





FEDERAL REPUBLIC OF SOMALIA
Ministry of Planning and
International Cooperation

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Briefings

The Somali 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 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. Accordingly, 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 'localised' to recognise the Somalia realities.

Coverage of the Plan

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 characterises 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.

Some salient features and targeted achievements by the NDP

- **Growth in the Economy:**

The Economy represent by the Somali Gross Domestic Product (GDP) will grow by a real compound growth rate of 5.5 percent per annum during the plan period up from estimated growth rate at present of less than 3.5 percent.

- **Movement in Per-Capita Income:**

It is planned that the real per-capita income in Somalia will increased from its estimated level of \$470 in 2016, to \$510 in 2019. Accordingly, the per-capital income will grow at a real growth rate of 2.7 percent per annum, given the assumed natural growth rate of Somali population of 2.8 percent per annum.

- **Gross Fixed Capital Formation (GFCF) -Investment-:**

The percentage share of the investment in total GDP will increase from 8 percent in 2016 to 18 percent in 2019. This would be driven as investment is needed to rebuild the much needed social and physical infrastructure to create the right and conducive environment for growth in other leading sectors of the economy. Notwithstanding, the main financing of these required investment, during the NDP period, is assumed to be coming from, amongst others, private sector of Somalia, growing remittances, foreign direct investment (FDI) and the development assistances from Somali international partners.

- **Consumption Expenditure:**

At present Somali GDP is dominated by consumption. It is estimated that consumption is constituting more than 132 percent of GDP at present. This is a phenomenon that work to slow the economy pace towards real development and structural changes. According, the NDP will aimed at reducing such percentage share to 98 percent at the end of 2019, in favor of higher role for investment and accumulation of the right capital in the national economy.

- **Trade Balance Improvements and Deficit Reduction:**

The National Development Plan (NDP) has focused on reducing the trade deficit percentage share to GDP. This, undoubtedly, will be brought about by the development efforts of increasing and promoting our exports and reducing and substituting some of the flows of imports. With that the plan would aimed to achieve a reduction of the foreign trade imbalance share in GDP from its present level of 61 percent into 54 percent by the end of the plan period.



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- **National Employment Creation:**

Given the planned growth rate, investment and restructuring of the main sectors of the economy, the NDP would be able to create a little bit more than 820,000 working opportunities for Somalis labour force, in the productive, infrastructure and social services sectors of the economy, However, this will reduce the existing unemployment rate by 50 percent by the end of the plan years, particularly among the youth.

- **Main Sectoral Growth and Evolvement:**

The plan has emphasis the reliance on sectors that can lead the growth and have relatively high comparative advantages. Accordingly, the development of the economic sectors has focused on main sectoral clusters that need to be developed and restructured to lift-up the economy from its existing conditions to another stage of development and growth.

These have been done, with special priorities for those sectors that have to facilitate growth, those whose development are prerequisite for growth in the other sector and in the economy at large, such as physical infrastructure, and those who have well established as key sectors and have high comparative advantage within the economy, such as the productive sectors, for example.

Accordingly; the plan is aiming at expanding the productive sector, infrastructure sector and the social services sector and level of sharing to GDP by 6.0 percent, 7.5 percent and 30.5 percent respectively. Hence, their planned real growth rate in the NDP would be 4.6 percent, 26,2 percent and 4.1 percent per annum respectively.

- **Government Fiscal Outlook:**

Given the low base of revenue at present, and given the fact that Ministry of Finance (MOF) is establishing a fiscal strategy that aiming to increase the fiscal space and revenue in the economy, for years 2016-2020. The plan has assumed a gradual enhancement of the revenue.

This would be achieved through, having an active and feasible tax law, improving of tax collection and administration, improving of customs work, evaluation and tariff rates, etc.

Accordingly, it has emphasised that the total revenue will be increased by an average annual rate of 21.1 percent during the NDP period. This will come up resulting from positive growth of income and corporate tax, goods and services tax and trade tax (customs duties) of 40.6 percent, 44.3 percent and 20.4 percent per annum respectively. Non-tax revenue is assumed to be growing by 5.4 percent per year during the plan period. Meanwhile, the plan has assumed that the government recurrent expenditure would only growing by 12.0 percent per annum, during the same period.

National Development Plan (2017-2019)





CHAPTER 1

1.1 Purpose of the Plan

The immediate purpose of the NDP is to guide investments in our near future, but more importantly the NDP reflects our vision for the immediate future where we need to go and what needs to be done to reach there. The NDP analyses each development area, it draws conclusions on what is going right and what needs our attention. Coming out of crisis, the needs are huge, while the means are limited; hence tough choices have to be made. The NDP sets out our priorities for the next three years – building upon a reasonable prediction of the ‘means’ available over the next three years.

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.

Among other benchmarks, the measurable outputs of the NDP will be:

1. A more secure environment, more open politics and reconciliation
2. Substantially reduced abject poverty
3. More resilient communities that can withstand internal and external ‘shocks’ including cyclical droughts and other natural disasters
4. An increasingly vibrant economic sector, with particular focus on agriculture, livestock and fishing
5. Improved levels of the availability and accessibility of basic education, improved health outcomes, reduced child mortality and prevention of treatable diseases
6. Real opportunities for the youth of Somalia

Each of these outputs aims 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.

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 peacebuilding in Somali society, and their vital role in supporting peace and human security

The approach to development of the NDP recognises 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 peacebuilding 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, Kismaayo, Baidoa, Adaado and Benadir (the latter including representatives from Hiiraan and Middle Shabelle regions). Separate consultations were also held with non-state actors, including NGOs, private sector, youth and women's groups.

The NDP satisfies the criteria for compliance with the Interim Poverty Reduction Strategy Paper (IPRSP).

1.2 Coverage of the Plan

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 characterises 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.

1.3 Plan Contents

This Plan contains 13 Chapters addressing all social and economic sectors in Somalia and the planning and development issues that arise.

The next chapter, Chapter 2, 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 priorities set out in chapter 2 reflect the progress made in the five Peacebuilding and State Building Goals (PSGs) of the New Deal and the Somali Compact as we move towards peace, recovery and development.



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

1. Consolidating Peace and Security, Rule of Law (including police, corrections, justice)

Political reconciliation, inclusive politics, the Constitution/elections, restructuring and reforming security institutions, strengthening human and personal security, building and maintaining regional peace and security, strengthening and enhancing the effectiveness and integrity of legal and judicial institutions. Expanding access to justice and enhancing the protection and promotion of human rights, support for parliamentary development

2. Building Effective and Efficient Institutions

Mainly public sector development - Civil Service Development, Administrative Reform, Policy Development, PFM, revenue generation, and Use of Country Systems, Capacity Development

3. Building the Foundation for Rapid, Inclusive and Sustainable Economic Growth

Revitalizing the Economy – priority investment and government policy. PSD, Agriculture, Fisheries, Livestock, Trade and Investment, Spatial development, Islamic financing, leveraging private sector finance

4. Building Social Capital

Social and Human Development; Education, Health, Culture, Youth and Sports, Religious Affairs

5. Restoring and Protecting Strategic Infrastructure

Physical infrastructure - Transport, Water, Energy, Sanitation including hard and soft components

6. Building the Somali National Resilience Capability

A coordinated Programme to increase the capability of Somalia to respond to and recover from emergencies, regardless of whether those emergencies are caused by accidents, natural hazards or man-made threats. Humanitarian Response, Social Protection, Nutrition and Food Security, Disaster Management, Diaspora Strategy, IDPs and Refugees, Natural Resource Management Environment and Climate Change.

Each Pillar chapter contains a review of objective and targets, key activities, and core capacity building interventions and progress to date. The Pillar planning process has been structured on a sector basis to facilitate the prioritization and harmonization of policies, plans and resource allocation, and to encourage fiscal discipline.

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

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 summarises 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.

Mainstreaming the Sustainable Development Goals

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.

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.

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 13 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.



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CHAPTER 2

Consolidating Peace, Inclusive Politics, Security & 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. 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 general approach of the Government to peace, security, development, and access to justice is based upon the understanding that security and development are mutually reinforcing, and conversely that insecurity and underdevelopment are mutually reinforcing. We also believe that where there is insecurity and a lack of development, this may encourage violent conflict which in turn can retard the political formation that all Somalis wish to see. In Somalia, where there is underdevelopment and poor security in supposedly “underdeveloped” areas this can also prompt the emergence of unconventional security structures, destroy local governance structures and limit service delivery

This chapter is divided into four sections and considers inclusive politics, improved security including stabilisation activities, the rule of law, and human rights. 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.

Figure 2.1 Somalia-A framework for creating a virtuous cycle of stability and development



2.2 Inclusive Politics

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.

The Government’s political agenda for the next four years is guided by “Roadmap 2020” which has three main components: A) Democratization. B) Finalizing the Constitution. C) Decentralization. Each of the main components has a comprehensive program and plan of action, which the new government must implement in order to realize these objectives.





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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 are: 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 centres. 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 neighbours. 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.

Our Vision is of a: "Strong, peaceful, democratic and stable state capable of delivering basic services to its people and committed to protect their fundamental rights to freedom of expression, freedom of assembly and freedom to choose their leaders in a fair and free democratic process."

In order to realize this vision, the Federal Government of Somalia (FGS) has adopted the "Roadmap 2020". This document has three main components: a) Enactment of Political Parties Law. b) Enactment of an Electoral Law. c) Registration of political parties.

STRATEGIC OBJECTIVE:

Achieve a stable and peaceful federal Somalia through inclusive political processes.

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 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.

2.3 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.

Output 1: National stakeholders, the UN, donors and implementers agree on the Somalia Constitutional Review Master Plan

Output 2: Constitutional review institutions supported to undertake political dialogue, negotiations and broad-based consensus building to discuss final federal constitutional review text for review, debate and enactment by parliament

Output 3: Civic education and public consultation processes undertaken to build awareness, understanding of and support for the federal constitutional review process.

Output 4: Capacities of relevant constitutional institutions, including the Ministry of Constitutional Affairs, Oversight Committee ICRC and the Federal and sub-national administrations, supported to work collaboratively to ensure timely implementation and review of the Provisional Constitution

Output 5: Capacities of relevant sub-national institutions including the Ministry of Constitution, Federal Affairs and Democratisation and Interim Regional Authorities supported to work collaboratively to ensure timely implementation and review of the Provisional Constitution

2.4 Proposals for Decentralization

During the course of the NDP (2017-2019), the FGS aims to progressively decentralize powers to subnational levels. The FGS will support the development of local government at the district level, with the aim of establishing (or strengthening) district councils for the 100 or so districts across the 18 regions of Somalia. This NDP seeks to advance "reconciliation and dialogue both at local and national levels." Decentralized fiscal arrangement and ultimately service delivery is pivotal in building incremental trust between citizens and local government, particularly through basic service delivery.

