provide the financial stability enabling the poorest to cope with extra-ordinary hardship.

Where acute malnutrition in children under five is related to mothers/carers whose time to care for their small children is compromised by their need to provide for the family, they will be assisted to spend greater time with their child or to have their child stay in a healthy, safe environment.

Key markets identified

- Markets receiving investments in infrastructure, communication and financial services
- Commodities and price thresholds established for each region state
- Local mechanisms developed to contain price spikes
- National map of coping capacities from recurring food & nutrition security related shocks
- Preparation of a national food security strategy
- Food Security Analysis conducted at the Federal State level
- Safe child care centres for women working in peri-urban environments

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CHAPTER X

SPATIAL DEVELOPMENT AND PERSPECTIVES IN SOMALIA

10.1 INTRODUCTION

Economic and social conditions and prospects of various areas and regions, of the Somali economy, are considerably affected by a number of factors. These are; geographical location, natural and human resources availability, climate, infrastructure facilities, resources and material potentialities and wealth. However, leveraging these factors, requiring a comprehensive integrated planning approach aiming at creating a balanced development across various sub-nationals, within the available resources and means. Moreover, attaining regional balanced development cross the nation requires a full support of well-structured organizational and administrative bases. Hence, this can only be brought about through establishing a clear federal system, decentralization and preparing a Somali Spatial Comprehensive Strategy (SSCS) and identifying and establishing development centres.

It is imperative to point out the fact that considerable regional disparities are existing in Somali economy, and these are persistent characteristics of the near past and present spatial conditions. Nonetheless, concerted efforts should be made, nationally and by regions, to face the challenge of the imbalanced development amongst various regions and parts of the country. Such a challenge could be gradually alleviated through providing, amongst other things, basic infrastructure, essential services, investing in the regional vital and pivot sectors, exploring in a feasible and economic rational manner the available and varies comparative and absolute advantages, and hence, creating a regional production base that predominantly centered on the development potentiality of each region and location within the country.

This chapter reviews the current status of development in the regions of Somalia, highlighting the key spatial development issues, emphasizing the institutional development, stressing the role of the objective planning in reducing and hence eliminating geographical disparities, as well as delineating few objectives and policies that need to be adopted during the national development plan (NDP) period in this area.

10.2 Present Conditions

Somalia at present can be considered to consist of eighteen administrative regions (units). These eighteen regions have been aggregated and allocated into seven geographic, economic and administrative regional/states. These are from north to south, namely; Somaliland, Puntland, Galmudug, Hiiraan and Middle Shebelle, Mogadishu (Banadir), South-West State, and Jubaland. These regions are characterized by their difference in the stage of development, needs and potentialities. Accordingly, there is an existing regional development disparity and these disparities caused not only natural resources availability and imbalances, but also by the pace of actual development, the pattern of rural-urban migration flows and by capital accumulation and cost considerations. This is besides the fact of the prevailing different standards of services such as; education, health, municipal facilities and telecommunications, and the variance of the improvement, a process which itself has generated imbalances in the relative level of these services amongst the regions. While the Central, Southern, Northern and Eastern regions, where the largest urban centers are existing, are considered the most diversified and also enjoy relatively the highest level of service provision. However, and even though these regions are enjoying the highest level of services, they are challenged with large disparities that occurring within the regions themselves, and not only between the regions which is an apparent phenomenon.

10.2.1 Regional Population Structure and Urbanization Trends

Table -1- juxtaposes the structure of regional population in the eighteen Somali regions, by total, urban, rural, nomads and internal displaced population (IDP) type of population. It can be seen that more than 51 percent of the total Somali Population is concentrated in 6 out of 18 regions. These namely; Banadir (13.4%), Woqooyi Galbeed (10.1%), Lower Shebelle (9.8%), Bay (6.4%), Togdheer (5.9) and Bari (5.8).

10.2.1.1 Table -1-: Somali Estimated Population by Region, Rural-Urban, Nomads and IDP in 2014

Number	Region	Urban	Rural	Nomads	IDPs	Total	% Share
1	Awdal	287,821	143,743	233,709	7,990	673,263	5.5
2	Woqooyi Galbeed	802,740	138,912	255,761	44,590	1,242,003	10.1
3	Togdheer	483,724	57,356	154,523	25,760	721,363	5.9
4	Sool	120,993	13,983	187,632	4,820	327,428	2.7
5	Sanaag	159,717	30,804	352,692	910	544,123	4.4
6	Bari	471,785	65,483	133,234	49,010	719,512	5.8
7	Nugaal	138,929	31,047	213,227	9,495	392,698	3.2
8	Mudug	381,493	79,752	185,736	70,882	717,863	5.8
9	Galgaduud	183,553	52,089	214,024	119,768	569,434	4.6
10	Hiiraan	81,379	135,537	252,609	51,160	520,685	4.2
11	Middle Shebelle	114,348	249,326	100,402	51,960	516,036	4.2
12	Banadir	1,280,939	o	o	369,288	1,650,227	13.4
13	Lower Shebelle	215,752	723,682	159,815	102,970	1,202,219	9.8
14	Bay	93,046	463,330	195,986	39,820	792,182	6.4
15	Bakool	61,928	134,050	147,248	24,000	367,226	3.0
16	Gedo	109,142	177,742	144,793	76,728	508,405	4.1
17	Middle Juba	56,242	148,439	131,240	27,000	362,921	2.9
18	Lower Juba	172,861	161,512	124,334	30,600	489,307	4.0
GRAND TOTAL	All Regions	5,216,392	2,806,787	3,186,965	1,106,751	12,316,895	100
Source: Population Estimations Survey for Somalia (PESS), 2014							

10.3 Spatial Development Initiatives in Somalia "Potentialities and Comparative Advantages of Various Regions in Somalia"

10.3.1 Somaliland State of Somalia

Somaliland State is peaceful, relatively stable, with central administration, a multi-party political system, elected government, an active civil society and vibrant private sector. In the context of a post-conflict economic base and with meager international development aid, consecutive administrations in Somaliland have to varying degrees succeeded in establishing functioning administrations, promoted economic activity and stability, and created positive and enabling environment for economic growth and social development.

The main aim of the NDP for the state is to move further from the largely accomplished focus on peace and security to building the capacities of public institutions to deliver basic services such as health, water and education to the poor and the vulnerable sections of the society, and to regulate the growing private and non-state sectors which filled in the vacuum left by the central government, after the collapse of the Somali state in 1991.

Setting out clear rules and regulations in terms of business license would mean that the government policies will encourage the formalization of the economy as a major contribution to the overall economic development of the state with a particular emphasis on medium, small and micro enterprises. In the meantime the government will strengthen the institutions that impact on private sector development within the formal economy to create a level playing field; improving enforcement, eliminating corruption and reducing red tape, bureaucracy and wastage because all these things tend to serve as a disincentive to foreign investment, and reduce government revenues.

This state of Somaliland aims towards an efficient financial sector which is a crucial enabler of economic growth and income generation. On the one hand government institutions will create the stable macro-economic environment that is vital for sustainable economic growth and private sector development. On the hand financial institutions through the NDP are critical in channeling scarce resources to the areas in which they are most productive and in enabling transactions between savers and investors in financial intermediation

As mentioned in the as mentioned in the regional development plan of Somaliland State priority will be given to investment in areas where they:

- i. Put to productive use of human and natural resources;
- ii. Introduce innovative and Labour technology suited to the states conditions;
- iii. Generate new earnings or savings of foreign exchange, through exports, resource-based import substitution or service activities;
- iv. Contribute to regionally balanced and sustainable socio-economic development;
- v. According to the Ministry of Commerce, Industry and Tourism (MOCIT) and based on the Regional Development Plan (2009 – 2014) there are sectors in the economy that are regarded as priority sectors, and the government is seeking to encourage investment on those sectors, and these include, Agriculture, Livestock, Fishery, Energy & Mineral resources.

10.3.1.1 Development Pivots of Somaliland State of Somalia

The current development pivots of Somaliland state of Somalia is the export of livestock, fisheries and serving as a transportation hub through the port of Berbera and airport of Hargeisa.

Somaliland also has a nascent date and frankincense farming sector that will expand in the three year period covered by the plan.

The state diaspora is large and well established, with a strong track record of in investment in the private sector of the state.

10.3.2 Puntland State of Somalia

Puntland having enjoyed a longer period of peace since inception in 1998 has several comparative advantages that will aid in the development of the state, its civil service is better developed than other regions with clear licensing and revenue generation strategies, its relative peace and social cohesion can prove to be a draw for foreign investors when making decisions on locating their investments in Somalia, its location closest to the Arabian peninsula as well as century long business and kinship ties with Arabia also places the business community in Puntland in an excellent position to export to and attract FDI from that region of the world.

The location of Bossaso port and airport next to one of the world's largest trade routes as well as the potential to serve the greater horn of Africa region with a customer base of more than 100 million people, points to the potential for profitable investment and development of Puntland as a trade and logistics hub.

Puntland has a booming livestock sector with the potential to increase the quantity and quality of its livestock exports as well as developing a value addition industry such as leather tanning and the design and production of leather products.

Puntland's resources in terms of fisheries could also be a driver of the Somali economy, with the potential of the sustainable fishing of high value fish as well as the development of a canning industry that would increase the value of exports while providing employment avenues for residents of the region.

Puntland has potential from increasing both the quantity and quality of frankincense and dates production in with direct access to both the MENA and ASEAN trading areas.

Puntland's potential for renewable energy exploitation both Solar and Wind are also manifest with cheap renewable energy having the potential to spur greater investment in the industrial sector.

Puntland has the potential to be a tourism area in Somalia with abundant areas of natural beauty as well as high security levels, areas of tourism exploitation range from sun and sand packages, to forested mountain areas and diving and coral reef exploration.

10.3.2.1 Development Pivots of Puntland State of Somalia

The current development pivots of Puntland state of Somalia is the export of livestock, fisheries and serving as a transportation hub through the port and airport of Bossaso.

Puntland also has a nascent date and frankincense farming sector that will expand in the three year period covered by the plan.

10.3.3 Galmudug State of Somalia

Galmudug state is one of the newest formed states located at the center of Somalia; it has the strong comparative advantage of having the potential to quickly encapsulate the progress achieved by other regions in terms of sectoral development through learning and adopting the successful policies of previously established states.

Galmudug has the potential to further expand and develop a strong livestock exportation industry with focus on sustainable range management exploitation of sub surface water resources and development of standardized market facilities in newly liberated areas of Galmudug.

Galmudug is one of the areas in Somalia that benefited from limited mineral prospecting during the period before the beginning of the civil conflict; it has the potential to develop industries around the mining of meerschaum, fluorspar, and uranium deposits of which are considered to be second only to those found in Australia.

Galmudug potential for the development of fisheries industries is also very high with largely unexploited fishing zones that would be easily developed in to an industry value chain that can also generate employment for coastal communities.

Galmudug has great potential for the development of renewal energy based manufacturing with ample year round sunlight as well as one of the highest wind indexes in the world.

10.3.3.1 Current Development Pivots of Galmudug State of Somalia

The current development pivots of Galmudug state of Somalia is the export of livestock, as well as having a large economic and intellectual diaspora across Somalia that provides remittances to the economy of Somalia.

10.3.4 Hiiraan & Shebelle Region State of Somalia

The Hiiraan and Middle Shebelle areas of Somalia has served as the bread basket of the Somali nation throughout its history, it has the comparative advantage of the Shebelle river running through the length of the state as well as easy access to the large markets of Mogadishu the capital city of Somalia and of Ethiopia, it also benefits from a long coastline with well-established artisanal fishing communities.

Hiiraan & Shebelle state has great and easily exploited potential for the development of large irrigated agricultural projects and the rehabilitation and reestablishment of factories such as the Jowhar sugar factory and the Balcad clothes factory that produced tertiary products from local production of sugar and cotton.

The land across the state is fertile and can be used to produce a range of agriculture produce from fruits, wheat, barley, rice, sugar cane and cotton.

Livestock industry is easily supported with a variety of high quality livestock as well as easy availability of animal feed as well as water.

This state of Somalia can also develop a fresh fish farming industry with labor intensive strategies that create employment and income for local communities reduce level of malnutrition across the state and has the benefit of using marginal land areas to reducing mosquito breeding areas and hence the incidence of malaria near the Shebelle river.

The reality of Mogadishu port and airport being constricted with limited room for expansion points to the opportunity to develop other locations within Hiiraan and Shebelle state to serve the larger Mogadishu conurbation.

10.3.4.1 Current Development Pivots of Hiiraan & Shebelle State of Somalia

The current development pivots of Hiiraan & Shebelle state of Somalia is the export of livestock, a large and varied agricultural base, fisheries, and geographical proximity to large markets in both Somalia [Mogadishu] & outside Somalia, as well as being highly endowed with availability of fresh water which is an impetus for growth.

10.3.5 South West State of Somalia

The South west state of Somalia is an agriculturally rich area with both the juba and Shebelle River pointing to potential to develop and expand the production of both irrigated and rain fed agriculture in this area of Somalia.

With access to the markets of both Mogadishu and Ethiopia the re-establishment of destroyed irrigation projects such as the fanole and mogambo rice schemes would have ready markets at short distances; fisheries can also be a major economic driver with the largest artisanal fishing communities traditionally based in lower Shebelle region of south west state of Somalia.

As in the rest of Somalia south west state also benefits from great potentialities in the area of renewable energy that extends to the development of dual use dams dedicated to the production of electricity and irrigation programs for sustained year round crop production.

South West state is a region of Somalia that has benefited from mineral prospecting and surveys previous to the collapse of the central government in 1992 results of which point to large deposits of iron and uranium in the Buurhakaba district of South west state.

10.3.5.1 Current Development Pivots of South West State of Somalia

The current development pivots of South West state of Somalia is the export of livestock, a large and varied agricultural base, fisheries, and geographical proximity to large markets in both Somalia [Mogadishu] & outside Somalia as well as being highly endowed with availability of fresh water which is an impetus for growth.

10.3.6 Jubbaland State of Somalia

Jubaland state of Somalia is blessed with the comparative advantage of a long border with both Kenya and Ethiopia and the deep water Kismayu port, providing the state with the opportunity to be a logistics gateway to the East Africa Community and the wider COMESA trading block.

Jubaland potential ranges from the agricultural possibilities of a region that is blessed with the eponymous Juba River, which provides the potential of irrigated agriculture ranging from cash crops such as bananas, sugar cane, simsim seeds and cotton as well as highly in demand foodstuffs such as rice, sorghum and millet.

The renovation and rehabilitation of pre-civil war projects that combined the use of renewable energy resources such the Hydro-electric 185MW Baardhere dam project that would also have allowed to the expansion of irrigated farming land by 700,000 acres is one of the models that can the region can benefit from with produce being quickly exported into areas of chronic food stuffs shortage in Kenya and southern Ethiopia and larger international markets via the Kismayu port and airport.

Cheap renewable energy would greatly boost the reestablishment and development of agricultural produce processing as well supporting the value addition of the fisheries sector which has high potential to generate income and provide employment.

10.3.6.1 Current Development Pivots of Jubbaland State of Somalia

The current development pivots of Jubbaland state of Somalia is the export of livestock, a large and varied agricultural base, fisheries, and geographical proximity to large markets in both Somalia [Mogadishu] & outside Somalia, a functioning port as well as being highly endowed with availability of fresh water which is an impetus for growth.

10.3.7 Banaadir Region

The capital city of Somalia having been devastated by the 25 year civil conflict is rebuilding at a fast rate, located centrally and served by the largest port and airport in the Somali peninsula, with the highest number of financial, and educational institutions as well as being the first port of call for international investors, the Banaadir region has the comparative advantage of being the logistical hub for not only Somalia but the entire horn of Africa region.

Banaadir region has the potential through the establishment of strong trading bodies building upon the robust business community that resiliently survived the civil, quality assurance of import and export goods, as well as continued refurbishment and expansion of logistical networks to develop the regions potential as a trade and services center, increasing the share of these services as part of the region's economic activity.

Banaadir has clear advantages in developing a cold chain for the fish industry with large fishing cooperatives established and already active in the region, with the supply of cheap energy a clear priority of the citizens of this region, a food processing industry dedicated to the value addition of fresh agricultural produce from all areas of Somalia.

10.3.7.1 Current Development Pivots of Banaadir Region

The current development pivots of Banaadir Region is transportation activities through the largest port and airport in Somalia, a comparatively educated work force, large number of service oriented enterprises and a booming construction industry.

10.3.8 Vision

Achieve balanced development across all regions, reducing the disparities and alleviating poverty, between and within different locations in the country.

