SOMALI RECONSTRUCTION AND DEVELOPMENT PROGRAMME

DEEPENING PEACE AND REDUCING POVERTY

VOLUME IV : SOMALILAND

Draft—October 15, 2007
PREFACE

The main objective of the United Nations (UN)/World Bank (WB) Joint Needs Assessment (JNA) was to assess needs and develop a prioritized set of reconstruction and development initiatives to support Somali-led efforts to deepen peace and reduce poverty... A series of consultations were held with government and parliament, business people, women’s groups, youth groups, religious leaders, professionals, traditional leaders, civil society organizations (CSOs), research groups and the private sector, and teams of Somali and international technical experts worked together to assess priority needs and develop strategies. In-depth discussions were also held with key representatives from donors, international non-governmental organizations (NGOs), and UN agencies and WB missions. To ensure ownership and participation of Somali stakeholders, consultative workshops were organized in collaboration with UN/WB to identify and discuss priority needs and proposed areas of interventions.

The assessment process was based on four main sources of information:
- existing studies, as well as academic sources, documentation from ongoing donor and UN development programmes and resource materials from the Somalia Aid Coordination Body (SACB);
- questionnaire-based fieldwork undertaken by Somali experts in all regions;
- consultation and validation workshops held in-country; and
- selected joint field visits by international and Somali experts.

Finally a broad-based field assessment was conducted, covering the following six cluster areas:

I. Governance, Safety and the Rule of Law
II. Macroeconomic Policy Framework and Data Development
III. Infrastructure
IV. Social Services and Protection of Vulnerable Groups
V. Productive Sectors and the Environment
VI. Livelihoods and Solutions for the Displaced

In addition, these six areas were permeated by the following cross-cutting issues:
- peace building, reconciliation and conflict prevention
- capacity building and institutional development
- gender equity and human rights.

The Somali Reconstruction and Development Programme (RDP) builds on the recommendations provided by the JNA cluster reports. The RDP is a pro-poor instrument for deepening peace and reducing poverty, premised on three pillars of priority needs, key strategies and priority actions which cover:
• deepening peace and security and establishing good governance
• investing in people through improved social services
• establishing an enabling environment for rapid poverty-reducing development.

The three pillars are interdependent, and for each, specific attention has been paid to define a strategy and priority outcomes and related initiatives. For each area of intervention, the strategies, costing and implementation plans are detailed in the Results-Based Matrices (RBM’s) presented in the cluster reports. These are available at www.somali-jna.com.

The architecture of the RDP conforms to the rationale that Somali priority needs should be addressed in an integrated and cohesive manner—from a national perspective—while at the same time reflecting the unique and special reality of the diverse Somali contexts. The RDF comprises five volumes as follows:

Volume I        Synthesis Report
Volume II       South and Central Somalia
Volume III      Puntland

Volume IV      Somaliland

Volume V        Six Cluster Reports

The RDP Synthesis Report (Volume I) is a summary of all the issues prioritized in the thematic Cluster Reports (Volume V), covering South-Central Somalia, Puntland and Somaliland. The geographic and programmatic parts of the RDP (Vol. II-IV) represent contextualized presentations of priority needs and actions based on the three strategic pillars and the matching overarching strategies. These documents will also serve as reference points for funding and monitoring the implementation of the respective programmes. The strength of these reports lies in the fact that they reflect faithfully the unique geographical/administrative sets of assessed priority needs, each matched to tailored sets of strategies addressing these needs.

The draft Somaliland RDP report was reviewed together with the EC/Norway Country Strategy Paper (CSP) by a wide range of Somali stakeholders representing the public and private sectors as well as the civil society at a Consultative Workshop in Hargeissa in January 2007. The recommendations of this consultative workshop and of the February 2007 Women’s Symposium in Entebbe were incorporated into this report.
GLOSSARY OF ACRONYMS