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. In the short to medium term the government will support implementation of the agreed Wadajir Framework on Local Governance as a natural extension of the Government's bottom up approach to political and local security stabilisation.



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In the first quarter of 2016, the Ministry of Interior and Federal Affairs recognised the need to realign the current Federal Government strategy to reflect the evolving context in the country. The new Wadajir Framework recognises the progress made in establishment of the State authorities and increased access to rural areas. The updated policy will continue to represent a whole of Government approach to support coordination between the Ministry of Interior and Federal Affairs with other line ministries and stakeholders, including through the current PSGs setup and future NDP.

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), that will be “milestones for a vibrant and stable Somalia”.

If local government is neglected during implementation of the National Development Plan, there is concern that this will put other political and development processes at risk and create an environment which is unable to deliver sustainable results.

2.5 Security

2.5.1 Situation Analysis

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. For countries such as Somalia coming out of conflict and where a residual threat from terrorism and insurgency remains persistent, security is a more comprehensive challenge that requires a broader, cross-ministerial response. In Somalia security policy needs to embrace both national dimensions (internal and external) and human security concerns. In addition to the national defence, the confidence of Somali citizens in their own personal security, the rule of law, access to justice and the quality of governance, become fundamental to long-term national security and development.

2.5.2 Challenges

The challenges facing Somalia 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. The section will summarize key threats to national security.

2.5.3 Responses

Our Vision is: a Somalia that is more secure, safer and accountable Somalia that: is able to maintain peace within its borders and with its neighbours; is increasingly capable of restoring and maintaining internal security; protects its civilians, with special attention to securing the rights of women, youth and children; increases equitable access to justice; contributes to the rule of law; applies human rights standards; adheres to international humanitarian law; and has accountable and financially sustainable security institutions.

In order to realize this vision, the Federal Government of Somalia (FGS) has established the National Security Council (NSC). Chaired by the President of the Federal Republic of Somalia, the NSC performs the following functions:

OUR STRATEGIC OBJECTIVE:

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

2.5.4 Proposals for Reform

Security and peace are intertwined and are seen as public good. Therefore, Security Sector Reform (SSR) 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 Defence Committees), the Executive and other appropriate bodies. The government is also committed to 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.

To achieve these bold SSR goals the government aims to create a sustainable, professional force 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.

Our immediate focus in Year 1 is:

- a) 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;
- b) Continue with training of the security forces. In particular, train and equip the navy and coast guard, ratifying a revised Somali maritime code
- c) Establishing 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;
- d) Negotiate fair inter-governmental fiscal rules for the transfer of costs between levels of government;
- e) 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:

- a) 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;



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- b) Establish a force profiling framework with multiple options and windows;
- c) 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;
- d) Align donor funding with country budgetary systems with a view to ensuring capacity investments that can be sustained.

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

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

2.6 Rule of Law and Access to Justice

2.6.1 Situation Analysis

Today, Somalia has a nascent functioning judicial authority; albeit, complex and disconnected as the result of the anarchy of the past decades leaving a barely existent central Somali justice system. The difficulty of 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, shari'ah (Islamic law), and xeer (customary or clan law). What currently operates in the judicial realm is a tattered patchwork of statutory, xeer, and shari'ah law that needs to be coordinated and fully codified.

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 an independent and accountable justice institutions capable of addressing the justice needs of the people of Somalia noting however it has been primarily focused on institutional strengthening at the Federal Level.

2.6.2 Challenges

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, 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 South Central.

As a result, Somalia continues to suffer from a weak rule of law system which negatively impacts the lives of the population with particular repercussions for vulnerable groups, including women and children and those displaced who are often not afforded basic physical and legal protection.

STRATEGIC OBJECTIVE:

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

2.6.3 Responses

Output 1: Key priority laws in the legal framework, including on the reorganization of the judiciary, are aligned with the Constitution and international standards

Output 2: Justice Institutions address the key grievances and injustices of Somalis

Output 3: Enhanced Oversight and Accountability Mechanisms

Output 4: More Somalis have access to fair and affordable justice

Output 5: Improved Corrections System

2.6.4 Development of the Police Service

The Police Work Plan identifies two sub-outcomes (with 7 outputs) as the essential building blocks as follows:

- 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:

Interventions in relation to physical capability are addressed in order to reduce apparent shortfalls in capacity. The SPF development plan consists of three outputs:

- a) Training –building the skill capability of police forces so that officers can reliably undertake a wider range of tasks and increase productivity;
- b) Equipment –building the field capability of police forces so that police officers have the necessary tools to legally, safely and quickly fulfil their roles;
- c) 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;



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2.7 Police Reform

In addition to physical capability, the conduct, behaviour and values of police need to be developed and shaped to meet the needs of the Somali people. Engagement with these less tangible but important factors can address some of the most egregious complaints about police. Interventions in relation to behaviour, conduct and values at all levels are identified in the Programme as police reform on the basis that they seek to change the substance of what is done rather than simply increase what is done in direct contrast with the police development effort. The police reform output for the SPF consists of four outputs, and importantly it includes the ongoing payment of police stipends.

Police Strategy, tactics, organisation and methodologies which lead to the reform processes stimulate changes in thinking, including at the highest levels of government and the donor community.

Developing basic interactions with the community is a complex endeavour 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.

Fielding the Somali Police Force – maintaining and sustaining basic operations is a daily and routine chore in every police organisation 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

2.8 Enhancing the protection and promotion of human rights

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.





CHAPTER 3

Development Objectives and Strategic Policy Priorities

1.1 Pillar Committees and Sub Committees

The Proposed Pillar Committees and Sub Committees are as follows

1. Consolidating Peace and Security, Rule of Law Pillar Committee

Inclusive Politics Sub-Committee

Political reconciliation, inclusive politics, the Constitution/elections,

Peace & Security Sub-Committee

Restructuring and reforming security institutions, strengthening human and personal security, building and maintaining regional peace and security,

Justice & Policing Sub-committee

Strengthening and enhancing the effectiveness and integrity of legal and judicial institutions. Expanding access to justice and enhancing the protection and promotion of human rights, Police

2. Building Effective and Efficient Institutions Committee

Public sector development Sub-Committee

Civil Service Development, Administrative Reform, Policy Development, Capacity Development

PFM Sub-Committee

PFM, revenue generation, and Use of Country Systems,

3. Economic Growth Committee

Productive Sector Sub-Committee

priority programmes and government policy. in Agriculture, Fisheries, Livestock, & Mineral Resources,

Trade & Investment Sub-committee

Spatial development, Islamic financing, leveraging private sector finance, Trade and Investment

4. Building Social Capital Committee

Education sub-committee, Health sub-committee, Culture, Youth and Sports Sub-committee, Gender Development Sub-committee

5. Restoring and Protecting Strategic Infrastructure Committee

Physical infrastructure - Transport, Water, Energy, Sanitation including hard and soft components

6. Somali National Resilience Committee

Humanitarian Response & Disaster Management sub-committee,
IDPs and Refugees, Disaster Management
Social Protection sub-committee,
Environment Protection and Climate Change sub-committee.





CHAPTER 4

The Somali National Development Plan Strategic Objectives and Policy Priorities

4.1 Introduction

The objectives and strategic policy priorities of the Somali National Development Plan (SNDP) were formulated to ensure continuity with the objectives and policies driven by the New Deal Compact for 2014-2016. These have been modified, expanded and improved to reflect the actual needs of Somalia and the aspirations of the Somali people. Besides, the emphasis of the SNDP would be on creating and enhancing revenue and efficiency in the use of limited resources, for developing the producing sectors, human resources and employment creation, infrastructure development and repairing, and for poverty reduction. Notwithstanding, the objectives represent an all-encompassing framework for structural change.

1. ***Political Strategic Objectives Security Enhancement, Right Political System and Constitutions, Evolving Election Systems and Parliament, Competent Judicial System***
 - Achieve a stable and peaceful Somalia through inclusive political processes
 - Establish unified, capable, accountable and rights based Somali Federal security institutions and provide basic safety and security for Somali citizens
 - Establish independent, accountable and efficient justice institutions capable of addressing the justice needs of the people of Somalia through delivering justice for all

Strategic Policy Priorities:

- Advance inclusion political dialogue to clarify and settle relations between the federal government and existing and emerging administrations, and initiate processes of social reconciliation to restore trust between communities
- Finalize and adopt a federal constitution of Somalia
- Ensuring adequate inclusion of women in political decision-making
- Media law review is undertaken and in line with the international human rights standard
- Strengthen the capacity and accountability of state security institutions to recover and liberate all territories, stabilize and provide basic safety and security
- Integrate security forces into federal institutions
- Implement national programme for the treatment and handling of disengaged combatants

- Develop an effective maritime security strategy within the framework of the maritime resources and security strategy
 - Strengthening of the civilian oversight through appropriate mechanism, such as parliamentary support related committees
 - Establishing the key priority laws in the legal framework, including law on the organization of the judiciary, are aligned with the constitution and international standards
 - Justice institutions starting to address the grievances and injustice of Somalis
 - Somalis have a full access to fair and affordable justice
2. **Economic Strategic Objectives:** *Stability, Recovery and Growth, Government Role, Private Sector Role and Development, Diversification, Value-Chain and Sectoral Linkages, Development and Growth Leading Sectors*
- Revitalise and expand the Somali economy with a focus on livelihood enhancement, employment generation, and broad-based inclusive growth
 - Increase the delivery of equitable, affordable, and sustainable services that promote national peace and reconciliation amongst Somalia's regions and citizens, and enhance transparent and accountable revenue generation and equitable distribution and sharing of public resources
 - Strengthen basic sectoral and core government functions in support of the establishment of a more efficient public sector with objectives to coordinate and lead structural reform and policy harmonization process, strengthening core public sector and civil service management function in key domains, and reinforcing public sector capacities through dedicated support
 - Striving towards regional balanced development and growth, through formation of primary and secondary spatial growth poles according to the potential and relative advantages of the different regions of Somalia
 - Strengthening the decentralization process of managing and implementing development efforts in different areas of the nation, such development and growth efforts would be administered, regulated and managed locally as long as this does not conflict with national goals and principles
 - Diversifying the economy by encouraging expansion of a diversify agriculture sector, manufacturing industries strongly linked to the primary commodities developed and produced in Somalia, mining, trade hubs and tourism activities
 - Generating a higher rate of economic growth by developing economic resources, maximizing earnings from livestock and fisheries over the longer time and conserving the depletable resources
 - Diversify the Somali export mix and reduce dependence on export of live animals



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- Developing the economy's competitiveness to expedite Somali integration into the regional and global market and lay the ground work for a full market economy
- Developing and expanding the statistical data compilation, analysis and dissemination for better economic and social planning, development and resources mobilization and allocation
- Encouraging the expansion of the private sector in most of the economic activities through providing the necessary laws, regulations, facilities and incentives. Besides, striving to reconstruct the private sector's development role so that it complements the public sector and be an effective partner in generating economic development and prosperity in the nation
- Emphasising the empowerment approach as a base for human capacity building, so as to lay the ground work for knowledge economy with an enhanced role for women and youth in development of Somalia