10.3.10 Goals

- i. To reduce the high disparities in development, economic activities and living standards and conditions amongst the various regions and areas of Somalia, through adopting balanced and sustainable development process
- ii. To adopt an integrated development approach among and within the region, by creating development corridors.
- iii. To develop economic and social infrastructure in line with the different regions' potentialities and comparative advantage, in an appropriate level of efficiency and effectiveness.
- iv. To establish a well-structured and operational federal and regional governance systems, with special emphasis on decentralization and consolidated management at regional and local levels.
- v. To establish a reliable and functioning statistical system in all regions to support the formulation of realistic spatial development strategies and plans.
- vi. To develop a practical and specific criteria and norms for optimal allocation of resources (investment) and distribution of services among different regions.
- vii. To promote and encourage private sector (domestic and foreign) to invest in the productive sectors as well as in the supportive services at the regions with high potentiality to spur out development and growth to other areas of Somalia, particularly, encouraging those investments with positive trickling-down effects to the least developed regions of the economy

10.3.11 Spatial Development Policies

In order for the plan objectives on spatial development, in Somalia, to be achieved within the plan period, this, however, depends on the articulation and implementation of the feasible and right policies, such as:

·Identifying the regional absolute advantage, potentiality and resources availability, for each region of Somalia, and ensure their optimal realization and utilization

- ✓ Reviving and developing specialized regional activities and creating interregional integration, complementarity and feasible flows
- ✓ Developing public services in the regions and ensuring proportional share of each region in public services with its share of the total population of Somalia
- ✓ Finalizing the required legislation/regulations and adopting the decentralization systems process to manage and administer the regional and local development and other affairs, as well as to increasing their contribution to the development process and its achievements in the economy
- ✓ Consolidating and enhancing the existing positive and constructive dialogue and ongoing coordination between various regional states authorities and federal government institutions, on development planning and fiscal issues and programmes, for better cooperation and effective plan objectives implementation
- ✓ Standardization among all regions of administrative processes and divisions adopted by various government agencies in Somalia, such as; Ministry of Health, Education, Social Affairs, Public Work, Transportation, and others

10.3.11.1 Regional Development Programmes and Priorities

10.3.11.2 Somaliland State of Somalia

- ✓ Introducing extension programs for livestock development
- ✓ Improvement of veterinary service delivery systems through prevention and control of major livestock diseases in Somaliland's ecosystems
- ✓ Improved animal breeding and husbandry practices
- ✓ Enhancing livestock exporting systems with infrastructure and support service delivery
- ✓ Strengthening monitoring and evaluation operations on project and program results and impacts.
- ✓ Knowledge and skills development programs for agricultural staff and personnel
- ✓ Development and updating of agricultural sector policy, rules, and regulations
- ✓ Increased crop production, including rice growing, and extension services
- ✓ Soil conservation and water harvesting
- ✓ Better local seed production and maintenance
- ✓ Rehabilitation and renovation of research center
- ✓ Rehabilitating existing irrigation systems and developing new ones
- ✓ Diversifying crops and commercializing the sector
- ✓ Increasing the area under cultivation
- ✓ Improving agriculture support services
- ✓ Maximizing the output of the sector in order to raise the income levels of local fishermen
- ✓ Creating employment opportunities in the fisheries sector
- ✓ Earning more foreign exchange through the export of fishery products
- ✓ Increasing consumption of fish in the local market
- ✓ Reviewing and streamlining tax exemption and duty-free policy and laws
- ✓ Acquiring and installing a new Management Information System (MIS)
- ✓ Creating a Data Bank & ICT center for the Ministry of Finance
- ✓ Installing cash machines at business premises
- ✓ Establishing a training center for Ministry of finance staff development
- ✓ introducing and enforcing VAT(value added tax) payment in all transactions with appropriate exceptions
- ✓ Restructuring the budget department
- ✓ Completing the establishment of the procurement office of the Ministry of Finance
- ✓ Conducting a state-wide tax payer survey and setting up a database
- ✓ Implementing a comprehensive tax-payer program
- ✓ Establishing banking and financial sector laws and policies
- ✓ Establishing banking institute for training and research

10.3.11.3 Puntland State of Somalia

- ✓ Animal health and productivity enhanced
- ✓ Mass Investment in agricultural production
- ✓ Marine resource exportation and management
- ✓ Improve Livestock exportation and market Infrastructure
- ✓ Watershed management and development
- ✓ Climate change resilience and drought mitigation
- ✓ Private sector investment and industrial development enabling environment promoted

- ✓ Environmental conservation and management
- ✓ Access and equity to education at all levels across Puntland
- ✓ Quality of education at all level improved, Science and Technology
- ✓ The delivery of public sector health services and access to quality essential health Medicine/products improved
- ✓ Improve health care financing and information management
- ✓ Gender Mainstreaming policies and programmes enhanced and women's development promoted
- ✓ Improve livelihood and capacity building for Vulnerable centers of all vulnerable groups
- ✓ Design youth employment scheme and sports program design
- ✓ Government institutions capacity promoted.
- ✓ Service delivery decentralized and improved.
- ✓ PFM restructured and strengthened.
- ✓ Civil society and media institutions capacity enhanced.
- ✓ ICT infrastructure tools employed across all government institutions.
- ✓ Democratization process implemented.
- ✓ Strengthening local authority and service delivery
- ✓ Review / amend the relevant Puntland constitution and harmonize with federal constitution
- ✓ Enhance coordination and collaboration with stakeholders at National and State levels
- ✓ Inter-state collaboration to advance Peace and security, Capacity development, Social integration, and Information sharing at all levels
- ✓ Collaboration on National stakeholders to implement Federalism
- ✓ Rehabilitation of Galkayo Garowe road
- ✓ Upgrading of urban roads in Garowe, Bosaaso and Galkayo
- ✓ Rehabilitation of Garowe – Las Anod road
- ✓ Expansion of Bossaso port
- ✓ Construction of new port in Eyl and road connecting to Garowe

10.3.11.4 Galmudug State of Somalia

- ✓ Rebuilding Galkayo – Hobyo Road
- ✓ Rebuilding Dhuusomareeb – Xarardhere Road
- ✓ Construction of Mogadishu – Hobyo Road
- ✓ Rebuilding Cabudwaq –Hobyo Road
- ✓ Rehabilitation and reconstruction of 4 airports [Galkacayo South, Cadaado, Dhuusomareeb and Ceelbuur Airport]
- ✓ Construction of Hobyo port
- ✓ Construction of livestock watering points, solar powered wells and dams
- ✓ Rehabilitation and reconstruction of 10 district police stations
- ✓ Rehabilitation and reconstruction of 2 state level prisons
- ✓ Rehabilitation and reconstruction of 10 district courts
- ✓ Rehabilitation and reconstruction of 80 primary and secondary schools across Galmudug
- ✓ Rehabilitation and reconstruction of 5 Hospitals in Galmudug state
- ✓ Establishment and support of district livestock and agriculture markets
- ✓ Establishment and support of regional revenue and tax offices
- ✓ Establishment of solar lighting systems for all government and social services institutions in Galmudug
- ✓ Regional environmental protection agency established

10.3.11.5 Hiiraan & Shebelle State of Somalia

- ✓ Rebuild livestock markets across the state
- ✓ Promote marketing of livestock products in Somalia and globally
- ✓ Promote investment in fresh water fisheries as a strategy for youth employment along the Shebelle river
- ✓ Rehabilitate water boreholes across the region

- ✓ Rehabilitation of the FOA canal
- ✓ Rehabilitation of the cotton cooperative and factory based in Balcad
- ✓ Promotion and investment in rice farming, by providing seeds, agricultural implements, storage facilities and marketing cooperatives
- ✓ Rehabilitation of the Jowhar Sugar factory
- ✓ Rehabilitation of the Balcad clothes factory
- ✓ Provision of livestock feed lots
- ✓ Support agricultural extension services across the regions
- ✓ Build small scale jetty's across the region for the fishery industry
- ✓ Rehabilitate and expand three airports of Beledweyne, Buuloburte and Jowhar
- ✓ Rehabilitate the Mogadishu – Jowhar - Beledweyne – Ferfer Road
- ✓ To build the essential public administration infrastructure in the new regional capital of buuloburte
- ✓ Promote the use of solar energy in all district capitals
- ✓ Support the establishment and expansion of the regional justice system by supporting the one district, one police station model
- ✓ Building of two state level prisons

10.3.11.6 South West State of Somalia

- ✓ Rehabilitate/support and equip referral facilities /hospitals in the state
- ✓ Implement primary health care units / health posts at district/village level
- ✓ Provide clean environment and safe water to all ISWA community
- ✓ Capacity development for health sector
- ✓ Build Education systems/ implement and support Somalia national curriculum
- ✓ Establish formal and non-formal education sponsored by the state
- ✓ Capacity development for education sector ,TOTs , and establish adult education / Vocational skills
- ✓ Create work opportunities in south west state to support youth groups
- ✓ Establish orientation centers/vocation skill /schools to the youth
- ✓ Youth capacity development
- ✓ Establish and promote existing youth associations
- ✓ To implement and improve civil service operational policies
- ✓ Capacitate the CSC
- ✓ To equally benefit work opportunity in civil servants
- ✓ State Civil service college
- ✓ Complete regional structures
- ✓ Implement state health policies
- ✓ To establish infectious disease control system
- ✓ Complete regional structures
- ✓ Implement state health policies
- ✓ To establish infectious disease control system
- ✓ Women vocational training institutions at state level .
- ✓ Education equalities for boys and girls
- ✓ Strengthening women institution at state level
- ✓ Construct Five TB facilities (Under process)
- ✓ Construct Five public schools at the state on going
- ✓ Construct Three referral hospitals
- ✓ Complete 4 MCH on going
- ✓ Rehabilitation of canals and against river floods
- ✓ Provision of agricultural machines such tractors, motors
- ✓ Establishing of professional school for agriculture
- ✓ Establishing cooperatives for the marketing of diversified agro-products
- ✓ Construction and Rehabilitation of roads networks and bridges across the state.
- ✓ Rehabilitation of eight different Airports/Airstrips in southwest regions.

- ✓ To improve and develop sea ports of Barawe & Marka districts.
- ✓ To start and develop fisheries project across lower Shebelle.
- ✓ Training for police and Darawiish in Bay and Lower Shebelle
- ✓ To establish justice committee across regional districts
- ✓ Training of judges
- ✓ Nomination of district judges for the next three years
- ✓ Rehabilitation program for defected youth from Alshabab (Men and Women)

10.3.11.7 Jubbaland State of Somalia

- ✓ To repair Ports and Airports across the state
- ✓ To rehabilitate Yontoy project for water supply to Kismayu city
- ✓ To restart fishery cooperatives across the regions
- ✓ Expand Kismayu port
- ✓ Build Liboi to Kismayu road
- ✓ Rehabilitate Kismayu to Mogadishu road
- ✓ Rehabilitate Liboi, Elwak and Beled Xawo Border crossing points
- ✓ Rebuild and Expand Garbaharey, Baardhere and Kismayu airports
- ✓ Renovation of health facilities across the state
- ✓ Establishment of Medical warehouses
- ✓ Building 5 provincial District Hospital across the states
- ✓ Rehabilitation of schools
- ✓ Curriculum reform in all Jubaland public and private schools
- ✓ Qualified teachers with well-trained including all levels
- ✓ Develop sectorial functional structure for gender and human rights.
- ✓ Promoting rights of the vulnerable groups e.g. Disables, mental, female headed family.
- ✓ Develop women and vulnerable group's development center and social protection system.
- ✓ Build women development centers in every district in the state of Jubaland.
- ✓ Establish Professional school for marine studies
- ✓ Reconstruction of Mareray sugar factory
- ✓ Reconstruction of Fanole hydro-electric power
- ✓ Reconstruction of Kismayu meat factory
- ✓ Reconstruction of Kismayu fish processing factory
- ✓ Reconstruction of Kismayu leather factory
- ✓ Revival of mogambo rice processing facilities
- ✓ Reconstruction of maize processing factory and packaging factory" INCAS".
- ✓ Expansion of services of Jubbaland TV and radio.

10.3.11.8 Banaadir Region of Somalia

- ✓ Rehabilitation of:
 - a) General Daud Road
 - b) Dabka Road
 - c) Warshadaha road
 - d) Wadnaha Road
 - e) Sodonka Road
- ✓ Construction of 150 MW Solar Power Electricity plant
- ✓ Rehabilitation of Ceelasha Biyaha water system to serve the water needs of the city of Mogadishu
- ✓ To rehabilitate the city parks and green areas promoting the planting of appropriate fauna in the region
- ✓ Establishment of Fisheries cold chain and cooperatives
- ✓ Rebuilding and reestablishment of the Somali National University campus
- ✓ Paving to bitumen standard of 25 km of neighborhood roads

- ✓ Installation of high mast solar lighting at 54 junctions of the city
- ✓ Building of low cost housing estates
- ✓ Construction of three Vocational training centers
- ✓ Construction of Women development centers in all districts
- ✓ Construction of three libraries
- ✓ Rehabilitation of all primary and secondary schools
- ✓ Establishment and support of teacher training college

CHAPTER XI

EFFECTIVE PLAN MANAGEMENT, IMPLEMENTATION, MONITORING AND REPORTING

11.1 INTRODUCTION

There is an increasing realization that the principal reasons for development failures in fragile countries and developing economies are the internal weaknesses of institutions and processes of development planning and economic management; weak mechanism for translating planning to actual implementation; lack of appropriate mechanism for engaging citizens in the development processes as well as communicating development results and poor conduct.

Keeping this in mind, we envisioned under the NDP a transformation agenda aiming to enhance economic governance in Government Institutions responsible for planning, economic management and policy-making; developing effective and efficient institutions as well as mechanisms for citizens' engagement in the development process. This will entail addressing the persistent implementation challenges of Government's programmes, through effective coordination among relevant public institutions. To this regard, priority interventions will focus on: strengthening economic management, forecasting and development planning; facilitating the development of an evidence-based planning and policy making process; enhancing development communication; and ensuring effective enforcement of laws, regulations and proper conduct.

The focus on strengthening economic planning and forecasting to ensure synergies will entail reviewing the institutional arrangements, processes and procedures for economic policy decision-making and management between Federal Government and Member States; strengthening the framework for national development planning and economic policy management process; and, finally, strengthening policy formulation and planning capacity at all levels of Government.

To this end, the chapter identifies the guiding principles, roles, and responsibilities and relationships through which the Government of Somalia will manage. Implement, monitor, evaluate and report the development priorities established in the NDP.

The current NDP will largely rely on the development assistance from international community given the under-developed and poor socio-economic status of the country as well as the meager domestic revenue which is anticipated not to be able to meet the development and recurrent costs of the country in the near future. Therefore, the FGS and the Federal Member States are strongly committed to making aid more effective by working closely with donors to deepen national ownership of the NDP, achieve the benchmarks set out in this NDP, and to ensure that development is Somali owned and led, and is strongly aligned with NDP priorities. Making aid more effective will reduce overlap, duplication and the administrative costs associated with managing aid.

The Government's approach to the use of aid is in line with the following principles:

1. **The Paris Declaration** whereby:

- i. Partner countries own and exercise leadership over their development policies to address poverty reduction, improve their institutions and tackle corruption; (ii) donors align their overall support with partner countries' national development strategies and make use of local systems;
- ii. Donor actions are more harmonized, transparent and collectively effective;
- iii. Resource management and decision-making are more results-oriented; and
- iv. Donors and the Somali government are accountable for development results. The government believes all DPs should be held accountable for development results including CSOs, NGOs, the sub-federal governments and the private sector where they engage as well as the Federal Government.

2. **The New Deal and the Global Partnership for Effective Development Cooperation, whereby:** The government and donors commit to the relevant elements of the 3rd Global Conference on Financing for Development, Busan Partnership Forum for Effective Development Cooperation, and the New Deal for Engagement in Fragile States

3. **Mutual Accountability, whereby:** It is implicit that recipients and providers of aid agree to be held accountable for their respective commitments. Mutual Accountability is also assumed to be based upon the notion of equal partnership and fairness

4. **Commitment and Adherence to Fundamental Development Values, whereby:** The FGS renews its commitment to peace building and state building goals and will engage in long-term development planning that reflects Somali priorities. The government commits to economic and social justice, reliable, transparent, accountable and functioning state institutions, respectful of the fundamental rights, freedoms and equality of its citizens, as set out in Chapter 2 of the NDP. The government will continue to support the establishment of local and regional administrations and federal units, in the spirit of the provisional Constitution. The government promotes inclusiveness particularly of sub-federal governments and civil society but also of private sector, youth, women's groups and academia.