AfDB  African Development Bank
CDD  Community Driven Development
CEM  Country Economic Memorandum
CEO  Chief Education Officer
COMESA  Common Market for Eastern and Southern Africa
CSC  Civil Service Commission
CSO  Civil Society Organization
DDR  Disarmament, Demobilization and Reintegration
EC  European Community
EOD  Exploded Ordnances Disposal
FAO  Food and Agriculture Organization
FCC  Federal Constitutional Commission
FGM  Female Genital Mutilation
FMA  Financial Management Agency
FPENS  Formal Private Education Network in Somalia
FSAU  Food Security Analysis Unit
GAM  Global Acute Malnutrition
GDP  Gross Domestic Product
GER  Gross Enrolment Rate
GNP  Gross National Product
HIV/AIDS  Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HIPC  Heavily Indebted Poor Countries
IDA  International Development Association
IDPs  Internally Displaced Persons
IFC  International Finance Corporation
IGAD  Intergovernmental Authority on Development
IMF  International Monetary Fund
IWM  Integrated Water Management
JNA  Joint Needs Assessment
LAS  League of Arab States
MCH  Mother and Child Health Centre
MDG  Millennium Development Goal
NFE  Non Formal Education
NGO  Non-Governmental Organization
NPV  Net Present Value
NRM  Natural Resource Management
NSSP  National Security and Stabilization Plan
ODA  Official Development Assistance
OECD  Organization for Economic Cooperation and Development
OPD  Out-Patient Department
PA  Procurement Agent
PPP  Purchasing Power Parity
RDP  Reconstruction and Development Programme
REO  Regional Education Officer
SACB  Somali Aid Coordination Body
SAGRA  Somali Agronomists Association
SATG  Somali Agricultural Technical Group
SSA  Sub-Saharan Africa
SVA  Somalia Veterinary Association
TB   Tuberculosis
TFG  Transitional Federal Government
TFIs Transitional Federal Institutions
TFP  Transitional Federal Parliament
TVET Technical and Vocational Education and Training
UNDG United Nations Development Group
UNICEF United Nations Children’s Fund
UNDP United Nations Development Programme
UNOSOM United Nations Operation in Somalia
WB   World Bank
WHO  World Health Organization

CURRENCY EQUIVALENTS
(Exchange Rate Effective 31 March 2006)

<table>
<thead>
<tr>
<th>Currency Unit</th>
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</tr>
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<tr>
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<td>= 6,400 Somaliland Shillings</td>
</tr>
<tr>
<td>Somaliland Shillings 1.00</td>
<td>= US$ 0.00016</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS

1. BACKGROUND CONTEXT ........................................................................................................ 1
   A. INTRODUCTION .................................................................................................................. 1
   B. SITUATION ANALYSIS ........................................................................................................ 2
      (i) Sustainable reconciliation and architecture of government .............................................. 2
      (ii) Socioeconomic profile ................................................................................................... 6
      (iii) Constraints to improved delivery of services ............................................................... 9

2. CORE OBJECTIVES AND PRIORITY ACTIONS .................................................................. 12
   A. IMPROVING SOCIAL SERVICES ....................................................................................... 15
      (i) Improving social service outcomes ............................................................................... Error! Bookmark not defined.
      (ii) Coordinated strengthening of delivery mechanisms .................................................... 20
   B. ENABLING THE ENVIRONMENT FOR SUSTAINED ECONOMIC GROWTH .............. 23
      (i) Sustainable growth and livelihood strategies ............................................................... 25
      (ii) Improving infrastructure ............................................................................................. 28
      (iii) Enabling and regulatory framework ........................................................................... 28
      (iv) Ensuring sustainable natural resource management ................................................... 30
   C. DEEPENING GOOD GOVERNANCE AND INSTITUTIONAL CAPACITY ................. 30
      (i) Administrative government .......................................................................................... 31
      (ii) Participatory governance ............................................................................................. 36
      (iii) Judicial governance and dispute resolution mechanisms ........................................... 36

3. IMPLEMENTATION, COORDINATION AND MONITORING ARRANGEMENTS .................. 36

4. CONSOLIDATED RESULTS-BASED MATRIX FOR DEEPENING PEACE AND REDUCING POVERTY .......................................................... 40
EXECUTIVE SUMMARY