Strategic Policy Priorities

- Enhancing the productivity of high priority sectors of the economy and related value-chains, including through rehabilitation and expansion of critical infrastructure for transportation, market access, capacity, trade and availability of energy
- A national fisheries authority (NFA) established and functioned with mandate to manage, conserve and administer the highly migratory pelagic stocks within the Somali national water zone
- Sustainably increase livelihood support across fishing value-chain
- Putting in place a comprehensive national agriculture strategy (CNAS) highlighting federal and regional priorities as well as setting out the working arrangement between the sector's stakeholders
- Preparing a flood and water management master plan for Middle and Lower Shabelle
- Reestablishment of agriculture research centres in the country and by region
- Diversifying and increasing the agriculture crops mix and production
- Putting in place effective regulations and rules for production and importation of Seeds, Fertilizers and Pesticides and thereafter optimal distribution
- Enhancing the growth and strengthening the type, quality and level of livestock exportation
- Establishing nationally linked quarantine, disease control and certification centres complying with international standard
- Improving livestock quality, health and production

3. **Fiscal and Monetary Strategic Objectives:** *Fiscal Space, Revenue Enhancement, Sectoral Allocation of Expenditure, Fiscal Sustainability, Curtailing Inflation, Financial Sector Restructuring, National Currency Choices and Issuance, Highlights of the Somali PFM 2020*
- Increase the delivery of equitable, affordable, and sustainable services that promote national peace and reconciliation amongst Somalia's regions and citizens, and enhancing transparent and accountable revenue generation, and creating equitable distribution and sharing of public resources
 - Implementing viable and important tax policy measures to raise revenue for the budget, with special improvement of tax and customs administration as part of concerted efforts to strengthen the fiscal framework
 - Developing, preparing and implementing public finance management (PFM) reform action plan, with the development of medium term fiscal framework (MTFF) supported by fiscal principles that increase credibility of Somalia budget, and strengthen fiscal discipline. This all should be enhanced by implementing the much needed institutional and professional capacity development
 - Developing, restructuring and enhancing the financial sector of Somalia. With the central bank of Somalia (CBS) take the lead in strengthen further the licensing, supervision, and regulation of the nascent Somali commercial banking system. Moreover, modernizing the CBS's accounting and financial reporting system, and issuing of national currency in the shape of new Somali Shilling (SOS) banknote away from existing dollarization system.

Strategic Policy Priorities

- Enhancing transparent and accountable revenue generation
- Revenue strategy operational
- Formation of national commission to harmonize tariffs and taxation in the economy
- Register of business using taxpayer identification number (TIN) policies and structure developed
- Implementing revenue management system (RMS) for management of revenue and business registration
- Strengthening PFM and the associated reforms to enable the different level of government to be better managing financial resources in a transparent and accountable manner, in line with the national overall priorities
- Preparing, approving and implementing a new and modern tax law



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- Enhancing the existing SFMIS and make it more inclusive, integrated and comprehensive
 - Developing a budget strategic paper, defining fiscal targets and medium term expenditure ceilings in an alignment with the Somali national development plan (SNDP) sectoral and other priorities and objectives
 - Strengthening the organizational and governance structure of the CBS, implementing new accounting and financial reporting systems and practices at the CBS, and reinforcing the licensing, supervision, and regulation of financial institutions. This is in addition to preparing a medium-term strategy to improve payment systems
 - Enhancing and developing the capacity of the financial institutions and the national staff
4. **Social Strategic Objectives:** *Creating Employment Opportunities, Especially Youth Employment, Improve the Health Services, Improve and expand Education and Vocational Training on all levels, Human Resources Development and productivity Improvement, Improve Living Standard, Reduce Poverty, Women Empowerment, Improving and Rehabilitation Housing Units and Housing Stock, Provide Social Security and Social Protection, Resilience, Right and Developmental approach to deal with the IDPs,*
- Social Services will be developed to ensure that every group and individual, however disadvantaged, enjoys an adequate, dignified minimum standard of living
 - Increase the delivery of equitable, affordable, and sustainable social services that promote national peace and reconciliation amongst Somalia's regions and citizens
 - Make essential goods, especially, stable food items, available at stable and reasonable prices, with due consideration to enhance and expand domestic production
 - Provide essential education services at all levels and create a clean and healthy environment with adequate medical facilities available for all
 - Improve the health services infrastructure, particularly, type, capability and coverage to enable it to cover the nation so that preserving Somalis' health, offering high quality services and reducing infant mortality rate
 - Develop the capacity of women and youth in terms of knowledge, skill and health, and hence, to boost their level of participation in the development interactions of the nation
 - Build an empowering environment that leads to tangible progress in quality of life for vulnerable groups. Hence, integrating them into the overall society and into the labour force at all locations
 - Facilitate on easy terms for suitable housing erected for those with low income, as well as encouraging construction by others through establishing an easy loans policy and procedures

- Enhancing the opportunities to integrate the plan's objectives and outcomes and the procedural steps of the poverty reduction strategy aiming at reducing the percentage of the population below the poverty line
- Generate feasible work opportunities in a structural framework that would facilitate drawing and writing a new Somali Labour Law, as well as to raise the employment level and reduce unemployment in the economy
- Creating social security and social protection systems, including assistance payments for the needy
- Make credit available with very easy terms to those with temporary financial difficulties

Strategic Policy Priorities:

- 75 percent of the Somali children (male and Female) in school age are enrolled in School and adequately equipped across all parts of the country
- All school equipped with science labs and sustainable electricity
- Creating country-wide awareness on universal right to education, i.e. girls, pastoralist and special needs
- Rehabilitation and reconstruction and equipping the Somali universities and colleges
- Increasing the sharing of government spending on education to 10 percent of the total spending
- Establishing an effective training for conflict-affected youth, with special emphasis on the liberated areas
- Establishing technical vocational education schools, at least one in each region of Somalia, and sport training academies, separated by gender
- Constructing and equipping a teacher training institute in different regional states
- Enhancing and strengthening the capacity of national and federal states ministries of education, through better recruitment and training
- Constructing, rehabilitating and improving the hospital and health centres in all districts and regions of the Somalia
- Support for secondary hospitals and community based interventions
- Developing costed comprehensive services, management and leadership master plan for health sector in Somalia
- Mapping and creating an integrated health information management system (HIMS)
- Draft a social protection policy paper that will delineate vulnerable groups, specifying functional assignments and facilitate the development of necessary regulatory/institutional framework for optimal delivery



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5. **Infrastructure Development and Improvements Strategic Objectives:** *Repairing and developing the much debilitated infrastructure, expanding and improving the physical infrastructure – road, port, airport, communications, municipalities, and housing, communities- as required to support achievement of the economic and social goals and the aimed at growth trajectories*

- Repair, improve and expand the physical infrastructure –transportation (by various modes of transport), communications, municipalities and housing- as necessary requirements and support achievement of the above economic and social goals.

Strategic Policy Priorities:

- Comprehensive review and validation of the infrastructure needs assessment that carried out by the AfDB in Somalia
- Undertake comprehensive and nation-wide government building assessment
- Rehabilitation and reconstruction of government buildings throughout Somalia
- Developing the technical and administrative capacity of the public work sector in all-over the country
- Special priority for rehabilitation of critical infrastructure projects that have been identified in different regional states of Somalia.
- Also special emphasis will be given to the infrastructure project with quick national and regional impact in creating growth, employment, stability, and contribute to poverty reduction and wellbeing of the society
- Infrastructure projects enhancing transportation, renewable energy, water and sanitation, housing and information and computer technology (ICT) sectors will be given the right priority

6. **Spatial Development Strategic Objectives:** *Regional Balanced Development, Growth Pivots, Comparative Advantages, Decentralization, Realizing Potentialities*

- Aiming at gradually correcting the regional development imbalances in Somalia
- Eliminating steadily the socio-economic and environmental disparities between different location of the country
- Reallocating investment amongst various regions and districts of Somalia according to needs, necessities, potentialities and comparative advantages prevailed at different locations
- Collect, improve, develop and analyse socio-economic and other statistical data on regional level. This is an imperative tasks, as the fact is that the above objective cannot be materialized in a feasible and optimal manner unless realistic and regional representative and compatible statistical data are available and analyzed

Strategic Policy Priorities:

- Reallocation of investment so that to be bias towards less developed areas and according to the potentialities, needs and comparative advantage
- Creating a programme for regional development based on the regional size of the population. Hence allocation budgeted development fund accordingly.

This, undoubtedly, will contribute tremendously to reduce development gaps amongst the different regions, especially, in the area service provision in these regions

- Starting embarking on integrated rural development through allocation of lands for constructing rural centres and towns
- Establishing and encouraging decentralization in development management and giving local authorities the power to formulate their development programmes, identify their development priorities and follow-up, monitoring and evaluation the implementation of these development programmes

7. **Environmental Strategic Objectives:** *Protect and Improve Elements of the Environment, Protection of Natural Resources and Practicing Sustainability, Reduce Desertification, Curtail Causes of Environmental Degradations, Institutional setting*

- Making environmental consideration and standard an inseparable segment of the development process and the fabric thereof. Hence the plan will continue to integrate environment data in the development interaction system, and creating the environmental public awareness
- Reducing environmental risks and ecological resources scarcity and promoting biodiversity in the economy
- Ensure sustainable management of environmental education, such as unique terrestrial and aquatic ecosystems, for national economic growth and improved livelihoods
- Promote and support research and capacity development as well as use of innovative environmental management tools such as incentives, disincentives, economic valuation, indicators of sustainable development
- Promote domestication, coordination and maximization of benefit from Strategic Multilateral Environmental Agreements (MEAs)

Strategic Policy Priorities:

- Striving Towards creating environment public awareness in the country through introducing environment and sustainable development into school curriculum and at different levels and grades
- Carrying out a full environment assessment and analysis studies, preceded by a constructive public awareness programme
- Establishing an environment legislation and environmental protection act in Somalia
- Development of right environment institutions and environmental capacity on national and regional level
- Creating a nucleus of a well-trained environmental Somali professionals, to lead the necessary environmental actions and programmes within the NDP period and beyond, on all aspects and dimensions



CHAPTER 5

Public Sector Management

The Somali Public Sector system is a three tier federal system, with governments on Federal, State and District level. On each level, a political entity, an executive entity, a judiciary and security apparatus have been established, governed by the constitution and, since recently increasingly, state level constitutions, covenants or similar ‘foundational agreements’.