Virtually all internationally agreed upon principles regarding the management of aid stress that **national ownership** over its development agenda is the most significant factor in determining whether or not aid is managed effectively. Still, in many cases, and Somalia is not an exception, this remains challenging. This is the reason why this NDP is drafted under solid guidance and ownership of the Somali Government, with extensive consultations throughout the government layers and with civil society and the private sector. Through this nationally driven process, an important step has been made. However, ownership of the plan per se is not enough to create the conditions for effective implementation.

The government feels that programme concepts are often developed with little government participation. Moreover, the majority of development activities are delivered outside of the existing funding and coordination arrangements. There is little guidance available on how, when and with whom to engage in government at different stages of the project cycle. Alignment is therefore a critical dimension. The government's view is that the entry point for all projects must start with concerned and counterpart government institutions at federal and state levels and that all interventions must be aligned with national priorities in the NDP.

The focus for the government now is to guide decision-making and to bring all major projects into the purview of the relevant coordination forums.

The government will work with development partners to implement the **Use of Country Systems (UCS) Roadmap** as a way of maintaining focus on developing national systems. The NDP seeks to improve the use of country system by 30% annually.

The government is committed to operationalizing the PFM reforms and ensuring regular reporting, rolling out of procurement procedures to all government entities, codifying audit procedures and ensuring reporting meets internationally recognized standards. This will increase the quality of PFM and the overall country system and boost confidence. The Government has accepted a number of fiscal quantitative targets and structural benchmarks under the SMP. Additionally, the government proposed to conduct a PEFA assessment in 2018, with the results utilized to inform renewed priorities under the **PFM Reform Action Plan until 2020**.

11.2 PARTNERSHIP PRINCIPLES AND MUTUAL ACCOUNTABILITY:

This section sets out the Partnership Principles (PPs) which continue to be in line with the Somali Compact and the New Deal. The NDP provides a short to medium term view of priorities expressed in the annual work plan and budget and replaces the statements of national priorities in the Compact. Therefore, the PPs explain *how* the Government and DPs will work together. The Government is keen to restate the Partnership Principles applicable across all support to development and humanitarian activities. The PPs are also supported by maintaining a strong focus on the agreed document "Increasing Use of Country Systems" with its associated benchmarks and indicators for both the Government and Development Partners. The government believes the Partnership Principles extend beyond agreement on how to improve PFM and wish to see a balance in the partnership agenda.

The original partnership principles were drafted quickly and by a small group of subject matter experts. Some of these principles are simply no longer relevant, or possibly never were, or are not deemed by the government to be a priority now. As part of the NDP planning process, they have been reviewed.

The revised PPs aim to support and accelerate the achievement of Somalia's vision to move towards increasing recovery, development and a durable peace. The main objectives of the PPs are to

1. Restate the government's adherence to the fundamental development values that it has adhered to throughout the life of the Somali Compact;
2. Improve the effectiveness of development cooperation through greater government ownership and leadership. Restate the key principles of partnership between government and development partners and our commitment to fair mutual accountability mechanisms;
3. Strengthen economic and fiscal management by increasing flows of development assistance through the national budget mainly in the form of budget support and sector wide support in line with the NDP;
4. Help provide predictable and reliable sources of finance for effective budget planning and implementation and provide the space for policy dialogue between government and DPs for improved coordination of aid flows;
5. Set out clear statements that describe the priority actions required from different stakeholders to address the challenges met in the Compact and the key development challenges identified in the NDP;
6. Increase transparency and accountability within the Government, between the DPs and the Government and the citizens of Somalia by improved, publicly accessible reporting on development cooperation results mainly through government's budgetary systems for reporting and accountability;
7. Achieve Value for Money (VfM) through improved division of labor, increased the use of and number of pooled funds reducing fragmentation, coordinating analytical work, reducing parallel structures, and rationalizing operating platforms. The government will together with donors seek greater evidence that project outcomes are be aligned to national priorities/targets before agreeing to approve projects.
8. Streamline policy and procedural conditions by adopting common standards and frameworks established nationally and agreed to in international fora and conventions;
9. Strengthen its partnership with donors by encouraging information sharing and policy dialogue at both sectoral and programme levels.

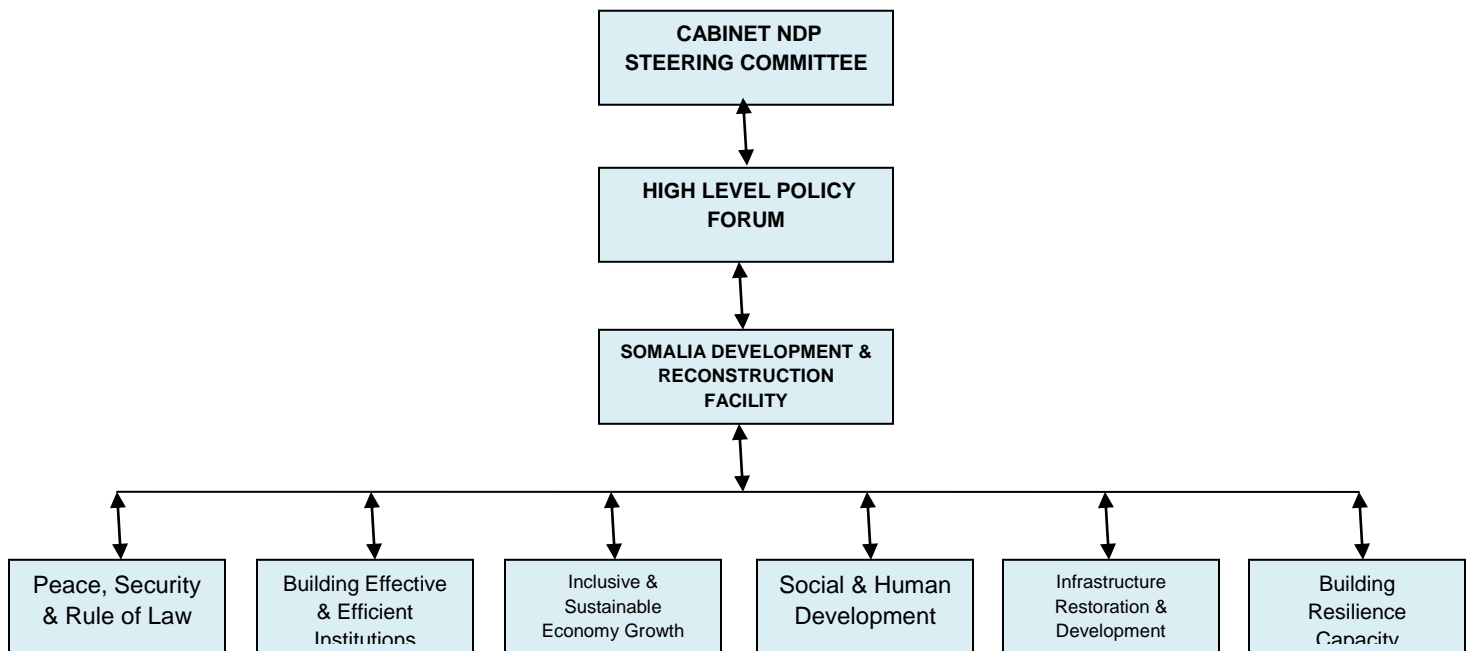
The revised PPs will therefore last for the lifetime of the NDP. Each principle addresses a real need and is based upon evidence of a need. The PPs promote the realization of commitments made in successive Ministerial High Level Partnership Fora (HLPF) and address the short-medium term objectives outlined in the NDP.

The PPs also integrate global and African recommendations, particularly on domestic resource mobilization, South-South and Triangular Cooperation, inclusiveness (with particular emphasis on civil society and private sector engagement), gender equality & women's empowerment, and capacity development.

The Government strongly requests DPs to ensure their programmes and their Country Assistance Strategies be harmonized with the NDP to reduce the risk of duplication and poor alignment and increase coordination and harmonization.

11.3 COORDINATION ARRANGEMENTS

The post-2016 architecture will build on and reinforce the mechanisms and frameworks that have been set up for the implementation of the Somali Compact and which are currently functioning adequately (in particular SDRF aid coordination bodies and funding mechanisms). The government wishes to largely preserve the current aid architecture to support the delivery of the NDP and to encourage regular dialogue and coordination and to monitor and review progress on both the Plan and revised PPs. To advance regular strategic dialogue and manage international assistance in Somalia the government and development partners agree to maintain the following mechanisms:



11.3.1 Cabinet NDP Steering Committee

The Cabinet Steering Committee acts as a principle advisor in the economic development and economic affairs of the country. The functions of the Cabinet Steering Committee is to advise Government ministries, departments and agencies at national and sub-national levels on the formulation of short, medium and long-term development plans; formulate development policies within the framework of the National Development Plan. The Cabinet Steering Committee formulates policy framework for the preparation of Government Budgets and Allocations within the framework of the National Development Plan priorities and targets.

11.3.2 The High Level Partnership Forum (HLPF)

HLPF is the main platform for dialogue and policy discussions on the NDP, the Partnership Principles and the central mechanism for strategic co-ordination and information-sharing. The HLPF will meet quarterly and at least once a year at ministerial or senior official's level with development partner participation from headquarters.

11.3.3 The SDRF Steering Committee

The SRDF steering committee will continue to provide strategic oversight and guidance for the SDRF and the implementation of the PPs, including commitments related to the increase of the Use of Country Systems, wider aid financing and delivery. The FGS will seek greater support from DPs for contributing to the Government Window; significant contributions to the Infrastructure Fund and establishment of a new Fund for Capacity Development.

11.3.4 The SDRF Technical Secretariat

Supports the proper functioning of the SDRF Steering Committee and the HLPF, and to advance day-to-day work on financing, aid effectiveness and coordination, monitoring and reporting. Key Government Institutions will be represented on the Technical Secretariat. MOPIC will lead secretariat support and ensure smooth functioning of SDRF coordination bodies by promoting inclusive engagement of multiple stakeholders in the implementation of the NDP.

MOPIC will coordinate intra-government dialogue on SDRF related matters with line ministries and support the Cabinet NDP Implementation Committee.

Similarly, MOPIC will communicate with States and other stakeholders on NDP issues.

11.3.5 Pillar Committees

Will provide a technical forum for sectoral policy formulation, planning and programmatic co-ordination. MOPIC will coordinate new Pillars, Sectors and Sub-Sectors WGs. The new arrangements will ensure the alignment of programmes with national priorities. MOPIC will make sure that meetings are minuted, followed up., and report on NDP outputs and outcomes. The chairing arrangements of the revised working groups for each pillar will still consist of a government representative with a MOPIC alternate and a donor co-chair. Below are the proposed pillar and sector working groups:

1. Peace, security and rule of law pillar
2. Building effective and efficient institutions pillar
3. Inclusive and sustainable economy growth pillar
4. Social and human capital development pillar
5. Infrastructural restoration and development pillar, and
6. Building national resilience capacity building pillar

Under each pillar, there will be a number of sector working groups that fall under the mandate and scope of work of their respective pillars. Similarly, under each sector, there will be a number of sub-sector working groups.

MOPIC will establish full time positions to lead and coordinate the NDP Pillars as well as related Sectors and Sub-Sector's WGs.

11.4 MONITORING, EVALUATION AND REPORTING ARRANGEMENTS

Work to date on monitoring all commitments to aid effectiveness and coordination is currently essentially voluntary. The Compact was approved without an embedded monitoring and evaluation mechanism and this has since 2013, forced both the government and the DPs to focus on identifying, tracking and communicating progress on both sides to encourage greater use of country systems over time. There have been no formal enforcement tools. Without proper monitoring, reviews and systematic evaluations; the outcomes were not measured and perfect.

In order to overcome the challenges faced by the Compact, a comprehensive National Monitoring and Evaluation (M&E) Framework is developed with a goal of establishing an M&E system that is robust, comprehensive, fully integrated, harmonized and well-coordinated to guide monitoring of the implementation of the NDP and evaluate its impact.

The M&E framework is set to achieve the following objectives:

- i. To inform the development and the design of policies programmes and projects set out in the NDP;
- ii. To Improve the performance of the public sector through the production and use of objective information to effectively and continuously monitor the performance of the NDP and evaluate its impact;

- iii. To enhance the basis for policy makers and planners to make evidence-based policy, planning and programmatic decisions;
- iv. To promote accountability and transparency and improve the confidence of the Somali people in the capability of Government to account for achieving results based on reliable information;
- v. To generate knowledge and ensure policy makers to know about what works and does not work for wider application, and for building new theories and models;
- vi. To strengthen partnerships for the supply and demand of information and promote cross learning;
- vii. To create a new culture of learning from mistakes and increase data demand and information use through changing the mind-set of the leadership and the managers;

In order to adequately monitor performance and contribution to the NDP objectives, all sectors will be required to establish and implement:

- i. High quality annual work plans with clear results frameworks, defining inputs, outputs and expected outcomes; and detailing assumptions and the theories of change upon which the logic is based;
- ii. Hierarchical links upwards to the National Development Plan (NDP) and down from the Sector Strategic Plans;
- iii. Performance indicators for outputs and outcomes that are specific, measurable, achievable, relevant and time-bound (SMART);
- iv. Medium-term and annual targets for performance indicators that are demonstrably based on available resources;

11.4.1 STATISTICS FUNCTION

In order to ensure timely, coordinated, quality and representative data production based on NDP core indicators (ref annex ii) and sound methodologies; all sectors are required to establish Statistics Functions (Management Information System) to facilitate the capture, processing, analysis and use of M&E data within each sector, including its relevant Ministries, Agencies and Local Government service delivery arms.

11.4.2 MONITORING FUNCTION

All sectors will establish and maintain a monitoring function within the line ministry or agency to coordinate the monitoring as it pertains to sector results, and for upwards reporting to MOPIC. This function will be staffed with at least one position on monitoring, supervision and inspection. Budgeting for monitoring for NDP programmes and projects will be a minimum 3% percent of programme or project budget.

The budget should be used for costs of generating and updating data collection protocols; transport and operational costs of data collection and validating and reporting monitoring data.

11.4.3 REVIEW FUNCTION

All sectors, ministries and agencies', will conduct the following periodic performance reviews at national and sub-national levels:

- i. Quarterly reviews by pillar and sector committees will include collating input and output performance data against work plans (incorporating projects) for submission to MOPIC. The review will focus on the timeliness, consistence with approved work plans and accuracy of the collated performance data, prior to its upwards reporting, and make recommendations for any corrective measures in the coming quarter;
- ii. Bi-annual reviews by pillars and sector working groups will include collating input and output performance data for key results as defined in Pillar and Sector AWP. The bi-annual review will be led by the Chair of the Pillars and Sectors' WGs, and include all relevant sector stakeholders. The review will focus on the timeliness and accuracy of the collated performance data, prior to its upwards reporting, and make recommendations for any corrective measures in the coming half-year. The review should be light, with a more thorough review carried out on an annual basis;

- iii. Annual reviews will be conducted by all pillars and sectors. Annual reviews will include collating input, output and where available, outcome performance data for key results. The annual reviews will focus on assessing performance during the previous fiscal year, and determining actions and spending plans for the year ahead (current year+1). These actions and spending should be addressed in amendments to the NDP rolling out plan. Annual Reviews should be completed by the middle of October each year, to ensure that the findings feed into the planning and budget process of the coming year, and annual reporting to Cabinet and Parliament;

11.4.4 EVALUATION FUNCTION

In order to ensure learning from the implementation, all programmes and projects over 1,000,000 USD will be subjected to rigorous evaluation or value-for-money audit. All programmes and projects must develop an evaluation plan that includes:

- i. Description of the various categories of evaluation to be conducted (baseline, mid-term and final, impact evaluations);
- ii. Outline of methodologies to be used;
- iii. Roles and responsibilities;
- iv. Work plan;
- v. Detailed budget;
- vi. ToRs for executing agencies;
- vii. Dissemination and follow up strategy;

The type of evaluation to be planned for and conducted should reflect the nature and scope of the project. For example, pilot projects that are being conducted amongst a random group of participants may be selected for impact evaluation to determine whether or not the investment should be scaled up. As a minimum requirement, each project in this category will be required to conduct the following:

- i. A Baseline study during the preparatory design phase of the project;
- ii. A Mid-term review at the mid-point in the project to assess progress against objectives and provide recommendations for corrective measures;
- iii. A Final evaluation or value-for-money audit at the end of the project. A VFM audit will be carried out for key front-line service delivery project where value for money is identified as a primary criterion. All other projects will be subjected to standard rigorous final evaluation;

The lead Ministry will be responsible for the design, management and follow-up of their programme and project evaluations (including baseline and mid-term reviews). All project evaluations will be conducted by external evaluators to ensure independence in conjunction with value-for-money audit.