1. **Background.** Somaliland’s reconciliation model is unique in international experience of peace building and local reconciliation, and has benefited from a remarkable understanding and incorporation of key cultural and societal features. Following the fall of Siad Barre in 1991, Somaliland quickly declared independence from the rest of Somalia on 18 May 1991 and a parliament was established by consensus. Nonetheless, Somaliland has yet to be recognized by the international community as an independent state. Several peace conferences were held in various parts of Somaliland involving local, regional and national stakeholders, leading to a more comprehensive, three-month-long Reconciliation Conference of clan elders and prominent personalities in Boroma in early 1993. In addition to issues directly dealing with reconciliation, the conference elaborated on and adopted a national charter for Somaliland, elected a president and vice-president and formed a new parliament, all by consensus. While the peace and reconciliation has experienced several setbacks, extensive reliance on traditional leaders and customary dispute resolution mechanisms ensured that peace prevailed.

2. **The governance system,** established after the declaration of independence and strengthened during the Boroma Conference, builds on a remarkable fusion of western-style democratic institutions of government and reliance on traditional leaders and forms of social and political organizations. The executive branch is headed by a directly elected president, while the legislative branch consists of an elected House of Representative and a Senate or House of Elders. Among key milestones in the democratization process so far has been the adaptation of new Constitution in 2001, local elections in 2002, and presidential elections in 2003. The democratization process culminated with the first multiparty parliamentary elections on 29 September 2005, which fielded 246 candidates and resulted in the opposition gaining a majority in Parliament. Despite this, to the credit of Somaliland’s unique brand of democracy, a minority party has been allowed to govern. Presidential elections are scheduled for 2008.

3. **Objectives.** The Reconstruction and Development Program (RDP) for deepening peace and reducing poverty in Somaliland is set in the larger context of the Somali RDP. It attempts to capture the priority needs of Somaliland and outlines a prioritized set of recommendations and development actions to address these needs. The Program is designed to further the achievements of Somaliland in restoring law and order, re-establishing public institutions for good governance and social services delivery, and reviving the private sector. It builds on the unique experiences of Somaliland in reconciliation, peace-building, recovery, reconstruction, and renewed development.
The development effort is reinforced by the remarkable resilience and resourcefulness of the people of Somaliland, especially in creating a vibrant and engaged private sector and civil society capable of contributing significantly to development initiatives.

4. Key Needs and Priority Actions. Somaliland’s fairly well developed public Administration, reinforced by the continuing peace and stability, a budding democracy and a vibrant private sector, has achieved much but increased efforts are now needed to provide the underpinnings for sustainable and equitable poverty reduction, including improved service delivery and income earning activities. Most social economic indicators show Somaliland faring better than Puntland and South-Central Somalia. The vision of the Somali RDP Program to deepen peace and reduce poverty, premised on the three-pronged approach and structured on the three pillars, synchronizes with Somaliland’s priorities that focus on:

A. Investing in people through improved social services (especially education, health, water and sanitation) to save lives and to raise human skills, and actions to address the needs of specific vulnerable group such as women, children and the disabled.

B. Establishing an enabling environment for poverty reducing sustained growth by expanding opportunities for employment and improving food, security through better infrastructure, policies and actions to overcome constraints facing productive sectors, and ensuring protection of the environment and sustainable use of natural resources.

C. Deepening peace, improving security, and establishing good governance through the strengthening of core public and private sector institutions and conflict preventing and resolving mechanisms.

In January 2007, a Consultative RDP Workshop was held in Hargeisa which involved the executive, the legislative as well as non-state actors. The priorities presented in the Somaliland RDP were discussed and debated in the workshop and this revised Somaliland volume takes into account and incorporates the recommendations of the consultation. In addition, the recommendations arising from the review of the EC/Norway Country Strategy Paper (CSP), conducted during the same consultative workshop, were also integrated into this report. Finally, Somaliland participated in the Entebbe Women’s RDP Symposium and recommendations of this consultation are also reflected in the present report.