Against a backdrop of a majority of a population having no living memory of a functional government, non-existing institutions, total absence of physical infrastructure to manage the institutions, no investment budget to manage, no revenue collection arrangements, no personnel and virtually no funds to pay for salaries and operational costs, the progress that has been made in recent years is good.

We foresee a harmonised approach towards functions that government becomes a recognisable and predictable entity, applying the same standards throughout its structures. These core of government functions include:

- Role and responsibility distribution within government levels between different institutions and among government levels;
- Internal and external coordination arrangements
- Public Finance Management system
- Public Sector People Management system
- Policy development and performance management
- Development planning, M&E and Statistics
- Administrative arrangements (like filing, ICT and asset management)

For the coming three years, we intend to ensure that all these functions are developed to an acceptable level.

The ‘**roles and responsibilities between different government levels**’ concerns the ‘technical’ debate based on the political outcome to establish the federal state structures. It defines the scope of authority and alignment between different government levels, in for instance public finance management, civil service management, justice and security arrangements, policy alignment, administrative management arrangements and the like.

The **Wadajir National Framework on Local Governance** was a major step forward in defining the roles and responsibilities in local governance.

The **roles and responsibilities between ministries and institutions in the same government level** concerns mandate descriptions and allotment of specific fields of responsibility to each individual government institution. It also concerns the standard setting for role and responsibility distribution within individual ministries and organisational options on individual institution level.

The ‘**roles and responsibilities within ministries and institutions**’ concerns the institutional / organisational structure with each directorate, department and unit ascribed specific roles and responsibilities. This also concerns detailed work-process management arrangements both within directorates, departments and units as for those processes that go across units.

5.1 Internal and external coordination arrangements

While allotment of logical and coherent roles and responsibilities to different levels of government and different institutions is essential to develop an efficient, effective and transparent public sector, it is not enough. Virtually no individual subject matter can be completely be managed by one institution or on one government level. Hence, no government system can operate in the absence of strong coordination mechanisms.

Coordination arrangements within government levels

The coordination with the different governments plays out on two levels:

- Coordination between the legislative and executive
- Coordination within the executive.

Under the leadership of the centre of government (the president and prime minister offices) a regular coordination and agenda setting arrangements will be established with the legislative. This coordination mechanism will predominantly focus on setting the legal development agenda.

The apex of coordination at the executive level is the council of ministers, where key decisions on legal instruments, policies, strategies etc. are made. In order to further strengthen the coordination between the ministries, the councils will adopt a system of permanent (or 'standing') and ad-hoc (or 'executive') committees. In these committees the key ministries concerned with the subject matter will align their policies and approaches to stimulate a coherent overall government approach.

Coordination arrangements with non-government entities

A major part of the external coordination concerns the coordination with the (international) development partners. Chapter 10 on Aid Management outlines the arrangements in detail.

In the coming three years, we wish to further strengthen our coordination arrangements with three core groups of non-government entities: the civil society, the private sector and the academia. Our overall entry is that we wish to stimulate the non-government entities to engage with us on the development direction and to stimulate them to invest in practical development action.

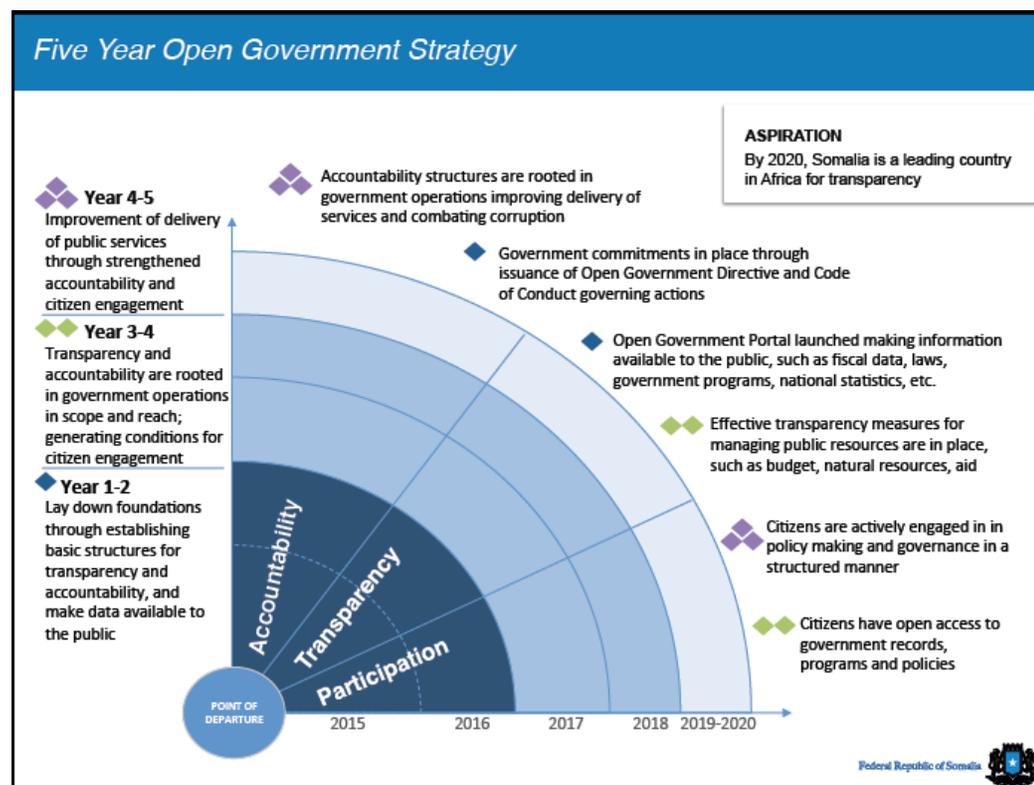


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5.2 Public Finance Management system

The citizens of Somalia expect that the government is **accountable** and implements its mandate with **integrity**. The Government endorsed the 5 year 'Open Government Initiative' in December 2015. Building upon the three entries of Participation, Transparency and Accountability (see picture below), the government has committed to:

- Increase transparency and foster accountability in data, decisions and actions;
- Reducing administrative corruption and opening up policy and resource allocation processes;
- Improving service delivery with positive impact on public policy by changing how government creates, prepares and uses its own data;
- Consolidating a participatory culture in government affairs and empowering local populations;
- Facilitating inclusion of a broader range of actors in the policy process and improving citizens and government interaction;
- Strengthening public trust in government; by building confidence in the state.



5.3 Public Sector People Management system

Any public sector employs staff on a varying set of arrangements. One important set of such arrangements concerns the civil servants. However, not all public sector workers are necessarily civil servants. Security, health and education staff, for instance, may benefit from a different set of employment and working arrangements as civil servants. Political appointees equally form a distinct category of workers in the public sector. The position of consultants or advisors in government systems also requires a dedicated statute.

The public sector people management system consists of three (interlinked) elements:

- Labour force management
- legal and regulatory personal management
- professional and career development

Establish a clear **labour force management system**. Labour force management focuses on the size, overall structure and composition of the civil service at large; now and in the foreseeable future. This links directly to three main elements: the service delivery model determining what how many staff and the kind of skills and competencies we need, the labour market in the sense what kind of expertise is available and should be available, the government budget which determines what is financially feasible.

While more than half of the Somali population is female, their participation in the government structures is not satisfactory. Therefore, we give dedicated attention to **gender in the Public Sector**. We wish to see the overall labour force in the public sector moving to gender parity, meaning that 50% of the public sector workers would be male and 50% female, with a minimum of 30% of either gender in specific sectors and categories.

The **legal and regulatory personal management system** sets the standards in the public sector how to the entry, presence and exit of staff into the public sector is managed. The core elements are:

- An updated civil service law
- A complete set of personnel management tools (recruitment, promotion, dismissal, code of conduct, complaint mechanism, etc.) translated into the regulatory framework
- A complete and correct civil service database, allowing for instance an appropriate salary management arrangement
- Pension arrangements

Any government needs to adapt to its evolving environment and most individual staff members wish to evolve in their personal development. Hence, a **comprehensive professional and career development mechanism** is essential to continuously improve performance, to prepare for future, new task areas and to stimulate individual staff members to further their career.



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5.4 Policy development and performance management

Policy development is one of the core of government processes that in our context is extremely important. With the absence of government structures in most parts of the country for some 25 years, formalised (development and management) intentions are under development or still need to be tackled in most of the different sectors the government implements, supports or oversees.

In the coming three years we wish to realise three major improvements:

- Ensure policy harmonisation
- Establish implementation control
- Establish quality control

Policy harmonisation is relevant both on a vertical level (from federal to district level) and horizontal level (e.g. coherence and synergy between private sector development and professional or vocational training policies). Three measures will be taken:

- All new policies will be subject to the following ex-ante reviews:
 - Compliance with the constitution
 - Compliance with relevant legal and regulatory arrangements
 - Compliance with the overall policy intentions of the present national development plan
 - Coherence check with policies in related fields
 - Coordination / synergy arrangements with related development initiatives
- All new policies need to have a demonstrated consultation record with relevant non-government parties
- All new policies will be subject to council of minister decision

Once policies are endorsed, the lead ministry will report back to the council of ministers on the **implementation progress**. This reporting focuses on the process of implementation and how it has progressed vis-à-vis the planning. Finally, the **quality control** mechanism focuses compliance with the relevant standards and whether or not the intended results are being achieved.

5.5 Development planning, M&E and statistics

Development planning is important to document the development strategy and commitments the government engages. While the present National Development Plan is the first since over 25 years, both Puntland and Somaliland developed their development plans. Based on the recent experiences, we need to strengthen a number of arrangements that have started during this planning cycle, but which need solidifying. These include:

- **Planning standards and coherence.**
- **Conceptual and procedural coherence.**
- **Coordination arrangements.**
- **Monitoring and Evaluation.**
- **Statistics.**

5.6 Administrative arrangements and the working environment

No government can function without a proper set of administrative arrangements. For the present planning period we have identified three priorities.

One of the core administrative functions a government depends upon is document availability and accessibility; hence a **filing and publication system**. The staff needs to be able to locate and retrieve the relevant files while the public has the right to consult documents that are relevant to their interests, maintaining principles of integrity, protection. etc. We intend to develop a coherent system throughout the government.

A second area that requires attention is the **ICT environment**. While the procurement of individual equipment will remain under the authority of the individual institutions, the use of software for core government functions needs to be harmonised.

Establishing a **working environment** so our staff can work according to the expectations is one of these government management arrangements that often receives insufficient attention with priority going to policy development and service delivery.



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CHAPTER 6

National Development Plan: Economic Growth

6.1 Private Sector Development

6.1.1 The current situation³

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.

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.

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 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).

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. Invested, most are spent on consumption, with significant subsequent effects on poverty and inequality.

6.2 Where do we want to go to by 2019?

6.2.1 Vision for Economic Development in Somalia

The following goals will indicate that the vision has been achieved.