Minimum percentage of project budgets will be allocated specifically for evaluation, to be agreed with development partners when reviewing and approving each programme and project. The size of this evaluation budget will take into account to the budget and scope of the programme or project. The budget will be used to finance baseline studies, mid-term reviews and final evaluations or value for money audits. MOPIC (M&E Office) will provide standards and guidance for conducting programme and project evaluations, and will set up and manage a data-base for all evaluation activities.

Finally, all pillars and sectors will be held accountable for the achievement of targets set and agreed upon annually as documented in M&E framework and plan. Performance information for the pillars and sectors against set targets will be scored, and institutions will be benchmarked.

For proper follow up and learning:

- i. All performance reviews and evaluations will contain specific, targeted and actionable recommendations;
- ii. All target institutions will provide a response to the recommendation(s) within a stipulated timeframe, and outlining a) agreement or disagreement with said recommendation(s), b) proposed action(s) to address said recommendation(s), c) timeframe for implementation of said recommendation(s);
- iii. All institutions will be required to maintain a Recommendation Implementation Tracking Plan which will keep track of review and evaluation recommendations, agreed follow-up actions, and status of these actions;

- iv. There should be alignment between the indicators and targets in the NDP and the indicators and targets in the sectoral plans. Such alignment is necessary in order to prevent the establishment of parallel or duplicate information systems;

11.4.5 REPORTING FUNCTION

During the NDP period, the following reports will be produced and disseminated:

11.4.5.1 Quarterly Performance Review Reports

Quarterly pillar and sector performance reports will be presented by the various pillar and sectoral working groups during the pillar and sector quarterly review meetings. At state level, quarterly performance reports will be presented and discussed at the quarterly review meetings attended by the key implementers in the states.

11.4.5.2 Annual Performance Report:

The annual performance report is useful in highlighting areas of progress and challenges prior to the implementation of the NDP. The report will assess progress on the annual work plans of all the pillars and sectors and an overall assessment of NDP performance against the targets set in the NDP. All pillar and sectors are expected to compile their reports according to the NDP reporting timeline at federal and decentralized levels and forwarded to the M&E department at MOPIC for compilation of the annual progress report. The annual progress report will present a detailed account of annual performance against the core indicators of the NDP, comparing current results with results of previous years, and formulate challenges and recommendations by pillar and sector. The annual progress report will provide the background and in-depth information for annual reviews and will be presented to all stakeholders and discussed at the joint annual review missions. MOPIC will develop standard format for the annual progress report in order to present the sector performance issues in a format that can easily facilitate the knowledge management process.

11.4.5.3 Annual SDG Reporting

The Government of Somalia is fully committed to the recently endorsed global Sustainable Development Goals. Instead of developing a separate work stream to address the SDGs, we have opted to mainstream the SDGs into each sector. As much as possible the goals, targets, and indicators in the different sections of the present NDP are aligned with the SDGs suitably prioritized for the Somalia situation. The annual progress report for the SDGs will measure the localized goals, targets and indicators that are fully aligned with the NDP. SDG goals will be categorized into following thematic groups:

- 1) Economic growth and related sectors; which will focus on goal 1, 2, 5, 7, 8, 9 and 10;
- 2) Social services, which will focus on goal 3, 4 and 6;
- 3) Climate change and environment, which will focus on goal 11, 12, 13, 14 and 15: and
- 4) Enablers to sustainable development, which will focus on goal 16, and 17

11.4.5.4 Annual Development Cooperation Report

The annual development cooperation report will contain aid and development achievements, challenges, and the way forward to more effective and efficient aid management and coordination.

11.5 INSTITUTIONAL ROLES AND RESPONSIBILITIES

11.5.1 Parliament:

- i. Monitors the implementation of Government programmes and projects in line with the approved Government policies and regulations;
- ii. Scrutinizes budgets and expenditure of the Government;
- iii. Assures transparency and accountability in the use of public funds and development assistance;

11.5.2 The Office of the Prime-Minister:

- i. Conducts monitoring of key Government programmes to generate policy advice for Cabinet and the President;
- ii. Tracks the overall implementation of the National Development Plan;
- iii. Reports on the progress of the NDP to the public through the annual State of the Nation Address;

11.5.3 Ministry of National Planning and International Cooperation (MOPIC)

MOPIC in pursuant to implementation of the Partnership Principles will hold consultations with DPs and line ministries to coordinate aid and identify funding modalities suited to various programmes and projects in the NDP. MOPIC and DPs will discuss and negotiate on-budget financing and contributions to pooled mechanisms such as Trust Funds, including negotiation of disbursement schedules to ensure timely and effective allocation of funds in support of national priorities. MOF will advise accordingly.

Specifically, MOPIC will be responsible to:

- i. Provide leadership across Federal Government Institutions and ensures proper coordination and oversight of NDP execution;
- ii. Prepare a short and medium term results-oriented comprehensive and integrated development plans for the country;
- iii. Harmonize and standardizes M&E procedures, practices and mechanisms across the Federal Institutions;
- iv. Provide technical support and oversight to PME Units in sectoral ministries i) the operationalization of planning, monitoring and statistics functions, and ii) the design and implementation of evaluation plans;
- v. Design, commission, quality control and disseminate evaluations in line with the evaluation plan of the NDP;
- vi. Report to Cabinet periodically on Government performance and results including spending;
- vii. Monitor the implementation of the NDP and related M&E framework and plan;
- viii. Support local capacity development for national planning, and in particular, provides support and guidance to the national and local bodies responsible for the decentralized planning process;
- ix. Study and publish independent assessments of key economic and social policy issues and options so as to increase public understanding and participation in the economic and social policy debate;
- x. Prepare Government's Annual Performance Report with data and evidence on progress towards national development plan objectives;
- xi. Monitor the performance of the decentralized system of development planning and proposes such institutional innovations that may be required for its improved operation;
- xii. Monitor and evaluates the effectiveness and impact of development programmes and the performance of the economy;
- xiii. Liaise with the private sector and civil society in the evaluation of Government performance and identifying filling gaps in Government policies and programmes;
- xiv. Conduct in-depth evaluations of the impact and cost of selected development programmes;

11.5.4 Ministry of Finance (MOF)

MOF will oversee the alignment of financial resources behind national priorities, ensuring linkages to national budget, promote the use of country financial systems, negotiate and sign Finance and Loan Agreements, and be responsible to review and report on the fulfillment of all conditions attached to Grant and Loan Agreements (including that for debt rescheduling or forgiveness).MOF will also be responsible for:

- Organize strategic dialogue around financing architecture for implementing the NDP;

- Coordinate with international financial institutions and Government Representative on Trust Fund Management with input from MOPIC;
- Record and report budget-support inflows, including aid in-kind;
- Monitor the execution of the development budget through special donor project accounts;
- Monitors budget execution and progress on MoUs commitments to promote efficiency and effectiveness of all public spending;
- Manage annual and medium-term macroeconomic and fiscal frameworks;
- All issues related to Somali Tax and Duties, if included in FAs, will require clearance from MOF;
- Reports periodically to Cabinet and Parliament on budget preparation, execution and performance;
- Releases timely and quality information on budget execution;
- Prepare annual and medium-term expenditure framework (MTEF) ensuring consistency with the NDP/iPRSP in cooperation with MOPIC, line-ministries and agencies;

11.5.5 Sector Ministries

- i. Lead the development of sector policies, strategies and guidelines in line with the NDP;
- ii. Lead the development of costed annual work plans in line with the objectives, milestones and targets set in the NDP;
- iii. Chair and coordinate sector and sub-sector working groups;
- iv. Ensures that the planning, monitoring, evaluation and statistics functions within the public service are adequately staffed;
- v. Ensure that all line-ministries and agencies assign one or more positions responsible for planning, statistical production, monitoring and evaluation;
- vi. Ensure that a Management Information System is in place and functioning
- vii. Plan and budget for monitoring and statistics annually;
- viii. Hold quarterly sector performance review meetings to determine progress towards output targets;
- ix. Provide, on a quarterly basis, data and explanatory information on progress against performance indicators to MOPIC;
- x. Ensure proper coordination and oversight of sector plans and related M&E activities;
- xi. Plan and budget for evaluations of all projects and programmes over \$1000,000 in line with the evaluation plan of the NDP;
- xii. Utilize M&E findings to inform programme, policy, and resource allocation decisions;
- xiii. Maintain a Recommendation Implementation Tracking Plan which will keep track of review and evaluation recommendations, agreed follow-up actions, and status of these actions.
- xiv. Ensure that complete and approved M&E reports are made easily available to the public in a timely manner;

11.5.6 Federal Member States:

- i. Produce results oriented State Development Plans;
- ii. Ensure proper coordination of plan implementation, monitoring, review and evaluation at state and lower levels;
- iii. Provide timely and quality data on relevant performance indicators to MOPIC and line Ministries and Agencies;
- iv. Ensure that all State Governments have Ministries in Charge of Planning, Statistics, Monitoring and Evaluation Functions;
- v. Produce annual performance reports in line with the objectives and targets of the NDP and the corresponding State Development Plans;
- vi. Utilize M&E findings to inform programme, policy, and resource allocation decisions;

11.5.7 Directorate of Statistics.

The Directorate of Statistics is responsible to:

- i. Coordinate, support, validate and designate as official any statistics produced by sectors at national and sub-national levels;
- ii. Coordinate and clear all censuses and nationally representative household economic surveys;

- iii. Ensure production, harmonization and dissemination of statistical information;
- iv. Strengthen the capacity of statistical units in line ministries and agencies in charge of for the production and use of data at national and sub-national levels;
- v. Ensure best practice and adherence to standards, classifications, and procedures for statistical collection, analysis and dissemination in line-ministries and agencies at all levels;

11.5.8 Project Management & Analysis Unit

The unit is responsible to:

- i. Ensure that programme documents are in line with the NDP, assign adequate coverage in activities across Somalia and avoid duplication in activities between different programmes before presentation to the SRDF.
- ii. Present to both the National Planning advisory council and the NDP ministerial committee on all programmes and project appraisals conducted by MoPIC
- iii. Ensure adherence to institutional development elements that all programmes will have to incorporate hence forth.

11.5.9 The Office of the Auditor General

- i. Audits and reports on public accounts of all public offices and any public corporation or other bodies established by an Act of Parliament;
- ii. Conducts financial, value for money and other audits, in respect of any project or activity involving public funds;

11.5.10 Non-State Actors (CSOs and Private sector):

- i. Participate in public sector planning processes at federal, state, sectoral and local government levels;
- ii. Provide timely and quality data on the financial and physical implementation of projects for which they are the executing agency to the relevant sectors, ministries and agencies at national and sub-national levels;
- iii. Participate in discussion and decision-making committees at programme, sector, national and sub-national levels that review and comment on public sector performance;

11.5.11 Development Partners (DPs)

- i. Assist Government through financial, technical and other forms of assistance to strengthen its performance;
- ii. Provide an external perspective on Government performance and results;
- iii. Provide feedback to domestic and international constituencies on Government performance and results;

Consolidated Monitoring and Evaluation Matrix for Somalia National Development Plan (NDP)

Annex 1 Core Indicators of Peace, Inclusive Politics, Security And Rule Of Law Pillar Aligned To The SDG

PEACE, INCLUSIVE POLITICS, SECURITY AND RULE OF LAW				
Goal: To achieve a stable and peaceful federal Somalia through inclusive political processes, establishing unified, capable and accountable security institutions and establishing independent, accountable and efficient justice institutions.				
Alignment with SDGs: Goals for peace, inclusive politics, security and rule of law are aligned with SGD-16: Peace, Justice and strong institutions but they are also cross cutting in nature				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. No of relevant Laws, Policies, Strategies formulated and adopted			Ministries Records, Parliamentary Records	
2. Availability of new Federal constitution		Yes	New Federal Constitution document	
3. No of political parties registered for 2020 elections			Records of electoral institutions	
4. No of district with functioning councils		100	Local Government and District Records	
5. No of security forces i.e. 1) Army, 2) Navy, 3) Coast Guard, 3) Police Biometrically registered and tied to pay role			Ministry of Defense and Interior Records,	
6. No of Small Arms possessed by citizens (Survey results)			Small Arms Survey	16.4.2 Proportion of seized small arms and light weapons that are recorded and traced
7. No of conflict/terrorism related deaths				16.1.2 Conflict-related deaths per 100,000 population, by sex, age
8. No of cases 1) Filed, 2) Decided, 3) Pending			Courts Judicial Records	16.3.2 Un-sentenced detainees as a proportion of overall prison population
9. No of people receiving legal aid			Legal aid surveys	
10. No of Correctional facilities/prisons rehabilitated/established			Ministry of Justice Records, Programme Reports	

Annex 2 Core Indicators of Macroeconomics and Poverty chapter Aligned To the SDG

MACROECONOMICS AND POVERTY				
Goal: To foster and maintain a positive rate of economic growth, reduce the poverty and lessen the reliance on international donors' assistance.				
Alignment with SDGs: Goals for macroeconomics and poverty are aligned with SDG-1: Ending Poverty, SDG-8: Decent work and Economic growth, SDG-17: Partnerships, but they are also contributing to other SDGs				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. Annual GDP growth rate (%)	3%	6%	Ministry of Finance Records, Economic Surveys	8.1.1 Annual growth rate of real GDP per capita
2. Abroad (Diaspora) remittance transfers (\$) and as proportion to GDP	\$ 1.4 Billion		IMF Financial indicators	17.3.2 Volume of remittances (in USD) as a proportion of total GDP
3. Annual investment growth rate (%)		38.2%	Ministry of Finance Records, Economic Surveys	
4. Annual Productive Sector Growth Rate (%)		4.6%	Ministry of Finance Records, Economic Surveys	
5. Annual Infrastructure Sector Growth Rate (%)		26.2%	Ministry of Finance Records, Economic Surveys	9.a.1 Total official international support (official development assistance plus other official flows) to infrastructure
6. Annual Social and Other Services Sector Growth Rate (%)		4.1%	Ministry of Finance Records, Economic Surveys	

7.	Annual Domestic Revenues (\$ Million)			Ministry of Finance Records, Budget documents	
8.	Revenue as proportion of GDP	3.7% (2015)		Ministry of Finance Records, Budget documents	17.1.1 Total government revenue as a proportion of GDP, by source
9.	Proportion of people below poverty line with a poverty line of \$1.58 per capita (PPP)	69%		World Bank High Frequency Survey, Household Income/Expenditure Surveys	1.2.1 Proportion of population living below the national poverty line, by sex and age
10.	%age of total budgetary allocations for poverty reduction programmes				1.a.1 Proportion of resources allocated by the government to poverty reduction programmes

Annex 3 Core Indicators of Building Effective and Efficient Institutions Pillar Aligned To The SDG

BUILDING EFFECTIVE AND EFFICIENT INSTITUTIONS				
Goal: To align, improve and strengthen organization, working and operational capabilities of all governmental institutions at the national and sub-national levels				
Alignment with SDGs: Goals for building effective and efficient institutions are cross cutting in nature and are contributing to all SDGs				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. No of relevant Laws, Policies, Strategies formulated and adopted for public sector institutions			Relevant Ministry Records, Parliamentary Records	
2. No of Ministries/institutions with clear organizational structures, rules of business and terms of reference in place		28 Ministries	Relevant Ministry Records	
3. No of Ministries with appropriate and equipped office buildings		28 Ministries	Relevant Ministry Records	
4. No of Ministries with appropriate M&E and statistical systems in place			Relevant Ministry Records	17.18.3 Number of countries with a national statistical plan that is fully funded and under implementation, by source of funding
5. Proportion of government concurrent expenditure as proportion of annual budget				16.6.1 Primary government expenditures as a proportion of original approved budget, by sector

Annex 4 Core Indicators of Economic Development Pillar Aligned by SDG

PRIVATE SECTOR DEVELOPMENT				
Goal: To promote and strengthen a vibrant private sector which delivers jobs and prosperity for all, and enhanced revenues for government and affordable services for citizens.				
Alignment with SDGs: Goals for private sector development are aligned with SDG-8: Decent work and Economic growth, SDG-9: Industry and infrastructure SDG-17: Partnerships etc.				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. No of relevant Laws, Policies, Strategies formulated and adopted for private sector			Ministry Records, Parliamentary Records	
2. Share of private sector investment in GDP (%)	8%	18%	Ministry of Finance Records, Economic Surveys	17.3.1 Foreign direct investments (FDI), as a proportion of total domestic budget
3. No of Public-Private partnership projects implemented and their total value in USD			Ministries Records, Programme/Project Reports	17.17.1 Amount of United States dollars committed to public-private and civil society

				partnerships
4.	No of jobs created in private sector		LFS, Programme/Project Reports	