5. Somaliland’s first priority -- investment in people through improved social services-- is intended to produce tangible improvements in social indicators which are central not only to further deepening of peace and to poverty reduction, but also to the sustainability of the current development efforts in Somaliland.
Although significant progress has already been made in terms of improved access to basic social services facilitated by the establishment of relevant and necessary ministries and policies for social services delivery, the continued engagement of non-government actors in this work is vital.

6. The second general priority of Somaliland—establishment of an enabling environment for poverty reducing sustained economic growth—focuses on the development of the country’s rich natural resources, judicious management of its environment, and strengthening of its weak infrastructure and financial services. The strategy is pivoted on supporting the already vibrant Somaliland private sector to strengthen the key economic sectors and broaden off-farm income-earning opportunities as essential foundation for reducing poverty.

7. Somaliland’s third priority— the deepening of peace, improvement in security and strengthening of good governance—is selected against the background of significant achievements the regions has already realized. Somaliland has established elements of good and accountable governance but further work is needed as part of the reconstruction and development efforts. This will ensure that progress so far made on internal reconciliation is consolidated, and the government is given the means to guide the implementation of this pro-poor program.

8. In order to achieve a comprehensive socio-economic development of Somaliland, it is very important that the interventions in all of the three above-mentioned areas take into account the needs and priorities for women, to finally ensure a gender balanced society with equal representation of women in key decision making political and economic sectors.

9. Whereas the on-going insecurity and instability makes the immediate implementation of many of the elements of the RDP problematic, especially in South-Central Somalia, given the progress already made by Somaliland and Puntland, it is possible to implement well-balanced and cautious programs focused on improving governance, strengthening social services and facilitating private sector-led economic development.
SOMALILAND RECONSTRUCTION AND DEVELOPMENT FRAMEWORK

1. BACKGROUND CONTEXT

A. INTRODUCTION

1.1 Since the beginning of the 1990s, Somaliland has seen remarkable progress on many fronts, not least in a unique reconciliation process, the creation and implementation of functioning governance and judiciary systems, and a democratization process that has led to free and fair elections and a multiparty legislative system. This has been made possible primarily through the active involvement of a vibrant private sector, non-governmental organizations (NGOs), civil society, the participation of traditional leaders, and large inflows of remittances.

1.2 This Somaliland volume of the Reconstruction and Development Programme (RDP) is based on the findings of the Joint Needs Assessment. While Volume I of the RDP outlines the broad elements of the framework, this report provides a clearly outlined and prioritized plan for achieving progress over the next five years in Somaliland, building on recent achievements and addressing key challenges. An underlying theme is that Somaliland is in a state where it can make the final step from recovery towards development, but that targeted and increased efforts are needed combined with increased external assistance to make rapid and sustained progress.

1.3 The following section reviews the current situation and highlights key achievements and constraints to continued development. Section 2 provides a targeted vision for reconstruction and development in Somaliland over the next five years, focusing on improving people’s lives through equitable access to basic social services, accelerated economic growth, poverty reduction and progress against the MDGs, and the deepening of an effective, transparent, participatory and decentralized system of governance.
B. SITUATION ANALYSIS

1.4 Somaliland has seen a remarkable recovery over the past decade and a half, despite being particularly badly affected by the civil war between 1988 and 1991, and having twice sustained civil strife (1992 and 1994-96). Reconstruction and development efforts since the mid-1990s have been significant, in particular given the limited external support made available. However, development has been unequal across sectors and regions, and Somaliland is still far below the African average for many key social and economic indicators. The following section will briefly highlight the current situation with regards to governance and socioeconomic developments.

(i) Sustainable reconciliation and architecture of government

1.5 Reconciliation. Somaliland’s reconciliation model is unique in international experience of peace building and local reconciliation, and has benefited from a remarkable understanding and incorporation of key cultural and societal features. Following the fall of Siad Barre in 1991, Somaliland quickly declared its independence from the rest of Somalia on 18 May 1991 (although this has yet to be recognized by the international community), and a parliament was established by consensus. Several peace conferences were then held in various parts of Somaliland, involving local, regional and national stakeholders, leading up to a more comprehensive, three-month-long Reconciliation Conference of clan elders and prominent personalities in Boroma in early 1993. In addition to issues directly dealing with reconciliation, this conference elaborated on and adopted a national charter for Somaliland, elected a president and vice president and formed a new parliament, all by consensus. It is important to highlight that the success of the reconciliation model was made possible due to the large involvement of traditional leaders and use of customary dispute and conflict resolution mechanisms. The success is further emphasized by the fact that the new government was able to successfully tackle the demobilization and disarmament of the Somaliland National Movement militia, and incorporate these into the new police, military and custodial corps. Largely as a result of these efforts, Somaliland has experienced relative peace a calm, and been able to deepen structures of democratic and participatory governance.