Our vision is a strong growing national economy, driven by a competitive vibrant private sector and based on a sound public regulatory framework, which delivers jobs and prosperity for all, and enhanced revenues for government and affordable services for citizens. The growth will be accompanied by high levels of private sector investment in strategic sectors, and public private partnership to deliver essential services.

GOAL	INDICATOR
High levels of private sector investment	Increased rates of productive domestic and foreign investment directed to strategic sectors from a baseline net investment 8% of GDP ¹ - to a proposed target investment of 15% of GDP.
Growth	5% increase in GDP per annum for 10 years from 2017
Prosperity for all	20-30% p.a. increase in jobs 2017, ² Reduction in poverty rates: 69% (based on 2016 Household survey) ³ . ⁴
Strengthens government	Enhanced Tax revenues: Baseline to be determined. 30% increase in FGS tax revenues per annum by 2017 (TBC) Improved government mechanisms and institutions for economic development: baseline and targets to be determine. Supporting the delivery of improved essential services (see other pillars)

6.3 How do we get there?

Private sector development is a factor in diverse areas of the economy which are covered by their own sections of the National Development Plan. In many sectors, private sector investment is a prerequisite for sectoral growth (and was acknowledged as such in every sectoral discussion).





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6.3.1 Strengthening the Enabling Environment for Private Sector Development

The proposed strategy for strengthening the enabling environment is to address the cross cutting areas that require a specific PSD lens, and drill down into sectoral challenges starting with a few transformative sectors.

- a) Reducing the costs of trade
- b) Improving access to finance
- c) Improving access to inputs: technical and managerial skills, technology
- d) Catalysing private sector investment into high priority sectors by 2017

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

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.

6.3.3 Building the capacities of Government and 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
- b) Improved monitoring and evaluation of PSD progress and communication of results
- c) Improving sector capacity for dialogue and reform

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.

¹ WFP, 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 Shabelle rivers depend on settled agriculture. Fishing only represents a very small livelihood activity, despite Somalia having one of the longest coastlines in Africa. In urban centres, 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.

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 tonnes of cereal was produced with 87,900 tonnes being sorghum and 38,900 tonnes being maize. It is projected that in 2016 the country is expected to import 526,000 metric tonnes to cater for the deficits (FSNAU, 2016). These deficits are exacerbated by the huge exposure to climate change and unpredictable weather patterns. 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.

The livestock 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. 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.²

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

6.4 Agriculture Plan

The Federal Governments' Vision for the agriculture sector is to ensure food and nutrition security and to pursue economic growth, social capital development (youth and women empowerment and involvement in agricultural activities) while reducing the process of environmental degradation. The mission is to put in place a "Resilience Based and Market-Driven Approach" in pursuit of a country-wide strategy towards Climate-Smart Agriculture and supporting value chains and markets development.

² The self-sufficiency ratio (SSR) is defined as: $SSR = \frac{\text{production} * 100}{\text{production} + \text{imports} - \text{exports}}$. 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



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Strategic goal 1: *Strengthen Institutional Capacity of Ministry of Agriculture*

- Develop an all-inclusive participatory National Agricultural plan with annual operational plans
- Establish and strength the laws in the areas of [i] land and water use [ii] Phytosanitary laws [iii] agricultural credit law (short and medium term loans and financial support) [iv] range management[v] Research
- Promote efficiency and effectiveness in food security and safety
- Strengthen the MOA's coordination mandate by establishing a government-led agricultural coordination forum
- To develop and sustain internal MOA policies, systems and procedures to build culture of formality and accountability
- Strengthen institutional knowledge management (KM), data collection and storage, and establish an effective M&E system.

Strategic goal 2: *Improve and Rehabilitate Productive Agricultural Infrastructures*

- Rehabilitate irrigation infrastructure, such as the Jowhar Off-Stream Reservoir and related infrastructure (canals, sluice gates, feeder roads, Sabun Barrage) restore the physical status and functioning of canals and develop and expand overall irrigation infrastructure.
- Promote the effective management and utilization of alternative water resources such as shallow wells, water catchments and water harvesting systems;

Strategic goal 3: *Sustainable production intensification*

- Develop a distribution channel for agricultural inputs to reach farmers at district and village level
- Enhance quality control of supply chain of agricultural inputs including quality seeds, agro-chemicals and fertilizers, farming equipment and integrated pest and disease management approaches.
- Identify appropriate technologies and Good Agricultural Practices (GAP) - including Climate-Smart Agricultural practices and systems for outreach to Somali farmers;
- Establish an effective national seed system including production, seed treatment and seed storage in seed banks.
- Promote production intensification and diversification (re introduction of underutilized food crops such as cassava, sweet potato and nutrient dense vegetables) sustainably increasing and strengthening the effectiveness of the research and extension apparatus.

Strategic Goal 4: *To develop and support effective agricultural output commodity/marketing systems across Somalia*

- Formulate a framework for business investments in agriculture medium/large scale commercial farms.
- Improving availability and accessibility of rural credit and financing support to small holder farmers and cooperatives.
- Promote small holder marketing through group dynamics promote cooperative and farmer community based organization development for enhance marketing of commodities.
- Establish of new marketing facilities and rehabilitation of existing storage facilities for agricultural commodities for reduced postharvest loss and quality control.
- Create a national agricultural commodity market data and information network exchange, access and retrieval system;
- Reducing postharvest losses through improved storage, processing and value addition activities with proper training, equipment and facilities.
- Adding value and improving transformation to locally produced commodities, thereby strengthening and improving efficiency within the market systems to enhance flow of goods to niche/ high end markets.

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

- Increase in cereal yield from 126,800 metric tonnes to 152,160 which will represent a 20 percent increment in cereal production by 2019.
- Increase in farm land under irrigated agriculture from 628,050 ha to 753,660 which will represent 1.2 percent of the land cover and 12% of the area under production.
- Increased in 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 such as cassava with increase in yields from 1,170 metric tonnes to 5,000 metric tonnes 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 as follow:
 - a. Phytosanitary laws
 - b. Agriculture credit laws
 - c. Land and water use
 - d. Food security policies
 - e. Policies on pricing-tax relief



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6.5 Fisheries Plan

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 Ras Asir 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 Ras Asir to Ras Maber area where the shelf is up to 60 km wide.

During the south-west monsoon (May to August), a strong northeast current is generated, creating 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, which operates mostly in inshore areas, and the industrial sector, mostly foreign. In 1988, roughly half the catch derives from artisanal fishermen, and mostly located at some 25 important landing sites. The majority of the coastline is remote and far from main settlements and hence only lightly fished by local fishermen.

Fish Caught in the Waters off Somalia in metric tons (MT) and USD Value defined sectorial objectives)

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

MFMR's mission is to facilitate and secure the long-term 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]**

In order to manage and secure fisheries resources, MFMR requires a Fisheries Monitoring Centre, coupled with at sea patrol capability for both inshore and offshore facilities, to monitor fleets operating in the EEZ and enforce national and regional, *i.e.* IOTC, requirements that enables the Somali fisheries sector to meet the standards of the Indian Ocean Tuna Commission,. Vehicles and IT equipment are required for collection and collation of fish landings and effort data, and the registration of all fishermen and fishing vessels, coupled with appropriate training of Ministry and Community officials.

To assist with this work by the Ministry, and the needs for vocational training within the fisheries sector, **Mogadishu Fisheries College** requires refurbishment and staffing, with funds for both short term and longer training courses in fisheries science, hygiene, fisheries management and vocational skills.

6.5.1 Milestones of sector/region development

a. Maximize full potential of small-scale fisheries

- Re-habilitate the existing **main 4 landing sites and 6 additional sites are rehabilitated**
- **5%-10%** new jobs created to the existing jobs
- **11,000** fisher folk have improved skills and capability
- 15% of income for small-scale fisheries in Somalia increased

b. Strengthen institutional partnership

- Protection of marine areas wildlife and enforcement of fisheries regulations improved
- **30%** of MFMR staff skill and capability in fisheries improved
- **10%** of the proportion of fisheries resource management shift from the government to the communities

c. Minimize Post harvest losses in Small-scale fisheries

- Increase **20%** of value addition in fishery sector by the end 2019
- Volume of harvest loses quantity decreased by **50%**
- Reduced human health risks due to consumption of unsafe fisheries products
- National and local policies on product quality and safety established
- Increased physical construction of post harvest facilities
- Improved fish marketing and distribution support
- Increased physical construction of post harvest facilities

d. Commercial fisheries development

- Increased contribution of fisheries sector in terms of GDP (**2%, 2019**)
- Increased export volume and value of marine products by **10%**
- More revenue from Somali EEZ and offshore waters increased
- Trends of fisheries employment in job creation increased by **25%**;
- Illegal, Unregulated Unreported Fishing is decreased by **30 %**;





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6.6 Livestock Plan

Livestock is the backbone of the Somali economy and about 70% of the population 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.

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.

By 2019 the Somali Livestock Sector aims to be a vibrant and commercially competitive livestock sector driven by innovative private and public sectors that contribute to sustainable livelihoods, inclusive economic growth and delivery of the sector essential services.

Strategic Goal 1: *Institutional capacity and infrastructure of the Ministry and Livestock Sector strengthened*

Strategic Goal 2: *Livestock health services improved and productivity of the small holders and large producers increased*

Strategic Goal 3: *Livestock and livestock products trade (in local, regional and international markets) enhanced*

Strategic Goal 4: *National food security, nutrition and food safety systems improved within the livestock sector*

6.7 The Current Situation of the Hydrocarbon and Mineral Sector

The objective of the government is to establish a petroleum and mineral extractive industry that can provide the FGS with access to revenue streams that can fund the socio-economic development of the country.

Table 1: SUMMARY AND OVERVIEW ACTIVITIES OF MPMR

#	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 draft Legislation	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 and 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).



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6.7.1 Challenges of the Petroleum and Minerals 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.

6.7.2 Hydrocarbon and Minerals Sector Development Objectives

The Hydrocarbon and Minerals development objectives of the Ministry are as follows:

1. To exploit the country's hydrocarbon resources to contribute to the early achievement of poverty eradication and to create lasting value to Somali society
2. To develop the mining sector in order to contribute significantly to sustainable national economic and social growth.
3. To 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.
4. To acquire geological data that indicates the prospectively and the potentials of onshore and offshore Somalia.

6.7.3 Sectoral Strategic Policies

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.

6.7.4 Sectoral Development Priorities (From 2017-2019)

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 hyperspectral surveys
 - b. Petrolab: Thin section, slides, mineral and petrographic labs
 - c. Geo-chemical lab
 - d. GIS lab
 - e. Geophysics lab
 - f. Geotechnics lab
 - g. Gem Lab



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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

National Development Plan (2017-2019)





CHAPTER 7

Spatial Development and Perspective in Somalia

7.1 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.

This chapter reviews the current status of development in the regions of Somalia, highlighting the key spatial development issues, emphasising 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.