Annex 5 Core Indicators of Productive Pillar Aligned by SDG

PRODUCTIVE SECTOR DEVELOPMENT				
AGRICULTURE				
Alignment with SDGs: Goals in Productive sector development are aligned to SDG-1: Ending Poverty, SDG-2: Ending Hunger and SDG-8: Economic Growth and Decent Work, SDG-14: Life on Land etc.				
Goal: To ensure food and nutrition security and to pursue economic growth through sustainable agriculture sector development				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. No of relevant Laws, Policies and Strategies formulated and adopted			MOA Records, Parliamentary Records,	
2. No of irrigation systems rehabilitated/constructed			Programme/Project Reports, MOA Records	
3. Farm land under irrigated agriculture (Hectares)	628,050 ha	753,660 ha	Agricultural Surveys/Census, MOA Records, FAO estimates	2.4.1 Proportion of agricultural area under productive and sustainable agriculture
4. % of population dependent on agriculture for livelihoods			Agricultural Surveys/Census, DHS , FAO estimates	5.a.1 (a) Proportion of total agricultural population with ownership or secure rights over agricultural land, by sex
5. Underutilized or orphaned crops yield in Metric Tons	1,170 MT	5,000 MT	Agricultural Surveys/Census, MOA Records, FAO estimates	
6. Cereal yield in Metric Tons	126,800 MT	152,160 MT	Agricultural Surveys/Census, MOA Records, FAO estimates	
FISHERIES				
Goal: To facilitate and secure the sustainable development and utilization of the Somalia's fish and marine resources				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. No of relevant Laws, Policies, regulations, formulated and adopted			MFMR Records, Parliamentary Records	
2. No of fishing vessels registered			MFMR Records	
3. No of landing sites rehabilitated/established		10	Programme/Project Reports, MFMR Records	
4. Value of fish caught in Somali waters (in \$ Million)	\$45 million	\$65 million	Economic Surveys, MFMR Records, FAO estimates	14.4.1 Proportion of fish stocks within biologically sustainable levels
5. Annual value of fish and fisheries product exported (in \$ Million)			MFMR Records, Export records	
LIVESTOCK				
Goal: To develop a vibrant and commercially competitive livestock sector that contribute to sustainable livelihoods, inclusive economic growth and delivery of the sector essential services				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. No of relevant Laws, Policies, Strategies formulated and adopted			MLS Records, Parliamentary Records	
2. No of animal health facilities like veterinary hospitals, AIC, quarantine stations etc.			MLS Records, Programme/Project Reports	
3. Annual national milk, meat, hide and skin production		Increased by Milk 20%, Meat 12% Hide/Skin 15%	Livestock Surveys/Census, MFMR Records, FAO estimates	
4. Annual value of livestock and livestock product exported (in \$ Million)		Increased by 20%,	Economic surveys, Export data	
HYDROCARBON & MINERALS				

Goal: To establish a petroleum and mineral extractive industry that can provide revenue streams to improve socio-economic development				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. No of relevant Laws, Policies, Strategies formulated and adopted			Ministry Records, Parliamentary Records	
2. No of PSAs negotiated and signed			Ministry Records	
3. Annual HC (Oil and Gas) production in the country			Ministry Records, Economic Surveys/data	
4. No of Artisanal Mines operating in the country			Ministry Records	

Annex 6 Core Indicators of Social Human Development Pillar Aligned To by SDG

SOCIAL AND HUMAN DEVELOPMENT				
HEALTH				
Goal: Reduce maternal and child mortalities and improve quality of life through improved access to essential health services of acceptable quality and through prevention and control of communicable and non-communicable diseases;				
Alignment with SDGs: Goals for health sector are aligned with SDG-3: Healthy lives and well-being				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. Maternal Mortality Ratio	732/100000	600/100000	WHO Estimates, DHS	3.1.1 Maternal mortality ratio
2. Under-five mortality rate	137/1000	<100/1000	WHO Estimates, DHS	3.2.1 Under-five mortality rate
3. Total fertility rate	6.7	6	MICS, DHS	
4. Contraceptive prevalence rate	6%	>15%	MICS, DHS	
5. HIV/AIDS incidence	1%	<1%	SERO Prevalence Survey	3.3.1 Number of new HIV infections per 1,000 uninfected population
6. Tuberculosis incidence per 1,000 population			TB Prevalence Survey, WHO estimates	3.3.2 Tuberculosis incidence per 1,000 population
7. Malaria incidence per 1,000 population			HMIS (WHO, UNICEF)	3.3.3 Malaria incidence per 1,000 population
8. Pent 3 coverage rate for 1 year	46%	70%	EPI Cluster Survey, MICS, DHS	
9. Proportion of births attended by Skilled birth attendants	33%	55%	MICS, DHS	3.1.2 Proportion of births attended by skilled health personnel
NUTRITION				
Goal: Improve the nutritional status and increase access to and utilization of quality and integrated essential nutrition with a focus of women, children and other vulnerable communities				
Alignment with SDGs: Goals for Nutrition sector are aligned with SDG-2: End hunger and improved nutrition, SDG-3: Healthy lives and well-being				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. Prevalence of stunting in Children age 0-59 months	12%	<9%	DHS, Nutrition Survey (FAO+UNICEF)	2.2.1 Prevalence of stunting among children under 5 years of age
2. Prevalence of wasting	13%	<10%	DHS, Nutrition Survey	2.2.2 Prevalence of malnutrition by type (wasting and overweight)
3. Prevalence of under-weight Children age 0-59 months	13.4%	<10%	DHS	2.2.2 Prevalence of malnutrition (weight for height < 5 years of age)
4. Exclusive breastfeeding rate	33%	50%	DHS, Nutrition Survey	
5. Prevalence of anemia among pregnant women	49%	<30%	Nutrition Survey	
EDUCATION				
Goal: Fulfill the right of every Somali to education and build an adequate, well educated, better skilled and competent workforce that contributes to the economic and human development of the nation				
Alignment with SDGs: Goals for Education sector are aligned with SDG-4: Quality education for all				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. Gross enrolment ratio in primary education	30%	45%	MICS, EMIS	4.1.1 Proportion of children(a) in grades 2/3

2.	Gross enrolment ratio in secondary schools	26%	35%	MICS, EMIS	4.1.1 Proportion of young people: (c) at the end of lower secondary
3.	% of primary school teachers who are certified (trained) to teach according to national standard		30%	School Census (UNICEF), EMIS, Records of Ministry	4.c.1 Proportion of teachers in primary and secondary education who have received minimum organized training
4.	% of public spending in education as total of government budget	3%	12%	Annual Budget Document	4.b.1 Volume of official development assistance flows for scholarships
5.	Literacy rate adult male and female			MICS	4.6.1 Percentage of population achieving a fixed level of (a) literacy

WATER, HYGIENE, SANITATION (WASH)

Goal: To ensure availability of clean drinking water, hygiene and sanitation facilities for all people in Somalia

Alignment with SDGs: Goals for Education sector are aligned with SDG-6: Clean water and Sanitation

Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. Percentage of population using clean water	35%	60%	KAP Survey (UNICEF)	6.1.1 Proportion of population using safe drinking water services
2. Percentage of the population using safely managed sanitation services including a hand-washing facility with a soap and water	10%	50%	WASH KAP Survey	6.2.1 Proportion of population using safely managed sanitation services, including a hand-washing facility
3. Percentage of pupils enrolled in primary and secondary schools providing basic drinking water and basic sanitation		50%	School Survey	4.a.1 Proportion of schools with access to: (e) basic drinking water; (f) basic sanitation facilities
4. Percentage of people living in open defecation free communities;		40%	MICS, KAP Survey	
5. Proportion of urban solid waste regularly collected and with adequately disposed in big cities				11.6.1 Proportion of urban solid waste regularly collected and with adequate final discharge out of total urban solid waste generated

LABOUR AND EMPLOYMENT

Goal: Generate decent jobs and dynamic workplaces to contribute to economic efficiency and productivity of the nation;

Alignment with SDGs: Goals for Labor and Employment are aligned with SDG-8: Decent work and Economic growth

Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. Employment to population ratio	39%	50%	Labour Force Survey (LFS)	8.5.2 Unemployment rate, by sex, age and persons with disabilities
2. Distribution of employed workers by skill groups based on primary occupation			LFS	
3. Availability of minimum policies and standards in occupational health and safety, social security and employee welfare			LFS	8.8.2 Increase in national compliance of labor rights based on ILO textual sources and national legislation

YOUTH and SPORTS

Goal: Enhance the participation of the youth to the development of the nation through effective mobilization, empowerment, training and sports to foster national cohesion, enhance peace and improve quality of life

Alignment with SDGs: Goals for Labor and Employment are aligned with SDG-8: Decent work and Economic growth, SDG-16 Peace, Justice and strong institutions etc.

Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. Youth unemployment rate	22%	17%	LFS	8.5.2 Unemployment rate, by sex, age and persons with disabilities
2. Number of young people having access to micro-finance and micro-credit schemes;			Programme/Project Reports	
3. Youth Labour force participation rate			LFS	8.6.1 Proportion of youth (aged 15-24 years) not in education, employment
4. Incidence rate for youth migration and trafficking			Migration and Trafficking Records	16.2.2 Number of victims of human trafficking per 100,000 population
5. Number of recreational and play grounds constructed;			Programme/Project Reports	

Annex 7 Core Indicators of Infrastructure Pillar Aligned To by SDG

INFRASTRUCTURE DEVELOPMENT				
Goal: Revitalize, operate and maintain essential infrastructure and services to improve stability and set foundations for social, economic and sustainable development				
Alignment with SDGs: Goals for Infrastructure development are aligned with SDG-8: Decent work and Economic growth, SDG-7 : Affordable and clean energy, SDG-9: Industry and infrastructure and SDG-17: Partnerships				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. No of relevant Laws, Policies, Strategies formulated and adopted			Ministry Records, Parliamentary Records	
2. Kilometers of main inter-city, inter-state and inter-region rehabilitated/constructed			Ministry Records, Programme/Project Reports	
3. No of Airports, airfields and airstrips rehabilitated/constructed			Ministry Records, Programme/Project Reports	
4. No of main and secondary ports rehabilitated/constructed			Ministry Records, Programme/Project Reports	
5. Proportion of population with access to durable electricity			Economic Survey, Ministry Records,	7.1.1 Proportion of population with access to electricity
6. Proportion of population using internet			Economic Survey, Ministry Records	17.8.1 Proportion of individuals using the Internet
7. Proportion of population with mobile phones			Economic Survey, Ministry Records	5.b.1 Proportion of individuals who own a mobile telephone, by sex

Annex 8 Core Indicators of Building Resilience Capacity Pillar Aligned To the SDG

BUILDING RESILIENCE CAPACITY				
Goal: To improve resilience through reintegration of the displaced people & returnees, promoting role of diaspora, regularizing migration, establishing social protection systems, promoting food and nutrition security, strengthening disaster preparedness and sustainable management of natural resources.				
Alignment with SDGs: Goals for Resilience are aligned with SDG-1: Ending Poverty, SDG-2, Ending hunger, SDG-8: Decent work and Economic growth, SDG-11: Sustainable cities and SDG-15: Life on Land				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. No of relevant Laws, Policies, Strategies formulated and adopted for each sector mentioned in the above goal			Ministry Records, Parliamentary Records	1.5.3 Number of countries with national and local disaster risk reduction strategies
2. No of households registered under National Social Protection Program			Social Protection Program database	1.3.1 Proportion of population covered by social protection floors/systems,
3. No of National and Regional disaster management organizations and centers established and functional			Ministry Records, Programme/Project Reports	
4. Proportion of population and livestock affected by disasters			Ministry Records, Surveys, Programme/Project Reports	1.5.1 Number of deaths, missing persons and persons affected by disaster per 100,000 people
5. Total No of displaced people			Ministry Records, DP Surveys	
6. No of DPs reached out and successfully reintegrated and provided better living conditions			Ministry Records, Programme/Project Reports	11.1.1 Proportion of urban population living in slums, informal settlements or inadequate housing
7. No of migrants/refugees repatriated through formal mechanisms			Ministry Records, Programme /Project Reports, Reports of international Agencies	
8. Number of houses constructed for displaced/returnees				
9. No of people registered as overseas Somalis				
10. Proportion of people dependent on charcoal for fuel			Ministry Records, Surveys, FAO estimates	7.1.2 Proportion of population with primary reliance on clean fuels and technology
11. Forest cover as % of total land	10.63 (2010)		Ministry Records, FAO estimates	15.1.1 Forest area as a proportion of total land area

12. Proportion of land that is degraded over total land area				15.3.1 Proportion of land that is degraded over total land area
13. Indicator of food price anomalies			Food price surveys	2.c.1 Indicator of food price anomalies

Annex 9 Core Indicators of Aid Management and Coordination Pillar Aligned by SDG

AID MANAGEMENT and COORDINATION				
Goal: To maximize aid effectiveness through improving aid management and coordination systems				
Alignment with SDGs: Goals for aid management and coordination are aligned with SDG-17: Partnerships for Development				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. Total development aid made available on yearly basis (\$ Mill)			MOPIC and Ministry of Finance Reports, AIMS, Reports of Donor agencies	17.9.1 Dollar value of financial and technical assistance committed to developing countries
2. Aid-to-GDP ratio (%)	23.5% (2015)		MOPIC and Ministry of Finance Reports	
3. % of development aid channeled through country planning and financial management systems			MOPIC and Ministry of Finance Reports	17.15.1 Extent of use of country-owned results frameworks and planning tools by providers of development cooperation
4. Availability of appropriate aid coordination and joint M&E Mechanisms			MOPIC and Relevant Ministries Reports	17.16.1 Number of countries reporting progress in multi-stakeholder development effectiveness monitoring frameworks
5. % share of development aid in NDP implementation			NDP documents and Progress Reports, AIMS	
6. Proportion of aid delivered vs. commitments			MOPIC and Ministry of Finance Reports, Reports of Donor Agencies, AIMS	
7. Proportion of projects designed and implemented with the participation by the relevant ministry/agency			MOPIC and Relevant Ministry Records, Programme/Project Reports	17.15.1 Extent of use of country-owned results frameworks and planning tools by providers of development cooperation

Annex 10 Core Indicators of Gender Mainstreaming Pillar Aligned To by SDG

GENDER MAINSTREAMING				
Goal: Ensure a society that upholds gender equality, dignity, respect and fairness for all women and men				
Alignment with SDGs: Goals for gender mainstreaming are aligned with SDG-5: Gender equality but they are also cross cutting in nature				
Indicators	Baseline(2016)	Targets (2019)	Data Sources/MOV	Alignment with SDG Indicators
1. No of relevant Laws, Policies, Strategies formulated and adopted for gender mainstreaming			Relevant Ministry Records, Parliamentary Records	5.1.1 Whether or not legal frameworks are in place to promote and enforce equality and non-discrimination on the basis of sex
2. Proportion of women in all levels of political participation at national and sub-national levels		30%	Parliamentary Records	5.5.1 Proportion of seats held by women in national parliaments and local governments
3. Proportion of women in civil services/Public sector institutions			Relevant Ministry Records	5.5.2 Proportion of women in managerial positions
4. Proportion of women representation in key parliamentary committees;			Parliamentary Records	
5. Share of women in Labour force	35%	40%	LFS	
6. No of cases registered/pursued related to GBV			Court Records	11.7.2 Proportion of persons victim of physical or sexual harassment, by sex,
7. Prevalence rate of FGM	98%	70%	MICS, DHS	5.3.2 Proportion of girls and women who have undergone female genital mutilation