No.	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	Hiraan	81,379	135,537	252,609	51,160	520,685	4.2
11	Middle Shabelle	114,348	249,326	100,402	51,960	516,036	4.2
12	Banadir	1,280,939	0	0	369,288	1,650,227	13.4
13	Lower Shabelle	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

7.2 The Objectives and Policy Priority of Spatial Development and Planning

Spatial development efforts aim at achieving balanced development across all regions, reducing the disparities and alleviating poverty, between and within different locations in the country.

7.2.1 Spatial Objectives in the NDP

The principle spatial development objectives during the Somali National Development Plan (SNDP) period:

- Reducing 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
- Adopting an integrated development approach among and within the region, by creating development corridors. These corridors are considered to be effective tools in enhancing and managing urban development, as well as facilitating dynamic linkages and movement of development impact from more developed to the less developed spatial centres, through better utilization of the infrastructure that connecting cities and villages within a hierarchical structure of the population settlement and regions of the these established corridors
- Developing economic and social infrastructure in line with the different regions' potentialities and comparative advantage, in an appropriate level of efficiency and effectiveness
- Establish a well-structured and operational federal and regional governance system, with special emphasis on decentralization and consolidated management at regional and local levels
- Reliable and detailed statistical data and information on economic and social conditions of the regions of the Somali economy, are of paramount importance in design and formulating realistic spatial development strategies and plans. Accordingly, it is important to establishing a comprehensive and reliable statistical database on the regional level
- Developing a practical and specific criteria and norms for optimal allocation of resources (investment) and distribution of services among different regions
- Measuring and identifying the regional capacity and capability to delineate the highly economic and development promising investment opportunities
- Promoting and encouraging 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



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7.2.2 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





CHAPTER 8

Social and Human Development Sector

8.1 Education

Like other social sectors, the education sector suffered a lot from the aftermath of the civil war. All the education sector infrastructure had been destroyed. Education institutions and systems have collapsed leading to closure of most of the public schools thus creating huge gap in provision of public education system.

During this period of gap of public provision of education, the private sector emerged to fill the gap created by the war, particularly in the South Central part of the country. The privately run schools merged to form “Education Umbrellas”. There are about fourteen education umbrellas that predominantly run schools (primary, secondary, tertiary).

Despite these challenges, growth in the sector has been noted with improvements in the Gross Enrollment Rates in primary education under stable security environment at 55.6%, of which 62% are boys; a sharp contrast to the 36.8% in the central regions of which 39.4% are boys and 33.3% girls. Irrespective of the growth in total enrollment rates, the level of access to education remains low with net intake rate in the northern parts of the country at 45% compared to 13.9% in central and southern regions. While the overall access to education remains low the challenge for the government has been to reduce the level of dropout in primary education with high level noted in the central regions of 29% compared to the 2.3% in the northern regions with girls having a higher dropout rate than boys.

VISION

Build an adequate, well educated, better skilled and competent workforce that contributes to the economic and human development of the nation.

MISSION

Ensure the provision of accessible, equitable, affordable and quality education services to all people in Somalia.

Targets

1. Increase GER from 50% to 70% by end of 2019;
2. Reduce drop out rates at primary education level by 50% by end of 2019;
3. Increase the number of teachers that demonstrate appropriate classroom competencies, including skills in assessment for learning to 50% by end of 2019;
4. Increase the proportion of the primary and secondary schools adopting revised primary and secondary curriculum to 80% by end of 2019;
5. Increase the proportion of the primary schools who have active community education committees (CEC) to 70% by end of 2019;
6. Increase school administrators (principals and vice principals) who attend certified

- school leadership and management course to 50% by end of 2019;
7. Increase government allocation to the education sector from 3% to minimum 9% by end of 2019;
 8. Increase the number of primary and secondary schools receiving at least one full supervision once every year to 70% by end of 2019;
 9. By end of 2019, policy and legal framework developed, enacted and disseminated to support the regulation of the education and training sector;
 10. By end of 2019, Ministry publishes annual report of performance against targets of the education sector;

8.1.1 Access to Basic Education

During the NDP period, the Government will introduce and implement relevant policies and programmes to increase and make the primary education free and compulsory. Further, the Government will establish partnerships with the parents and the community to advocate and increase the enrollment and retention of children in schools and will create vibrant parent-teacher associations for universalization of primary education.

8.1.2 Secondary Education

During the NDP period, the Government will develop and implement secondary education programmes to expand and improve the learning environment of secondary schools, develop standard curriculum for secondary education, train and recruit adequate qualified and competent teachers as well as improve the retention and completion rates.

8.1.3 Higher Education

During the NDP period, the Government will 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.

8.1.4 Adult Literacy and Skill Development

During the NDP period, the Government 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 Government will establish non-formal and adult literacy department; develop policy, strategy and programme at federal and state level. The Government will develop programmes to train and recruit non-formal education teachers and establish education facilities in remote and rural areas.



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8.1.5 Leadership, Governance and Institutional Capacity 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 Government will develop and strengthen the overall policy and the legal framework of the education sector, strengthen the key management systems and establish conducive working environment at federal, state, regional and district levels. The Government will undertake a feasibility study into relocating Ministry into a single building, and take forward as appropriate.

8.1.6 Quality Education

During the NDP period, the Government will establish standards for quality assurance and develop monitoring and evaluation framework to monitor the quality performance of the sector. Further, the Government will develop and implement national curriculum for both primary and secondary education and provide appropriate and adequate teaching and learning materials.

8.1.7 Teacher training

During the NDP period, the Government will establish teacher training colleges at federal and in the states. The Government will conduct baseline survey 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.

8.2 Health and Nutrition

A new environment is emerging in the Somali health sector. There are recent signs of a slow but persistent improvement in health outcomes. In 2015, maternal mortality ratio was around 732 per 100,000 live births, whereas child mortality rate was 137 per 1000 live births.

The population is estimated to be 13 million in 2016 with 42.5% living in urban areas and 22.8% living in rural areas. 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 constitutes 8.6% of the total population. The key high-risk groups are 2.4 million children 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.

Since the 2011's drought in the country, there is gradual improvement in the nutritional status of Somali children. The latest nutritional data indicate that underweight children are 13.4%; whereas stunting is 12% and wasting is 13.6% in 2015.

Pneumonia and diarrhoea are the major killer diseases among children. Polio transmission has been interrupted in 2015, but routine immunization coverage remains very low as only 42% of children received 3 doses of pentavalent vaccine in 2014.

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 year, 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.

There are about 78 hospitals/ referral health centres, 385 MCH/Health centres and 620 health posts. The total number of available human resources for health is 9,566 in 2014 including 638 physicians, 2,737 registered nurses, 747 registered midwives, 3,650 auxiliary midwives and 179 'Marwo Caafimaad (FHWs)'.

The National Development Plan 2017-19 of Somalia, build upon the development partnership arrangements established through the Somali Compact and New Deal initiative and adhere to the internationally agreed upon principles of international cooperation (Paris declaration, Accra and Busan Action Agenda). The National Development Plan places the revival of economic growth and the reduction of poverty as key challenges for the country and states the government's commitment to improving public service delivery as central to achieving these goals.

The Somali Health Policy, 2014 focuses on health sector investments as part of peace building and poverty alleviation and accords priority to provision of EPHS, strengthening of health systems and focusing on the achievements of health related Sustainable Development Goals (SDGs).

The policy delineates the **overall goals**:

“To improve the health status of the population through health system strengthening interventions and providing quality, accessible, acceptable and affordable health services that facilitate moving towards UHC and accelerate progress towards achieving the health related SDGs.”

In addition to agreed principles of the Somali Compact, the Somali authorities will oversee, coordinate and monitor the implementation of health sector priorities considering following **key principles and values**:

- Universal and equitable access to acceptable, affordable, cost-effective, and quality health services with maximum impact on Somali populations' health to ensure the realization of the right to health.
- Effective, transparent and accountable governance and leadership in managing the different components of the health system with decentralized management of health care service delivery.
- Building effective collaborative partnerships and coordination mechanisms engaging local community, national and international stakeholders and pursuing the aid effectiveness approaches.



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8.2.1 Indicators of success

Considering recent progress in Somali health sector and SDGs to be achieved by 2030, the following impact level indicators will be achieved by 2021:

- By 2021, reduce maternal mortality ratio from 732/100,000 in 2015 to less than 400/100,000
- By 2021, reduce under five mortality rate from 137/000 in 2015 to less than 100 per 1000 live births
- By 2021, reduce Infant mortality from 85/000 in 2015 to less than 70 per 1000 live births
- By 2021, reduce neonatal mortality from 40/000 in 2015 to less than 35 per 1000 live births
- By 2021, reduce the number of children who are stunted by 15% from 12% in 2015
- By 2021, reduce incidence of TB from 285/100,000 per year to <250/100,000

The following outcome level indicators will be the priority in coming years:

- By 2021, increase the coverage of Pentavalent 3 from 43% in 2014 to 80%
- By 2021, increase Skilled birth deliveries from 33% in 2014 to 55%
- By 2021, reduce child wasting from 14% in 2015 to less than 10%
- By 2021, increase Contraceptive prevalence rate (CPR) to >15%
- By 2021, increase TB case detection and treatment success rate from 42% in 2014 to >70%

8.3 Labour and Employment Sector Plan of the NDP

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 computed employment to population ratios for Somalia is 41%. The labour force participation rate is 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).

VISION

Decent and gainful employment for all

MISSION

Create an enabling environment for job creation and dynamic workplaces that meet the needs of workers, 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.

1. Support the labour market to create employment opportunities, increase productivity, economic growth and national competitiveness;
2. Reduce the unemployment rate by 4% per year till 2019
3. Provide all individuals for improved skills to access and gain decent employment and contribute to economic growth and competitiveness in the region;
4. 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;
5. Establish robust social protection system and promote social security and employee welfare;
6. Promote labour relations, improve dispute resolution mechanisms, enhance collective bargaining, mediations, and social dialogue;
7. 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;

The labour and employment chapter of the NDP prioritizes the following areas of intervention:

Employment creation through increased productivity, economic growth and national competitiveness:

Productivity and national competitiveness is a critical pillar for creation of productive and sustainable employment opportunities. The key areas of focus here will be putting in place strategic frameworks to reduce cost 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).

Skills Development:

A skilled, productive and healthy human resource is a major catalyst of national growth, competitiveness and employment. Skills development interventions in 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 attachment and apprenticeships; and promote targeted provision of soft skills within framework of public and private employment services.



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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

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

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.

8.4 Gender Equality

During the NDP period, the Government will implement gender equality in education and mainstream gender in all of its programs with a focus on adolescent girls.

8.4.1 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 9% by 2019**. The Government will explore other ways of generating additional funding for the education sector and will work with the international community (donors, UN and NGOs) to set up a reporting system and data-base of all funds being spent on education sector of Somalia.

8.5 WASH Chapter of the NDP

Somalia is experiencing rapid urban growth, accelerated by internal displacement due to conflict and drought. Urban water supply is relatively low and 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 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.

8.5.1 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;

Goal 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);

Goal 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);

Goal 3: Establish and strengthen the institutional, management and legal framework of the WASH sector for the proper management of water resources as well as hygiene and sanitation services;

Goal 4: Promote community participation, private sector engagement, inter-sectoral coordination and donor partnerships for the holistic and sustainable development of the sector;

Goal 5: Diversify income, increase government allocation and introduce common basket funding to attract more funding to the sector using Sector-Wide-Approach;

Goal 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;



CHAPTER 9

Physical Infrastructure

Infrastructure is subjected to damage and destruction during the course of any conflict with resultant decreased per capita access. As a result, restoration of infrastructure can be a major dividend of peace and is a critical factor in the success of post-conflict recovery. In conflict-sensitive environments, the effectiveness of infrastructure is a contributor to and a barometer to determine whether a society will slip back into violence or make a peaceful transition out of the conflict cycle.

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 planning in Somalia involves at least five key federal ministries

- Ministry of Public Works, Housing and Reconstruction (incl. roads authority)
- Ministry of Ports & Marine Transport
- Ministry of Transport & Civil Aviation
- Ministry of Energy & Water Resources
- Ministry of Post & Telecommunication

The short term (3 years) vision for Somalia's infrastructure is to lay out the foundations of resilient infrastructure systems¹ that will contribute to the countries stability and will provide the necessary services for all (setup the organizational structures & capacity, infrastructure standards, legislations, priorities, strategies, mobilize resources and planning for long term infrastructure development, land and urban planning), while simultaneously rehabilitating, (re)constructing, upgrading, mapping and developing the existing infrastructure systems in compliance with SDGs to 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

Key among the infrastructure sector's development objectives in the period 2017 to 2019 include:

1. Strengthen policy and regulatory frameworks at the Federal Infrastructure Ministries to guide, plan and implement infrastructure development and related social service provision;
2. Strengthen institutional and technical capacities of different infrastructure sub-sectors to be able to plan, implement, operate, maintain and monitor sector specific infrastructure development;

1 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

8.6 Sub-sector Objectives

Sub-sector specific objectives include:

- Improve mobility and connectivity throughout Somalia and to the neighboring region,
- Strengthen urban and territorial planning processes,
- Improve access to clean energy systems and equitable access to safe and affordable drinking water and sanitation,
- Increase access to adequate and affordable housing in particular for IDPs, returnees, the urban poor and other persons in vulnerable situations,
- Provide telecommunication networks that ensure free and rapid flow of information.

8.7 The Main Infrastructure Sector's Programs during the Plan Period

1. 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, assessment and planning, managing, maintenance and procurement of public infrastructure works in Somalia,
- Support the ministries capacity to develop and implement National Development Plan Pillar 3.

2. 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 centers 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.



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3. 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 labor, 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).

4. Roads Improvement Program

- Develop policies and regulatory frameworks to guide future roads maintenance, expansion and related service delivery,
- 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 labor-intensive approaches to roads rehabilitation incorporating appropriate labor policies, standards and procedures,
- Prioritize use of locally produced construction materials to enhance private sector development and employment creation.

5. 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.

6. 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,
- 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.

7. Utility Service Expansion and Affordability Program

- Rehabilitate vital state infrastructure such as key public institutions to enhance social service provision,
- 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. 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.



CHAPTER 10

Resilience

The Resilience Pillar, is a commitment to ensure that peace and prosperity is driven by the participation of all Somali's and by doing so will not only serves current generations but will build a better future for our young people. The Pillar focusses on the concept of resilience with a broad definition and applicability across Somalia. The Resilience Pillar seeks to:

- Draw humanitarian programming closer to the framework for this National Development Plan. This chapter sets out how our international partners will undertake longer-term humanitarian and development programming to build resilience and facilitate the inclusive growth objectives set out in Chapter 9. The Chapter outlines how integrated teams of humanitarian relief and development experts have collaborated on joint analysis and objective setting based upon a common understanding of the underlying causes of recurrent crisis.
- Exemplify coordinated strategic planning around Resilience demonstrating anticipation of risks, vulnerabilities, and clearly specifying links between humanitarian need and development strategies.
- Establishing priorities to addresses threats from crisis and disaster that will erode developmental gains or pose threats to individuals
- Address the key issues of **Social Protection, Food Security, Disaster Management, Diaspora Strategy, IDPs and Returnees, and Natural Resource Management Environment and Climate Change**

Objectives for The Next Three Years

Promote equitable growth and reduce the impacts of conflict, drought, floods and disease outbreaks by:

1. Ensuring that planned investments and strategies contained in the NDP Pillars are prioritised and grounded or translated into State/Regional plans, which prepare to manage anticipated changes in the climate, and reflect the needs and priorities of communities including IDPs, returnees, youth and those who constantly face the threat of disaster
2. Recognising resilience as a cross-cutting issue whereby national and state level efforts should promote resilient communities socially and economically. Need cohesive community organizations to build safety-nets for vulnerable groups to manage hazard events and continuously build the community capacity to reduce the impact of hazards, events, eliminating and reducing vulnerability to a hazard
3. Strengthening the ability of productive & social sectors to respond to changing conditions that offers greater potential to withstand disaster, including natural resource management solutions which decrease local conflict
4. Develop a range of instruments to protect the weakest in society (school fees, remittances, school lunches, free health care, water) in normal times and which can be expanded in periods of crisis
5. Ensure peace dividends by supporting the accountability and transparency of sub-national planning processes (linked to Pillar 5) to build trust across communities

9.1 Resilience Building through Food and Nutrition Security

The National Development Plan lays emphasis on resilience building in order to enhance approaches that promote sustainable food and nutrition security in a shock-prone context. Somalia subscribes to and is committed to the realisation of the global Sustainable Development Goals (SDGs). The SDGs are an integral part of the current NDP including Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture as well as Goal 3 and Goal 4 related to improvement of basic social services.

Food security trends mapped over the last 8 years showed the following:

- The seven and a half-year average of affected populations amounts to approximately 1.3 million people, including 920,000 rural and 427,000 urban populations. Of these, around 585,000 people represent a core group, defined through the two lowest numbers of affected populations over the last seven years.
- The two highest emergency peaks (2009 and 2011) have an average of 2.4 million people affected.
- Thus, the difference between the average and emergency peaks amounts to around 979,000 people

9.1.1 Planning priorities

While addressing the immediate food and nutrition needs and access to basic social services, the National Development Plan envisages an integrated approach involving various Government line Ministries and development partners, with policies and programmes address the underlying causes of food and nutrition insecurity with the aim of building resilience.

1. Strengthening producers' capacity to increase availability of food through enhanced production, productivity, deepen households' ability to access food through increased opportunity for diversified and sustainable livelihood/employment opportunities, include support to local markets to promote local production
2. Improving and deepening the provision of social services including health, nutrition and education services where communities prioritize, plan, manage and provide feedback on the services provided is also then a key strategy to achieve resilience and food security.
3. Mitigating the severity of recurrence of natural disasters in Somalia, including floods and drought, calls for a critical consideration of dedicated measures to provide safety nets to vulnerable communities whose coping strategies have diminished due to persistent shocks. Specifically, through the establishment of a robust system of social protection that addresses the predictable needs of all groups throughout the life cycle, including through the provision of basic social safety nets that cushion vulnerable communities facing extreme food shortages due to unexpected seasonal variations or shocks.



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4. To reducing the exposure of Somali markets to exogenous price shocks, the National Development Plan envisages a feasibility assessment of establishing national grain and fodder reserves at the regional & federal levels.
5. The Plan also provides for improvement of emergency preparedness and response through the strengthening of the Somalia Disaster Management Agency at the national level as well as disaster management authorities at the regional level.
6. The Plan also prioritises integration and protection of excluded groups such as displaced persons (whether inside or outside of Somalia), women, elderly, sick and disabled, and marginalized groups who are often most vulnerable will be a further focus.

9.2. Social Protection

Social protection is an essential tool in tackling poverty, facilitating economic growth, and promoting equity and opportunity, enabling all Somalis to fully participate in development.

under the National Development Plan and consistent with social protection targets in the Sustainable Development Goals, Somalia will prioritize the development of government-led, social protection programs that provide predictable support to vulnerable populations. Developing a comprehensive social protection system addressing a full set of vulnerabilities will take time; the priority in the first phase will be to lay the foundation for programs to (i) mitigate the impacts of natural, man-made, and life-cycle shocks, particularly for the most economically and socially vulnerable households; and (ii) assist marginalized populations to access core social services and economic development opportunities.

9.2.1 Major Strategies:

The identification of vulnerable households will be supported through the design and development of an **integrated information management system** to support comprehensive and accurate targeting. Socially-excluded groups that are often overlooked through such systems will be prioritized, recognized and included. Somalia will also develop an effective system for **monitoring and evaluation**, allowing for adequate periodic review of program performance.

Somalia will develop a **comprehensive strategy**, setting out legislation, policies and plans and identifying institutional arrangements. This will include an **implementation plan** for the gradual roll out of safety net programs, allowing a move away from smaller programs into coordinated and complementary systems that can be achieved at scale. As part of this shift, government will explore opportunities to **formalize existing local systems of social solidarity and support** such as zakat to enhance social protection development. Opportunities to **link existing complementary social services** to safety nets and the development of social protection systems will also be explored, as well as the potential role of and engagement with the private sector.

The strategy will also lay the foundations for clear and transparent **data based targeting**, building upon the work already completed on a Somalia Social Protection Framework and existing social protection programs, and develop locally appropriate **definitions of vulnerability** that are inclusive of traditionally excluded groups. If possible such systems will be linked to upcoming **national registration** exercises.

9.3 Durable Solutions for the Displaced

The displaced Somalis are presently scattered throughout Somalia and neighbouring countries in camps and unplanned informal settlements. In Mogadishu alone there are an estimated 369,000 IDPs, of which 60% are under the age of 18 with limited education as only a third attended school, mostly Madrassas. Alarming for them as well as for local to national security and development, 57% of those above the age of four cannot read or write. The limited education, unemployability and poverty of the majority of youth make them highly susceptible to indoctrination and recruitment by radical groups like Al-Shabab.

The IDPs living in camps face many difficult problems, including chronic insecurity and gross violations of their basic human rights, especially by “gatekeepers” who are the unofficial and unscrupulous “managers” for many camps. They control access to the camps, divert aid and mismanage the delivery of services to IDPs who have sadly become “the hostages of gatekeepers”. In Mogadishu alone, there are an estimated 1,100 “gatekeepers”. Many IDPs, especially young women and children, are also exploited by inhuman traffickers who falsely promise them lucrative jobs abroad.