ANNEX 11 NDP Principles

#	Principles	National Development Plan 2017-2019	Indicators for Government	Indicators for Development Partners
1	Development is Somali-owned and Somali led	<p>The Development partners will support the development, implementation and monitoring of the National Development Plan 2017-2019</p> <p>The Government commits to continuing a long term and ongoing process of dialogue with Somali people, the regions and Federal Members States on the implementation of the Plan. The government will prepare a medium term strategy for engaging with civil society. Both DPs and the Gov. will ensure that Somali ownership extends to meaningful engagement in allocation of all humanitarian and development funds</p> <p>The Government will strive to become less dependent on development aid and will continue to implement policies to increase domestic revenues and enhance domestic and foreign private investment to finance the NDP. The Government</p> <p>The Government and DPs will encourage the development of non-traditional forms and modalities of financing and shall enhance the infrastructure and regulatory frameworks for development of the private sector to enable it to also be an alternative source of financing for service delivery</p> <p>DPs commit to use more locally produced goods and services as well as local implementing agencies to promote greater private sector development and local employment</p>	<ul style="list-style-type: none"> ○ Progress on the key Political, Security and Government commitments made by the government (see chapter 2) ○ Mid-term Review of the NDP completed in July 2017 by the government with the support of DPs. Commitment to ongoing M&E of the NDP ○ Government produces Strategy for Civil Society Engagement in the Implementation of the NDP ○ Consultations with government to start at a higher level on Country Strategies, Interim Country Strategies and pipelines rather than on individual projects. This will be managed through the office of the Deputy Prime Minister with the support of MOPIC ○ % increase in domestic revenue mobilization 	<ul style="list-style-type: none"> ○ Mid-term Review of the NDP completed in July 2017 by the government with the support of DPs. Support given to MOPIC to commence immediately M&E and preparations for the mid-term review ○ Degree of Support to National Priority Infrastructure Strategy – preparation and implementation ○ % increase in use of locally produced goods and services in programmes and projects
2	Aid is aligned with overall Government priorities and sector policies and plans	<ul style="list-style-type: none"> • Development partners align their current and future support with the priorities articulated in the NDP and according to guidelines on alignment prepared by the government in consultation with development partners • Development partners will articulate how their country strategies are aligned with the government's priorities identified in the NDP • Both the Government and the DPs will shift to geographically balanced aid delivery that addresses nationwide priorities as per the NDP priorities. 	<ul style="list-style-type: none"> • Guidelines on Alignment produced within 6 months of the date of approval of the NDP. • Government will review the processes of sector policy formulation and programming and issue specific guidance on the preparation of sector strategies by Mid 2017 • The Gov. will report on results of shift to NDP priorities through the national budget statement which will include planned outcomes, outputs and expenditures 	<ul style="list-style-type: none"> • Baseline assessment of programmatic alignment to NDP priorities to identify key gaps for 2017, based upon Guidance provided by the government[6] • % of external assistance to the Government that fund programmes included in the NDP and sector strategies • Project/ programme above \$1 million threshold should be submitted to the relevant PSG WG at the concept stage for discussion to ensure alignment to national priorities. Listing of reviewed projects should be submitted to SDRF for information • Bilateral programmes above \$10 million should be presented to the SDRF Steering Committees for discussion
3	Aid operations are designed and delivered in partnership with government institutions	<p>All development aid projects above a \$1 million threshold will be designed in partnership with the responsible government institutions and approved by MOPIC and the PMO. The relevant Line Ministry to sign off on projects with requirement for submission to MoPIC to ensure alignment to NDP</p> <p>Bilateral programmes above \$10 million should be presented to the SDRF Steering Committees for discussion</p> <p>Services delivered by NGOs or the private sector on behalf of the government will fall under a government-led Framework Agreement, and will</p>	<ul style="list-style-type: none"> • Guidelines on Programme and project approval process to be prepared by FGS within 6 months of the date of approval of the NDP • A National Basic Service Framework Agreement will be developed in consultation with development partners within 6 months of the date of approval of the NDP • Any new PIUs will be set up in line with guidelines to be 	<ul style="list-style-type: none"> • 100 % of projects designed and implemented with participation by the relevant ministry/agency • 50% of programme management structures embedded at relevant Ministry level and sufficiently coordinated at State level according to these guidelines • 2 government officials sitting on procurement committees/boards (as member or observer) • 100% of triangular project agreements between

		increasingly be contracted by the government as it builds its capacity to do so. Development partners will avoid parallel Project Implementation Units (PIUs).	developed by government in consultation with the DPs by March 2017	government, donors, and implementing partners signed, detailing implementation arrangements and obligations of implementing partners
4	Aid is provided in line with a credible government budget cycle and helps to strengthen government Public Financial Management (PFM) systems	The Government expects that to the maximum legally possible extent DPs will provide assistance to Government through its national systems. Government will continue to improve its systems with DP assistance. Together with the support of DPs the Government will support implementation of the 'Use of Country Systems Roadmap' based on joint fiduciary risk and diagnostic work on PFM and related systems. This Roadmap will outline related government commitments for strengthening PFM systems DPs will support the government in undertaking a joint risk/benefit analysis for using country systems. Concessionality and Debt Strategy??	Joint Progress on the Use of Country Systems Roadmap (based upon PEFA framework)	Joint Progress on the Use of Country Systems Roadmap (based upon PEFA framework)
5	Aid is channeled through preferred instruments of the government	The framework for the use of country systems will be based on mutual accountability as defined and endorsed in the PFM action plan. In the medium to long-term, both the government and DPs would like to see a steady increase in the proportion of external financing that is channeled through country PFM systems, as PFM reforms are successfully implemented. Both Government and DPs will support the Use of Country System working group to lead the development of a 2016+ roadmap that will set out the benchmarks and necessary conditions for increasing support through country systems.	<ul style="list-style-type: none"> Development partners to conduct a risk/benefit analysis for using country systems and action plan to increase use 	<ul style="list-style-type: none"> 20% of development partner spending listed in the National Budget in line with budget classifications 60% of aid channeled through pooled mechanisms (WB MPF, UN MPTF, AfDB SITF, SSF, SDF) 15% of development spending channeled through treasury Predictability of Direct Budget Support (measured against commitments and delivery schedules)
6	Aid supports institutional capacity development	In accordance with the peace building and state building goals set out in this plan the Gov. and DPs shall focus on building effective national institutions to develop the capacity of the state in a coherent approach including addressing institutional and organizational development, policy development, merit-based civil service appointments, administrative reforms and public financial management. A special focus will be on strengthening sub-national levels of administration and increasing accountability of public officials The Government will implement national reforms and build national and sub-national administration capacity to expedite budget execution. Both the government and DPs will improve institutional knowledge of budget processes, and its transfer, within their organizations at national and sub-national levels. The Government and the DPs will take concrete steps to increase and broaden government ownership of public sector management training and the development of higher education as the principal source of new capacity. Both Government and DPs will give consideration to establishing a ring-fenced fund for building both institutional and individual capacities	<ul style="list-style-type: none"> % of development projects have a well-defined capacity development component built in to ensure sustainability % of projects under the PFM sub-working group that include capacity development and institution building components. Case studies of government support to sub-national levels of government # of development projects that support Higher Education Establishment of New Capacity Development Trust Fund 	
7	Aid is provided in a coherent and coordinated way	Both Government and DPs will respect the aid management and coordination arrangements described in the NDP, including guidance on	FGS and DP review of Division of Labour with clear recommendations to be completed within 6 months of the date of	Aid to be less fragmented and focused on key government priorities

	and fragmentation is avoided	responsibilities, and division of Labour Development partners and government will use the established aid architecture to improve coordination, avoid fragmentation, and remain focused on key government priorities The Government and DPs agree to ensure that issues of sustainable development are addressed in aid mobilization and new development programmes and projects and that this is consistent with the new Sustainable Development Goals (SDGs)	approval of the NDP % of development spending channeled through SDRF windows Proportion of programmes raised at Pillar/Sector level during the early concept stage The Government and DPs will draft guidance of incorporating consideration of the SDGs into appropriate programmes and projects	
8	Aid is transparent and predictable	Mutual accountability requires the Government and DPs to be accountable to one another in using and managing development cooperation. The Government is also expected to be transparent and accountable in allocating and using all financial resources to implement the NDP. The Government and DPs will therefore be individually and collectively accountable for complying with this policy. This will be measured through a monitoring framework, agreed between the Government and DPs. Both the Government and DPs will promote domestic accountability, seeking to engage maximum involvement of domestic stakeholders, including the regions, federal governments, CSOs and the private sector in mutual accountability discussions.	Publish the results of reviews of mutual accountability and donor coordination meetings so as to increase accountability to stakeholders. Documents to be shared with Regions Conduct an independent evaluation of progress in implementing the approach by end of 2019. Government will strengthen its Aid Information System which will be the premier source of information on development assistance to Somalia. The Government will provide public access to the AIMS, and will make publicly available other information on development cooperation, on a timely basis, including to DPs, federal governments, and citizens through the media. The Government will continue its efforts to strengthen oversight institutions, including Parliament, and the Office of the Auditor General. The Government will present an annual report to Parliament on implementation of the NDP and any associated mutual accountability frameworks	% of development partners providing timely and comprehensive information on aid resources jointly review progress annually at PCC-DP meetings Use of government owned reporting systems (M&E framework), including reporting of programmatic impact (will require implementation of the M&E framework before compliance can be measured) % Funding disbursed on schedule by development partners All eligible externally financed projects/programmes will report their actual expenditure and delivery of outputs to the government. DPs will annually update projections of indicative resource allocations for a three year MTEF period.
9	Aid is provided in a conflict sensitive manner	Government and development partners will cooperate in ensuring that their interventions are designed in a conflict-sensitive manner, through the use of context analysis and regular monitoring, to reduce the risk that aid unintentionally contributes to the escalation or sustainably of violence. Particular attention must be paid not to increase economic and political inequalities. All stabilization, or similar interventions, will be designed with the government and sub national entities, and agreed as part of a government approach to peace building and state building	The government will ensure no stabilization activities designed outside of The Wadajir Framework The Government will develop and share a clear national framework for reconciliation....	Production of an updated joint conflict analysis within 6 months of the date of approval of the NDP and updated annually % of development activities tagged with the conflict analysis marker indicating that conflict analysis is updated regularly and used to inform decisions throughout the project cycle
10	Aid programmes addressing Humanitarian and Development needs must be complimentary Frameworks	The Government and DPs will establish greater programmatic coherence and strengthened coordination between the two frameworks. This involves bringing the various NGO resilience initiatives into a coherent framework and clarifying how they interface with the HRP and the NDP The Government and DPs will work together closely to develop the capacity of national institutions responsible for supporting humanitarian efforts and the related socio-economic infrastructure.	The Government will establish a New Working Group on how to improve cooperation and participation of the government in implementing humanitarian assistance programmes	# of projects to support capacity development of Somali Institutions to support humanitarian aid efforts

ANNEX 12 AID SYNOPSIS

Key Aid Data

The aid data below and related footnotes are captured from "Aid Flows in Somalia," analysis of aid flow data compiled from 40 development partners by the ACU. Analysis of the data was supported by the World Bank and UNDP. The data does not, however, capture 100% of aid⁴⁶.

Somalia is grateful to many nations for their support. A total of 40 development partners reported their aid flows to the Aid Coordination Unit (ACU), representing approximately 71% of development partners (Table 1.1).

Reporting Development Partners		Non-Reporting Development Partners	
Bilateral	Multilaterals	Bilateral	Multilaterals
1. Denmark*	19. AfDB	1. Australia	13. Arab League
2. Finland	20. EU	2. Belgium	14. IFC
3. Germany*	21. FAO	3. Canada	15. Islamic Development Bank
4. Italy	22. ILO	4. China	
5. Japan	23. IMF	5. Egypt	16. UNCDF
6. Netherlands	24. IOM	6. France	The Ministry of Finance provided additional data from the revised 2015 budget for on-treasury aid provided by partners who did not participate in the mapping.
7. Norway	25. UN Women	7. India	
8. Sweden*	26. UN-Habitat	8. Kuwait	
9. Switzerland*	27. UNAIDS	9. Nigeria	
10. Turkey	28. UNDP*	10. Qatar	
11. United Kingdom*	29. UNESCO	11. Saudi Arabia	
12. United States of America	30. UNFPA	12. UAE	
Funds	31. UNHCR		
13. The Global Fund*	32. UNICEF		
14. Somalia Stability Fund (SSF)	33. UNMAS		
15. Somaliland Development Fund (SDF)	34. UNODC		
16. UN Multi-Partner Trust Fund (MPTF)	35. UNOPS		
17. UN Peace building Fund (PBF)	36. UNSOM		
18. World Bank Multi-Partner Fund (MPF)	37. WB		
19. World Bank State and Peace-building Fund (SPF)	38. WFP		
	39. WHO		

* Partners who provided 3-4 years of forward projections of the budget envelopes. For UNDP, this refers to their core funds budget allocated from UNDP headquarters.

⁴⁶The analysis can be accessed online at <http://bit.ly/1UGTLzF>

⁴⁷This exercise focused primarily on development assistance; therefore, a number of humanitarian agencies are not listed. Humanitarian aid data is captured by OCHA's Financial Tracking Service. If you know of a development partner that should be added to or removed from this list, please send your suggestions to the Somalia ACU (acu.somalia@gmail.com).

Table 2.2 shows reported development and humanitarian aid by partner for the period 2014-18. The figures describe a drop off in the coming years but this likely reflects an inability by many DPs to report commitments beyond the coming year, despite their international commitments to do so⁴⁸.

Table 2.2 Reported Development and Humanitarian Aid by Partner, 2014-18

Reported Development Aid by Partner (USD)						
	2014	2015	2016	2017	2018	Total Reported
Bilaterals	449,585,109	405,395,711	342,578,000	185,533,135	123,901,480	1,506,993,435
Denmark	14,830,000	11,780,000	24,750,000	22,300,000	11,300,000	84,960,000
Finland	18,312,966	5,537,000	2,260,000			26,109,966
Germany	6,105,452	2,293,950	11,301,900	25,960,800	16,785,000	62,447,102
Italy	16,972,250	19,955,153	24,872,713			61,800,116
Japan	17,127,864	21,577,662				38,705,526
Netherlands	9,602,000	17,874,795	6,311,123			33,787,918
Norway	32,530,120	33,253,012	33,132,530			98,915,663
Sweden	46,493,394	41,500,000	38,931,269	36,600,000	30,000,000	193,524,663
Switzerland	10,590,049	8,838,050	12,950,000	15,000,000		47,378,099
Turkey	108,718,500	22,008,592	5,059,000			135,786,092
UK	97,186,527	141,560,497	95,308,466	85,672,335	65,816,480	485,544,305
USA	71,115,985	79,217,000	87,701,000			238,033,985
Multilaterals	104,405,345	222,578,404	291,700,824	-	-	618,684,572
AfDB	1,500,000	18,000,000	24,000,000			43,500,000
EU	102,905,345	204,578,404	267,700,824	-	-	575,184,572
Funds⁴⁹	12,800,000	23,409,399	23,523,776	10,881,510		70,614,685
Global Fund		10,409,399	11,523,776	10,881,510		32,814,685
UN PBF		11,000,000	12,000,000			23,000,000
WB SPF	12,800,000	2,000,000				14,800,000
UN Agency Core Funds⁵⁰	11,870,390	22,378,600	8,457,000	6,022,363		48,728,353
UNAIDS	45,410	75,000	77,000			197,410
UNDP		8,700,000	8,380,000	6,022,363		23,102,363
UNICEF	11,824,980	13,603,600				25,428,580
Data provided by MoF	28,505,281	999,979				29,505,260
Arab League	8,635,260	999,979				9,635,239
China	2,000,000					2,000,000
Nigeria	897,735					897,735
Qatar	16,972,286					16,972,286

⁴⁸This data was collected in mid-2015, updates may be available before completion of the NDP

⁴⁹ The envelopes of the SDRF funding windows (UN MPTF and WB MPF), the Somalia Stability Fund (SSF) and the Somaliland Development Fund (SDF) are captured in the reporting by their DPs.

⁵⁰ UN agency core funds refers only to funding provided by agency headquarters. It does not capture the full scale of UN operations in Somalia, which are funded largely through donor contributions. Moreover, it should be noted that there may be additional core funds from UN agencies that were not reported.

Totals	607,166,125	674,762,092	666,259,600	202,437,008	123,901,480	2,274,526,305
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Development partners have reported US\$ 675 and US\$ 666 million in aid for development in Somalia for 2015 and 2016 respectively. Accompanied by nearly US\$ 593 million in humanitarian aid in 2015, total aid for Somalia reached US\$ 1.3 billion last year (Table 2.3).