9.3.1 Key objectives

As so many families have been displaced for so long, a top priority and goal of the new National Development Plan is to reduce significantly the number of IDPs and improve the living conditions, education and economic prospects for the rest. Key objectives include:

- To protect and strengthen the social, economic and human rights of IDPs and returnees so that they can enjoy more peaceful, productive and dignified lives;
- To reduce the number of IDPs by at least 50% by 2019 through developing and implementing durable solutions for integrating all IDPs and returnees into mainstream life by 2022;
- To complement humanitarian relief efforts for improving the living conditions of IDPs and returnees with accelerated local to national development programmes;
- To undertake major new youth and adult education programs to improve the ability of IDPs and returnees to help themselves and also contribute to national development.

Durable solutions are achieved when IDPs no longer need specific protection and assistance and can enjoy their human rights without discrimination due to their displacement. Key initiatives to be undertaken during 2017-19 for achieving durable solutions include:

1. Update and improve the 2012 estimates of displaced persons at the district, regional and national levels, including better data on their socio-economic conditions and challenges (see the maps on IDP distribution in Annex 2).
2. Adopt and implement fully the National Policy Framework on Displacement developed by the Ministry of Interior in 2015 and ensure harmonized approaches and policies for IDPs at the national, state and local levels;
3. Prepare urgent contingency plans for emergency humanitarian support, protection, registration, relocation and reintegration for over 330,000 refugees likely to be forcibly expelled by Kenya from the five refugee camps in Dadaab . Special care should be given to women, unaccompanied children and the elderly;





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4. Protect and defend the human rights of displaced people enshrined in the Universal Declaration of Human Rights, the UN Guiding Principles for IDPs and the African Union's Kampala Convention on IDPs;
5. Improve the understanding and implementation of international legal principles, norms and instruments on the rights and treatment of IDPs and refugees through expanded staff training programmes in key national Ministries and local authorities who deal with IDPs;
6. Establish special reintegration advisory services and facilities for IDPs and returning refugees, including support and cooperation with local authorities on ensuring their access to affordable health, water, education, sanitation, housing and other basic services;
7. Involve the IDPs, returning refugees, local authorities and host communities in the planning of the new reintegration programmes in order to reduce misunderstandings and tensions and improve the chances of successful reintegration;
8. Develop new youth employment programmes as an urgent and top priority, including targeted and large-scale vocational training initiatives to enable IDPs and returnees to qualify for jobs in the public and private sectors and contribute to national development;
9. Create new and large-scale literacy, numeracy and skills training programmes for women IDPs and returnees, including training on managing small businesses linked to new savings and microcredit programmes and facilities to help their families escape poverty;
10. Provide, as a strategic investment in their and our country's future, a modest allowance to the children of IDPs and returning refugees as an incentive for them and their families to ensure they attend and remain in primary and secondary school;
11. Undertake special cash for work ventures giving male and female IDPs and returning refugees priority in training and hiring for expanded public infrastructure projects such as the rehabilitation or construction of roads, water/sewage systems and low-cost housing;
12. Review and improve the legal framework for the fair and humane treatment of vulnerable IDPs threatened with eviction from public and private property to ensure reasonable protection and respect for the needs and rights of all parties;
13. Adopt and enforce new laws and measures for interdicting and prosecuting unauthorized "gatekeepers" who exploit the vulnerable families in IDP camps and informal settlements and replace them with well-trained and reliable managers;
14. Establish legal 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;
15. Provide special support and incentives for encouraging the private sector to engage and invest in the development of land, low-cost housing and infrastructure, especially in areas where the evictions of IDPs are most prevalent;
16. Strengthen the capacity of the Disaster Management Agency (DMA) to anticipate and prevent or mitigate the adverse impacts of natural disasters and to coordinate government efforts to reduce the future displacement of vulnerable communities.

9.4 Natural Resource Management Environment and Climate Change

Environment and natural resources in Somalia are valuable national assets that must be sustainably managed for present and future generations. They offer a range of benefits and opportunities for local and national economic development, improved livelihoods and provision of environmental goods and services. Despite being the foundation on which sustainable development is anchored, there are many environmental disaster issues and challenges facing this nation.

Notable drivers of environmental disaster are high rates of population growth, inappropriate technology, unsustainable consumption and production patterns, increased incidences of poverty, climate change and civil war. Furthermore, urban environmental disorder, through lack of appropriate Solid waste management and sanitation systems, deforestation and transport related Air pollution, adversely impact on air, water pollution, soil quality and human health and wellbeing.

The NDP will over the next three years develop a **National Environmental Protection Policy** as well as a **charcoal management system**, as well as an **environmental awareness campaign** at state and federal level to also be included in the newly developed school curriculum.

Finally at the end of the NDP, we foresee the adoption of a **National desertification policy**,



CHAPTER 11

Aid coordination and management

10.1 Introduction

This Chapter addresses the current challenges for maximising aid effectiveness in Somalia in the context of the National Development Plan (2017-2019). 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 also 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. While the FGS obviously plays an important role, it is equally important to ensure that the Federal Member States are appropriately included in the mechanisms.

The NDP articulates the short-medium term aspirational priorities for the FGS. Strong linkages to the annual budget for FGS are key; to ensure plans are brought to fruition in the shorter term and are aligned with operational funding plans. In this regard the fiscal space available to the FGS is assessed as severely constrained over the term of the NDP. Somalia has agreed a Staff Monitored Programme with the IMF with a set of quantitative targets including a zero fiscal balance with no accumulation of new arrears. At present the FGS has a salary centric budget, with staff costs consuming almost 40 percent of the budget. Security costs are also a large share of the budget.

The government feels that programme concepts are often developed with little government participation. Moreover, the majority of development activities are delivered outside of the SDRF funding windows anyway. 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; as is linkages to the annual budget preparation cycle. The government's view is:

1. The entry point for all projects must start with government involvement;
2. All interventions must be aligned with national priorities;
3. All projects must have inclusive project boards (government, donor, implementing agency, local authority, civil society)
4. Projects must have implementation and reporting mechanisms at exit point

The focus for the government now is to participate more in decision-making and to bring all major projects into the purview of the SDRF. The government will work with DPs to implement the **Use of Country Systems (UCS) Roadmap** as a way of maintaining focus on developing national systems. The National Development Plan 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 confidence in the PFM and in the overall country system. 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 utilised to inform renewed priorities under the **PFM Reform Action Plan until 2020**.

Aid effectiveness is also seriously hampered by the absence of solid data concerning inputs and results. This has meant that Value for Money (VfM) is extremely difficult to assess, a serious problem for both the government and donors. The Government therefore requests investment to be made to allow debate around VfM to be based on evidence.

10.2 Tackling National Capacity Constraints

The government system (at federal, state and district levels), civil society as well as the private sector are constrained to undertake the tasks at hand. The NDP outlines a series of actions that will address these capacity constraints. These include:

- strengthening the institutional and organizational arrangements, administrative reforms
- legal arrangements, the role and responsibility distributions between different levels of government and within individual institutions
- Individual capacities of the staff, and
- investments needed to establish functioning institutions, in terms of infrastructure, equipment and operational environment

Capacity continues to be constrained by the security environment at all levels of Government. Insecurity affects basic service delivery and hinders economic development. The staff working for most of our international partners do not reside in Somalia and only a limited number of consultants are able to work closely with the government. Despite their experiences in similar countries, it appears that the cost of these deployments has been found to far exceed initial donor estimates and hence programme funding.

Partnership Principles (PPs) which continue to be in line with the Somali Compact and the New Deal. The NDP provides a short-medium term view of annual priorities expressed in the budget and replaces the statements of national priorities in the Compact. Therefore, the PPs explain how the Government and DPs will work together.

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:

- Restate the government's adherence to the fundamental development values that it has adhered to throughout the life of the Somali Compact;
- 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;



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- 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;
- 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;
- Set out clear statements that describe the priority actions required from different stakeholders to address the challenges identified in section 2 and the key development challenges identified in the NDP;
- 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;
- 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 aligned to national priorities/targets before agreeing to approve projects.¹
- Streamline policy and procedural conditions by adopting common standards and frameworks established nationally and agreed to in international fora and conventions
- Strengthen its partnership with donors by encouraging information sharing and policy dialogue at both sectoral and programme levels

The Government seeks cooperation from its DPs to channel more funds through the Core Budget, an important step for enhancing financial management systems. Channelling aid through already established trust funds would be the second preferred option as this would permit the Government to access these funds on an as-needed basis. Pooling of donor funds also significantly reduces the duplication of effort and leads to better coordination, management, and effectiveness of aid. More generally, the government seeks:

- From outside MPTF funding toward more MPTF funding channel
- From majority international window funding to more national window funding with a focus on stepping up direct support to the Federal states
- From more MPTF funding channel to more on-budget funds
- An increase in funds for major Infrastructure and enhanced speed of delivery

¹ The FGS considers 'effectiveness' to be the extent to which the development intervention's objectives were achieved, or are expected to be achieved. Somalia's partners believe in aid effectiveness because they are primarily concerned that their aid programmes produce results such as reduced poverty and better health outcomes. A programme or project which is not effective cannot, by definition, offer Value for Money (VfM); this is not because of high or unnecessary cost, but because it did not even achieve its intended results in the first place.

The government recognises that DPs ability to sustain aid flows depends on the delivery of the government to the mutually agreed commitments, including increased domestic revenue to reduce government's reliance on aid. Both DPs and the Government agree that improved governance has a direct bearing on development performance and will aim to develop projects that improve institutional capacity and improve governance.

10.3 Revised Reporting and Monitoring Arrangements

In order to monitor progress in the implementation of the Partnership Principles and the Use of Country Systems Roadmap the government and development partners agree to establish a monitoring framework with the following components:

1. Monitoring the performance of the NDP. This will allow government and the regions, civil society and development partners to assess the achievement of development outcomes using the M&E framework proposed for the NDP and set out in Chapter 13
2. Monitoring of government and development partner performance individually and collectively in the implementation of the Partnership Principles. The indicators for monitoring these commitments will be reviewed periodically by the Technical Secretariat under the guidance of the SDRF Steering Committee. The Technical Secretariat will produce a new baseline assessment six months after the approval of the NDP and the PPs
 - a. Monitoring activities and outcomes at the country level whilst also contributing to joint global commitments
 - b. The 'matrix' and indicators monitor the actions to implement the principles – they are flexible, light, robust, and government led and owned, drawing mostly on existing data.
 - c. The process of monitoring should encourage consultation and engagement between FGS and DPs. Civil Society has a number of entry points into the monitoring framework
 - d. Proposed use of third party assessment - at the end of the budget year a third party independent assessment will be made through a consultant contracted by FGS. This independent overview will provide reassurance to both donors and the government that mutual accountability is on track.



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