	2014	2015	2016	Total
Development	607	675	666	1948
Humanitarian	672	593	88	1353
Total ODA	1,279	1,268	754	3,301
Support to Peacekeeping	439	624	141	1,204

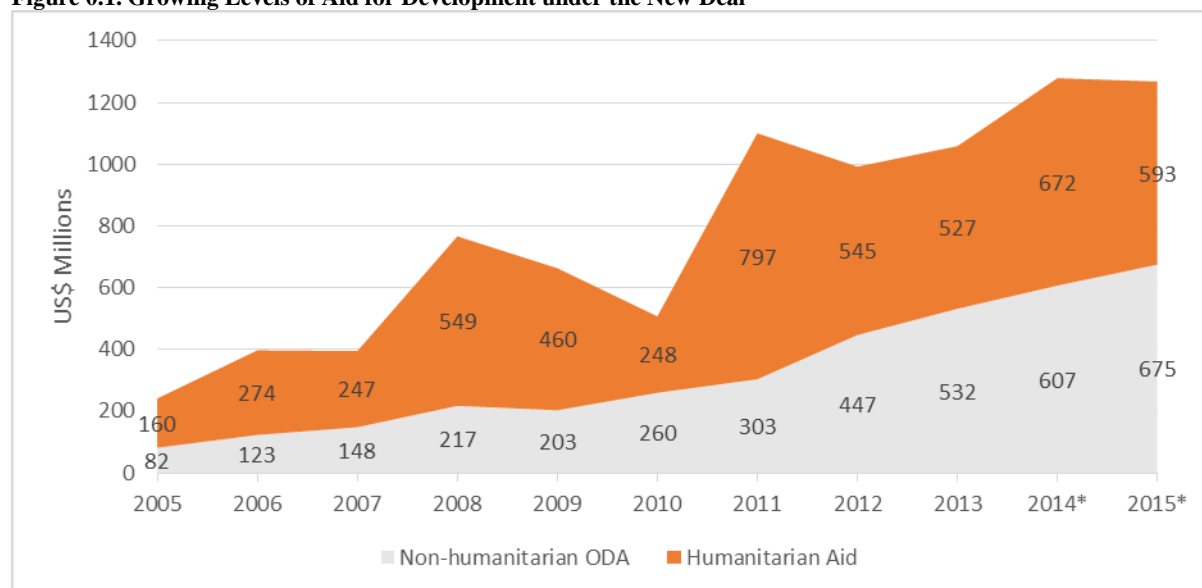
Despite the claimed ‘unpredictable’ nature of humanitarian aid, in fact Somalia has consistently received high levels of aid since 1992. Since 2012, levels have risen steadily, with some DPs like the UK Department for International Development, Denmark and Sweden confirming up to 4-year commitments to humanitarian support. See table 2.4 and figure 2.1. The size of the humanitarian aid budget suggests that efforts to link the development and humanitarian assistance frameworks closer together will be extremely beneficial.

	2014	2015	2016	2017	2018	Total Reported
Bilaterals	520,695,431	437,345,690	87,730,185	95,535,500	15,500,000	1,156,806,806
Australia	11,640,438	3,025,046				14,665,484
Belgium		204,918				204,918
Bulgaria		31,813				31,813
Canada	23,770,946	19,158,200				42,929,146
Denmark	22,322,697	21,083,583	14,800,000	14,800,000	5,900,000	78,906,280
Finland	11,406,347	8,979,737				20,386,084
France	848,576	340,136				1,188,712
Germany	49,225,325	22,021,542	4,476,000	-	-	75,722,867
Ireland	6,302,239	5,876,272				12,178,511
Italy	1,969,007	6,478,969	5,579,200			14,027,176
Japan	22,562,136	27,142,338				49,704,474
Korea, Republic of	500,000					500,000
Kuwait	575,000	2,694,023				3,269,023
Luxembourg	304,956	228,758				533,714
Netherlands	1,268,400					1,268,400
Norway	20,460,444	7,156,780	10,843,373			38,460,597
Russian Federation	1,000,000	26,750				1,026,750
Saudi Arabia	160,302	5,474,067				5,634,369
South Africa		473,530				473,530

⁵¹ These totals capture disbursements from development partners to recipients (e.g. government, implementing partners, multilateral agencies, funds) for a specified purpose. They do not represent expenditures, which are financial outlays for goods, services or salaries. For a breakdown of development aid flows by partner, see Annex A.

Sweden	28,980,604	16,663,361	12,000,000	12,000,000	9,600,000	79,243,965
Switzerland	9,731,310	13,609,567	3,955,500	3,955,500		31,251,877
UK	58,915,770	54,138,981	36,076,112	64,780,000	-	213,910,863
USA	248,750,934	222,048,618				470,799,552
UAE		488,701				488,701
Funds	21,443,999	25,289,318				46,733,317
Central Emergency Response Fund (CERF)	21,443,999	25,289,318				46,733,317
Multilaterals	86,295,374	60,909,455		-	-	147,204,829
AfDB		1,000,000				1,000,000
EU	86,295,374	59,909,455		-	-	146,204,829
Other	43,206,901	69,908,951				113,115,852
Allocation of un-earmarked funds by IGOs	192,236					192,236
Allocation of un-earmarked funds by NGOs	749,507					749,507
Allocation of un-earmarked funds by UN agencies	8,494,849	16,088,006				24,582,855
Allocation of un-earmarked funds from Red Cross / Red Crescent	2,987,459					2,987,459
Carry-over from 2014	14,774,570	39,749,096				54,523,666
Private (individuals & Organizations)	4,958,965	3,323,528				8,282,493
Various DPs	11,049,315	10,748,321				21,797,636
Grand Total	671,641,705	593,453,414	87,730,185	95,535,500	15,500,000	1,463,860,804

Figure 0.1. Growing Levels of Aid for Development under the New Deal⁵²



The size and share of ODA for development has grown under the New Deal. Between 2005-12, nearly 65% (US\$ 3.3 billion) of reported ODA went towards humanitarian⁵³ activities, compared with just under half (49.7%, US\$ 1.79 billion) between 2013-15. More aid for development⁵⁴ was disbursed in the period 2013-15 (US\$ 1.81 billion) than in 2005-12 combined (US\$ 1.78 billion). Table 2.5 shows the reported donor contributions to the SRDF funding windows

Table 2.5. Reported Donor Contributions to SDRF Funding Windows, 2014-16⁵⁵

This table only includes development partners who reported contributions to the SDRF funding windows. The full list of development partners and their reported aid for development and humanitarian purposes in Somalia, see Annex A.

	Reported SDRF Contributions			Total SDRF Contributions, 2014-16	Total Reported Development Aid, 2014-16	% channeled through SDRF
	2014	2015	2016			
EU	41.6	100.4	71.9	213.9	575.18	37%
UK	18.5	51.8	26.3	96.6	334.06	29%
Sweden	8.4	16.5	18.0	42.9	126.92	34%
Switzerland	4.5	6.4	13.0	23.9	32.38	74%
UN PBF	-	11.0	12.0	23.0	23	100%
Norway	-	10.5	11.4	21.9	98.92	22%
Denmark	-	6.3	10.5	16.8	51.36	33%
Italy	-	6.5	2.2	8.8	61.80	14%
WB SPF	8.0	-	-	8.0	14.80	54%
Finland	-	-	2.3	2.3	26.11	9%

⁵² 2014-15 data (indicated with asterisk) drawn from ACU Aid Flow Mapping and OCHA FTS. 2005-2013 data extracted from the OECD Dataset: Aid (ODA) disbursements to countries and regions [DAC2a] for 2005-2014, available at www.oecd.org/dac/stats/idsonline.

⁵³ Humanitarian aid is classified as a sector of ODA that aims to “save lives, alleviate suffering and maintain and protect human dignity during and in the aftermath of emergencies (See glossary of key terms and concepts in Annex B). Humanitarian aid is inherently unpredictable as it is provided on the basis of quickly changing needs; hence, it is not unusual that reported humanitarian aid in 2016 appears to drop off as they are more difficult to anticipate. Unless otherwise stated, the analysis in this report focuses on aid for development.

⁵⁴ Excludes ODA classified in the humanitarian sector.

⁵⁵ Development partners who did not report contributions to the SDRF funding windows are not included in the table. For a full list of reported aid by development partner, see Reported Development and Humanitarian Aid by Partner, 2014-18

Totals	81.0	209.4	167.6	458.0		
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Table 2.6 provides a basic breakdown of project-level spending reported against each PSG from 2014-16. Development partners were asked to report the value of project funds actually spent in 2014, the value planned to be spent in 2015 including funds already spent to date, and the value of project funds planned to be spent in 2016. The totals differ from the overall aid flow totals due to the lag between the disbursement of funds made available for specified activity and the actual spending for a project or programme, which happens over the course of the project cycle. PSG 5 received the highest proportion of funds (45%) with only 2% allocated for PSG 3.

Figure 2.2 depicts project aid by location and PSG. It demonstrates the difficulties in presenting a truly accurate picture. In 2015 most DPs could report their aid split between federal support, that to Somaliland, Puntland and South Central lines. They were not able to disaggregate the South central portions. Thus the regions of Jubbaland, Galmudug and Hiiraan and Middle Shebelle appear to receive the lowest levels of project aid. In the next three years' greater effort will be made to develop a more transparent breakdown of aid flows by location. Further work is thus required to refine the methodology for collecting and analysing this type of data. The breakdown of aid flows by location will also need to evolve with the political landscape, as interim administrations form and graduate to full federal states.

	Total Spent 2014	2014 %	Total Spent 2015	2015 %	Expected Spending 2016	2016 %	Total, 2014-16	Total %
PSG 1	25.6	4%	40.3	6%	32.2	5%	98.2	5%
PSG 2	43.2	7%	63.3	10%	62.4	10%	169.0	9%
PSG 3	9.7	1%	10.7	2%	18.7	3%	39.1	2%
PSG 4	130.9	20%	136.8	21%	173.1	27%	440.7	23%
PSG 5	339.5	52%	282.5	44%	253.5	39%	875.6	45%
Capacity Development	6.5	1%	12.8	2%	15.9	2%	35.2	2%
Cross-cutting	52.1	8%	56.7	9%	52.8	8%	161.7	8%
Other⁵⁶	43.2	7%	36.8	6%	42.1	6%	122.0	6%
Total	650.8		639.9		650.7		1,941.5	

⁵⁶ Activities categorized as "other" could not be assigned to one of the PSGs.

ANNEX 13 SOMALIA MEDIUM TERM FISCAL STRATEGY

Table A: Results of three illustrative scenarios

Scenarios	2015	2016	2017	2018	2019
Baseline					
Domestic Revenues	114.3	163.3	212.5	268.0	337.8
Core Expenditure	239.9	246.0	278.4	315.9	364.6
of which Administration services	103.3	105.0	115.5	125.9	146.0
Fiscal Deficit before Grants	125.6	82.7	65.9	48.0	26.8
External Aid	639.9	650.7	663.8	677	690.6
Low Case					
Domestic Revenues	114.3	120.0	129.6	140.0	153.4
Core Expenditure	240	246.0	267.1	291.95	320.65
of which Administration Services	103.32	105.00	113.40	121.34	131.05
Fiscal Deficit before Grants	125.6	126.0	137.5	152.0	167.2
External Aid	65008	639.9	650.7	618.2	587.3
High Case					
Domestic Revenues	114.30	211.46	317.18	453.57	639.54
Core Expenditure	239.94	246.00	365.33	569.38	787.03
of which Administration services	103.3	105.0	141.8	184.3	221.1
Fiscal Deficit before Grants	125.64	34.55	48.15	115.81	147.49
External Aid	650.8	639.9	650.7	683.3	717.4
Memo					
GDP Growth	4.9	4.9	5.2	6	6
GDP	5,925	6,217	6,446	6,832	7,243
Revenue/GDP					
Baseline	1.93	2.63	3.30	3.92	4.66
Low	1.93	1.93	2.01	2.05	2.12
high	1.93	3.40	4.92	6.64	8.83
Aid/GDP					
Baseline	10.8	10.5	10.3	9.9	9.5
Low	11.0	10.3	10.1	9.0	8.1
High	11.0	10.3	10.1	10.0	9.9
Expenditure/GDP					

Baseline	4.0	4.0	4.3	4.6	5.0
Low	4.0	4.0	4.1	4.3	4.4
High	4.0	4.0	5.7	8.3	10.9

Sources: MoF, WB and Authors estimates

Results of Revenue and Expenditures Scenarios

Table A1: Revenue Projection 2016-2019 Baseline Scenario

Description	2015	2016	2017	2018	2019
Domestic Revenue	114.3	163.33	212.50	267.96	337.80
Tax Revenue	82.4	106.54	142.77	196.31	239.60
income and corporate taxes	1.9	3.71	7.22	14.09	27.47
Tax on International trade	71.1	88.16	110.21	137.76	162.55
Other domestic indirect taxes	4.8	6.72	11.29	18.97	27.50
other taxes	4.5	8.01	14.26	25.38	35.02
Non-tax revenue	31.9	57.42	68.90	72.35	94.05

Source: Data from the Ministry of Finance and Authors estimates

Table A2: Projections for public expenditure 2016-2019 for baseline Scenario

Description	2015	2016	2017	2018	2019
(A) ADMINISTRATIVE SERVICES	103.32	105.00	115.5	125.9	146.0
(B) SECURITY SERVICES	88.27	91.02	104.67	117.2	129.0
(C) ECONOMIC SERVICES	20.44	22.14	27.68	34.6	43.2
(D) SOCIAL SERVICES	7.74	7.38	8.86	11.3	15.3
(E) UNALLOCABLE EXPENDITURE	20.17	19.68	21.65	24.9	31.1
GRAND TOTAL	239.94	246.00	278.352	313.95	364.66

Source: Data from the Ministry of Finance and Authors estimates

Table A3: Revenue Projection 2016-2019 Low Scenario

Description	2015	2016	2017	2018	2019
Domestic Revenue	114.3	120.0	129.6	140.0	153.4
Tax Revenue	82.4	86.5	90.8	99.0	106.0
income and corporate taxes	1.9	2.0	2.0	2.2	3.3
Tax on International trade	71.1	76.8	81.4	86.3	93.2
Other domestic indirect taxes	4.8	4.9	5.3	5.8	6.3
other taxes	4.5	4.6	4.2	4.5	4.0
Non-tax revenue	31.9	33.6	38.3	41.8	47.6

Source: Data from the Ministry of Finance and Authors estimates

Table A4: Projections for public expenditure 2016-2019 for low Scenario

Description	2015	2016	2017	2018	2019

(A) ADMINISTRATIVE SERVICES	103.32	105.00	113.40	121.34	131.05		
(B) SECURITY SERVICES	88.27	91.02	97.39	112.00	128.80		
(C) ECONOMIC SERVICES	20.44	22.14	26.57	27.90	29.29		
(D) SOCIAL SERVICES	7.74	7.38	8.49	8.83	9.18		
(E) UNALLOCABLE EXPENDITURE	20.17	19.68	21.25	21.89	22.33		
GRAND TOTAL	239.94	246.00	267.10	291.95	320.65		

Table A5: Revenue Projection 2016-2019 High Scenario

Description	2015	2016	2017	2018	2019
Domestic Revenue	114.30	211.46	317.18	453.57	639.54
Tax Revenue	82.40	159.86	234.99	326.63	431.16
income and corporate taxes	1.90	49.50	93.06	136.80	164.16
Tax on International trade	71.10	76.08	82.92	90.39	96.71
Other domestic indirect taxes	4.80	18.90	33.64	58.87	97.14
other taxes	4.50	15.10	24.92	43.60	71.94
Non-tax revenue	31.90	52.00	83.72	128.08	208.78

Source: Data from the Ministry of Finance and Authors estimates

Table A6: Expenditure Projection High Scenario

Description	2015	2016	2017	2018	2019
(A) ADMINISTRATIVE SERVICES	103.32	105.00	162.75	244.13	353.98
(B) SECURITY SERVICES	88.27	91.02	141.08	232.78	314.26
(C) ECONOMIC SERVICES	20.44	22.14	28.78	50.37	70.52
(D) SOCIAL SERVICES	7.74	7.38	11.07	19.37	24.63
(E) UNALLOCABLE EXPENDITURE	20.17	19.68	21.65	22.73	23.64
GRAND TOTAL	239.94	246	365.33	569.38	787.03

Source: Data from the Ministry of Finance and Authors estimates

Table A7: Projections for External Aid Scenarios

	2014	2015	2016	2017	2018	2019
Baseline scenario	650.8	639.9	650.7	663.8	677	690.6
Low case scenario	650.8	639.9	650.7	618.2	587.3	557.9
High case Scenario	650.8	639.9	650.7	683.3	717.4	753.3

Source: www.somaliampf.org/node/72

Table A9: Baseline Case Scenario for Somalia Aid Flows

Sector	2016 Aid Mapping Data	High Case (2% increase / year)			Average annual disbursements by sector, 2017-19
		2017	2018	2019	
Inclusive politics (elections, constitution, federalism, dialogue)	32.2	32.9	33.5	34.2	33.5
Security (excluding military aid)	62.4	63.7	65.0	66.3	65.0
Justice	18.7	19.0	19.4	19.8	19.4
Private Sector Development and Employment	30.1	30.7	31.3	31.9	31.3
Infrastructure	49.4	50.4	51.4	52.4	51.4
NRM / Resilience / Productive Sectors	84.4	86.1	87.8	89.6	87.8
Community-driven Development	9.2	9.3	9.5	9.7	9.5
Solutions for the Displaced	12.6	12.8	13.1	13.4	13.1
Other Social Services	13.2	13.5	13.7	14.0	13.7
Social Protection	2.5	2.5	2.6	2.6	2.6
Health	145.0	147.9	150.8	153.8	150.8
Education	27.1	27.6	28.2	28.8	28.2
PFM & Revenue	23.2	23.7	24.2	24.6	24.2
Budget Support, Salaries, Stipends	30.0	30.6	31.2	31.8	31.2
Cross-cutting (Stabilization, gender, human rights, etc.)	52.8	53.9	54.9	56.0	54.9
Capacity Development	15.9	16.2	16.5	16.9	16.5
Other	42.1	42.9	43.8	44.7	43.8
	650.7	663.8	677.0	690.6	677.1

Source: <http://new-deal.so/wp-content/uploads/2016/02/Aid-Flow-Analysis-24Feb2016-1.pdf>

Table A10: High Case Scenario for Somalia Aid Flows

Sector	2016 Aid Mapping Data	High Case (5% increase / year)			Average annual disbursements by sector, 2017-19
		2017	2018	2019	
Inclusive politics (elections, constitution, federalism, dialogue)	32.2	33.9	35.5	37.3	35.6
Security (excluding military aid)	62.4	65.6	68.8	72.3	68.9
Justice	18.7	19.6	20.6	21.6	20.6
Private Sector Development and Employment	30.1	31.6	33.2	34.8	33.2
Infrastructure	49.4	51.9	54.5	57.2	54.5
NRM / Resilience / Productive Sectors	84.4	88.6	93.1	97.7	93.1
Community-driven Development	9.2	9.6	10.1	10.6	10.1
Solutions for the Displaced	12.6	13.2	13.9	14.6	13.9
Other Social Services	13.2	13.9	14.6	15.3	14.6
Social Protection	2.5	2.6	2.7	2.8	2.7
Health	145.0	152.2	159.8	167.8	160.0
Education	27.1	28.5	29.9	31.4	29.9
PFM & Revenue	23.2	24.4	25.6	26.9	25.6
Budget Support, Salaries, Stipends	30.0	31.5	33.1	34.7	33.1
Cross-cutting (Stabilization, gender, human rights, etc.)	52.8	55.4	58.2	61.1	58.3
Capacity Development	15.9	16.7	17.5	18.4	17.5
Other	42.1	44.2	46.4	48.7	46.4
	650.7	683.3	717.4	753.3	718.0

Source: <http://new-deal.so/wp-content/uploads/2016/02/Aid-Flow-Analysis-24Feb2016-1.pdf>

Table 11: Low Case Scenario for Somalia Aid Flows

Sector	2016 Aid Mapping Data	Low Case (5% decrease / year)			Average annual disbursements by sector, 2017-19
		2017	2018	2019	
Inclusive politics (elections, constitution, federalism, dialogue)	32.2	30.6	29.1	27.6	29.1
Security (excluding military aid)	62.4	59.3	56.3	53.5	56.4
Justice	18.7	17.7	16.9	16.0	16.9
Private Sector Development and Employment	30.1	28.6	27.1	25.8	27.2
Infrastructure	49.4	46.9	44.6	42.4	44.6
NRM / Resilience / Productive Sectors	84.4	80.2	76.2	72.4	76.2
Community-driven Development	9.2	8.7	8.3	7.9	8.3
Solutions for the Displaced	12.6	12.0	11.4	10.8	11.4
Other Social Services	13.2	12.6	11.9	11.3	11.9
Social Protection	2.5	2.3	2.2	2.1	2.2
Health	145.0	137.7	130.8	124.3	131.0
Education	27.1	25.7	24.5	23.2	24.5
PFM & Revenue	23.2	22.1	21.0	19.9	21.0
Budget Support, Salaries, Stipends	30.0	28.5	27.1	25.7	27.1
Cross-cutting (Stabilization, gender, human rights, etc.)	52.8	50.2	47.7	45.3	47.7
Capacity Development	15.9	15.1	14.3	13.6	14.4
Other	42.1	40.0	38.0	36.1	38.0
	650.7	618.2	587.3	557.9	587.8

Source: <http://new-deal.so/wp-content/uploads/2016/02/Aid-Flow-Analysis-24Feb2016-1.pdf>

ANNEX 14 SUMMARY PFM REFORM ACTION PLAN

The Current Situation & Future needs

As 2016 is upon us, it has become urgent for the Federal Government of Somalia to deliver stability and progress for its citizens. The government needs to deliver the revenue necessary to serve its citizens, and to manage its expenditures effectively and appropriately.

To this end, the government has developed a PFM reform action plan. In this plan we set out the critical reforms needed in order to deliver on our objectives. The plan is comprehensive and addresses a range of needs. The plan is also prioritized. This is important to ensure we spend our efforts and resources on those areas where reform is feasible and where the impact is the highest.

Much has indeed been accomplished. Within the current government, important accomplishments include the relaunch of the federal budget in 2012, establishing the civil service payroll and the deployment of the Somalia Financial Management System (SFMS).

Our needs and requirements are increasing in scale and complexity. Government is expanding and the financial management infrastructure will need to be able to mobilize more revenue, and deliver financing for an increasingly complex government service provision. We will also need to develop a shared fiscal federal framework with the Regions, addressing both operational and strategic issues. Our international engagements are also expanding. Somalia is embarking upon the road towards debt relief and this requires stepped up performance across a range of areas.

Key Issues

This section sets out the key issues that the reform action plan for public financial management will need to resolve during the period of 2016-2020. The plan builds upon the MoF plan from 2012 and takes into account lessons learned since then.

The view is nationwide, it is comprehensive, and is addressing the key areas in which action from the Federal Government and its partners are critically needed.

The objective is that the Federal Government of Somalia will have robust public financial management practices by 2020. The focus is on establishing robust core practices for raising revenue, improving expenditure management, moving towards a shared nationwide approach, and to establish increased external support.

Current situation and future needs

The key issues that needs to be managed in order to build robust financial management in Somalia by 2020

Revenue	Raise sufficient revenue to sustain its policies for achieving security and growth
Expenditure Management	Effectively manage its expenditures, assets and liabilities
Federal Fiscal Framework	Having a shared vision across regions on common principles for revenue and expenditure management
External Support	Achieve debt relief and further strengthen relationships with external partners

The Revenue imperative.

By all measures, current volumes of collected revenues are insufficient to build a functioning government that is able to deliver expected services to its citizens.

Decades ago, Somalia had a domestic revenue income matching that of its neighbors and main trading partners. This has since collapsed, and over the last few years, the Federal government has collected revenue only in the range of 1-2 percent of the country's GDP. In contrast, revenue collection in other countries in the region is on average about 13 percent of a country's GDP. Revenue mobilization is one of the top priorities of the PFM Action Plan, with key activities including the development of tax policies and modernization of tax administration. In addition, the MOF will lead the harmonization of taxes, under the fiscal federalism agenda.

Getting control over expenditure management

Currently, the expenditure management system is capable of paying core expenditures. Much of the efforts in recent years have contributed to rebuilding the basics.

Much remains to build robust foundations. In particular, the “downstream” functions, procurements, cash management and payments need to be strengthened. Accounting and financial reporting is also needs to be improved to provide information for management and oversight purposes.

Establishing fiscal federalism

The Provisional Constitution of the Federal Republic of Somalia encourages a dialogue on the intergovernmental fiscal arrangement. Deliberations have started and remains and ongoing priority for all parties. There is both will and commitments between the FGS and the member states regions.

This plan focuses at two levels: (i) A Strategic and political level where the MoF will help facilitate some aspects of the process, and (ii) A technical level where the MoF together with the regions, can make progress on more technical issues.

At a strategic level, there is focus on facilitating a dialogue on structural issues such as revenue sharing, natural resource management, assignment of functions and expenditure responsibilities, negotiation on tax regimes as well as fiscal transfers and monetary policy.

Creating intergovernmental fiscal relations requires broad political consolidation and is a whole of government effort. The MoF will be a core actor in the process and is expected to facilitate and support the effort. As such, we foresee the need for the MoF to take on a facilitator role in supporting the process. The key themes indicated above represent the likely focus of that dialogue.

At a technical level, there are issues that can be advanced technically as there already is sufficient political consensus. Advancing these issues will also help preparations for handling the structural policy issues in due time. The technical focus is on building operational capacity, establishing compatible, but not necessarily identical, processes, and standards, shared interface and reporting protocols such as chart of accounts, and harmonization of customs and duties and discussions on joint revenue mobilization.

Strengthening external relations

Maintaining strong international relations is critically important for the Somali government and economy. Support from key partners will remain important for many years until the economy in itself can sustain growth and development.

The key for debt relief and access to long-term investment financing is also the relationships with International Financial Institutions. Somalia has reengaged with the AfDB, the IMF and the World Bank in recent years and this is having a significant impact. The core focus in coming years is to sustain these relationships and to reach debt relief under programs supervised by these institutions.

Program strategy

PHASED APPROACH

The program is planned in two main stages:

At the first stage, the objective is get the basics right. There are still critical elements of the public finance operation that is missing and needs to be rebuilt.

The second stage is focused on building scale and deepening the reforms. This may mean revisiting priority areas to further enhance practices beyond the basic functional level. This is stage is largely unfunded and the governance mechanisms are not

Program strategy

Getting the basics right is possible through focus and prioritization



18-24 months

★ PFM Reform Action Plan 2016-2020

THE PRIORITY AREAS

The importance of many activities are high, yet the resources are few. As such, the program will prioritize effort and investments in a strict order. The implication is that funding, to the extent possible, will be allocated towards higher priority activities before embarking upon delivery of other priorities.

The program is segmented into three layers of priority objectives. This is to help ensure that resources are targeted at those interventions where impact is most significantly needed at this stage, and where resolutions are feasible.

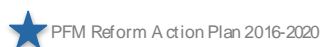
Three objectives receive the highest priority, reflecting the need to:

- (i) Get expenditure management and financial reporting systems functioning,
- (ii) Raise sufficient revenue, and
- (iii) Strengthen the audit oversight capability. These three areas constitute the basis upon which the financial system of government can function. Success here is needed in order to move forward.

The PFM Reform Action Plan's A level priority activities

- | | |
|----------|--|
| 1 | Expenditure management and reporting |
| 1.1 | Issue PFM legislation and financial procedures |
| 1.2 | Strengthen cash management |
| 1.3 | Consolidate Treasury Single Account and MDA accounts |
| 1.4 | Strengthen accounting data and reporting |
| 1.5 | Establish non-salary payment capability for all vendors through bank transfers |
| 1.6 | Payroll for security- and social sector to be established |
| 1.7 | Establish commitment control |
| 1.8 | Strengthen public procurement and concessions |
| 1.9 | Build operational capabilities for intragovernmental fiscal arrangement |
| 2 | Revenue |
| 2.1 | Tax and customs policy |
| 2.2 | Modernize tax and non-tax administration |
| 2.3 | Modernize customs administration |
| 2.4 | Harmonization of regional and federal revenue policies and principles |
| 2.5 | Facilitate a discussion on revenue sharing and natural resources management |
| 3 | External financial audit by Auditor General |
| 3.1 | Strengthen regularity and financial audit capability |

All activities are detailed, sequenced and costed in a separate work breakdown schedule



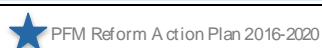
When taking on objectives under priority B and C, the variety of activities broadens. The number of external interfaces also increases. These activities will only see minimal effort at the early stages and be addressed when meaningful traction is seen under priority A. Support for *scaling the system* encompass a range of activities that underpins the financial system. In the technology area, this is about ensuring the SFMIS deployment becomes fully functional. It is also about assessing options for longer term technology support. Beyond that it is about structural reforms with bank-government functions and fiscal effectiveness of workforce management.

External support activities encompass both financial and non-financial relationships. The primary objective is debt relief and the fulfillment of this actions plan in itself will be a key benchmark. *Policy and planning* encompasses strategic and structural issues

Program strategy

The PFM Reform Action Plan's B and C level priorities activities

- | | |
|----------|---|
| 4 | Macro Fiscal Policy and Planning |
| 4.1 | Establish macro fiscal forecasting; policy analysis; and planning |
| 4.2 | Strengthen budget preparation |
| 4.3 | Strengthen arrears management |
| 4.4 | Establish debt management capabilities |
| 5 | Improved integration and strengthened integrity of expenditure management |
| 5.1 | Expand SFMIS development and deployment |
| 5.2 | Strengthen bank transfer payment capabilities |
| 5.3 | Strengthen the fiscal integrity and effectiveness of the civil service payroll |
| 6 | Access to external finance and support |
| 6.1 | Establish a performance track record and achieve debt relief |
| 6.2 | Broaden relationships with international and regional organizations |
| 6.3 | Increase use of country systems for external financing support |
| 6.4 | Strengthen aid management |
| 7 | Broaden oversight capabilities |
| 7.1 | Develop performance audit capabilities at the Auditor General |
| 7.2 | Establish effective internal audit function |
| 7.3 | Support enhancing oversight of the Parliament Budget and Finance Committee |
| 7.4 | Develop an anti-corruption strategy considering policy, organization and controls |
| 8 | Staff training and development |
| 8.1 | Improve recruitment practices for PFM staff |
| 8.2 | Design professional programs for personal development of PFM staff |



All activities are detailed, sequenced and costed in a separate work breakdown schedule

such as natural resources, debt and macro-fiscal management. While also addressing on-going needs for enhanced operations to prepare budgets and handle arrears.

KEY ACTIVITIES IN STAGE 2

The stage 2 activities will support the same four objectives as the phase 1 plan. Most effort is expected to be focused on revenue and further building the core expenditure management system. As the basics are being put into place during phase 1, there will be a need to tackle more complex technical issues in the PFM system.

COST OF PROGRAM STAGE 1

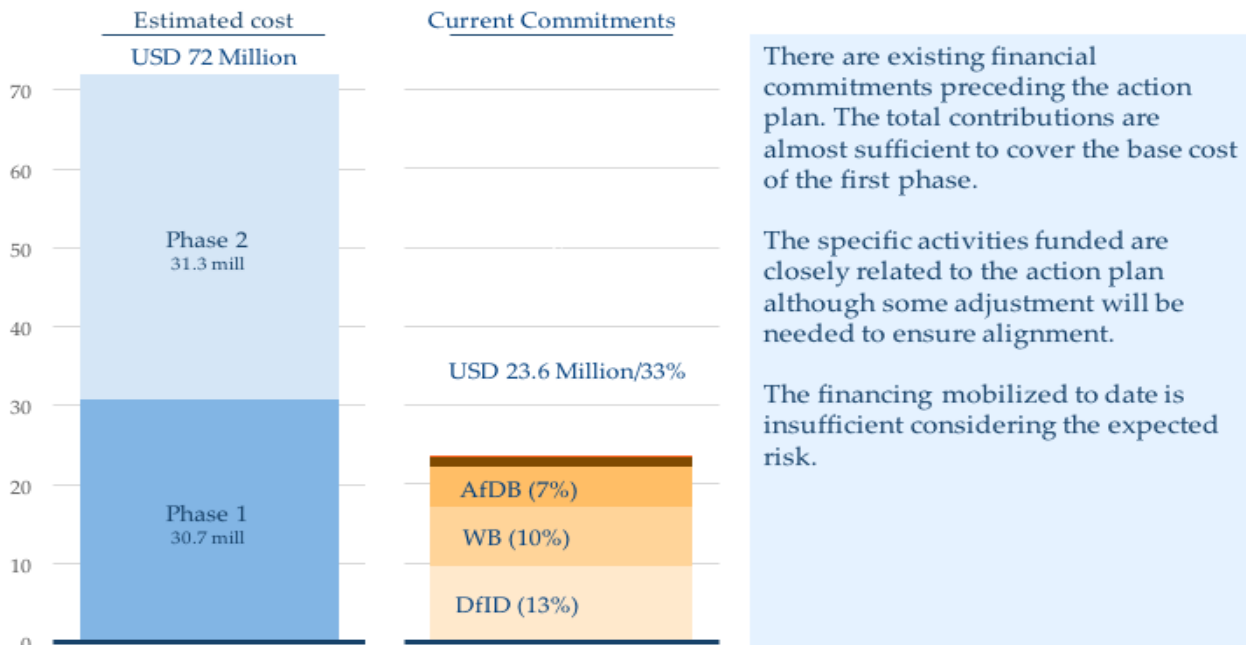
The cost of the program is estimated at USD 60.5 million. This is an estimate of both stage 1 and stage 2. The cost of stage 1 is estimated at USD 22.4 million. This is largely supported by existing commitments.

Exhibit 15: Program costs and financing for stage 1

By component, most costs are allocated towards the priority areas. In total, more than half of the funds are allocated for Priority A activities of which most is for the revenue component. Priority B activities comprise in total one-third of costs. These are focusing on activities where there is reasonable traction, like SFMIS, or areas that have less urgency such as macro-fiscal

Program implementation

Total cost are nearly covered by financial commitments but some adjustments to programs are needed to ensure priorities are covered



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planning.