1.6 While the peace and reconciliation efforts experienced several setbacks, extensive reliance on traditional leaders and customary dispute resolution mechanisms ensured that peace prevailed. However, while peace and democratization have so far been sustained, it is important to note that the progress is still fragile, and that continued efforts are needed to ensure that recent achievements are consolidated and not reversed. Remaining major obstacles that need a political solution include the ongoing conflict with Puntland over the regions of Sool and Saanag, negotiations regarding Somaliland’s claim for independence, and the recent rise in religious fundamentalism.

1.7 Successful disarmament and reform of the security sector, as well as a successful resettlement process for internally displaced populations and returning refugees, were key achievements of the reconciliation process. Between 1998 and 2003 about 164,000\(^1\)

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\(^1\) Ministry of National Planning & Coordination, Somaliland, 2004; Somaliland in Figures 2004.
returnees arrived in Somaliland, of which the majority were successfully resettled. However, there are still about 15,000 military remaining, of which about 5,000 need to be disarmed and demobilized. Progress with this remains a necessary condition for further consolidation of peace and deepening of good governance.

1.8 **Democratization.** The governance system that was established following independence and deepened during the Boroma Conference builds on a remarkable fusion of Western-style democratic institutions of government and reliance on traditional leaders and forms of social and political organization. The executive branch is headed by a directly elected president, while the legislative branch consists of a Senate and an elected House of Representatives. The Senate – or House of Elders – is composed of 82 traditional elders, who are selected on a clan basis. Their main responsibility is to further the reconciliation process, and to provide a link between the traditional structures and the democratic governance system. The House of Representatives consists of 82 members elected for a period of five years. They are responsible for passing legislations and the national budget, along with general monitoring of public expenditures and implementation of policies. Under-representation of women (2 members out of 82 equivalent to only 2.4%) narrows the level of democratization of the legislative branch.

1.9 Among key milestones in the democratization process so far has been the adoption of the new Constitution in 2001, local elections in 2002, and presidential elections in 2003. The democratization process culminated with the first multiparty parliamentary elections on 29 September 2005, which fielded 246 candidates and resulted in the opposition gaining a majority in Parliament. Despite this gain by the opposition, to the credit of Somaliland’s unique brand of democracy, a minority party has been allowed to govern. Presidential elections are scheduled in 2008.

1.10 **Judiciary.** Somaliland is currently governed by three separate judiciary systems, which often operate in parallel. Customary law (*xeer*) – the set of rules and obligations developed by traditional elders to mediate peaceful relations between competitive clans and subclans – was crucial in the above mentioned reconciliation process and still plays an important role, in particular as a dispute resolution mechanism. Secondly, the formal judiciary structures are fairly well developed, with a three-tiered system of Supreme, District and Regional Courts. Lastly, the religious *shari’a* law operates on the basis of the Quran. While these three systems play important complementary roles, and contribute to the relative stability of Somaliland, the current constitution does not adequately address their co-relations, in particular in cases with overlapping jurisdiction. As a result the judiciary is in many instances operating in a legal vacuum, and findings indicate that this sometimes prevent established rule of law institutions from executing their mandates.

1.11 **Government structure and institutions.** Significant progress has been made in establishing the necessary institutions and procedures of government. Somaliland currently has 40 ministries and government agencies, and four autonomous public agencies, including the port authority, the central bank, and water and electricity authorities. The central government prepares annual budgets, collects a limited amount of revenue, employs about 5,600 staff, and provides some degree of public goods and services. A three-tiered system of decentralized governance has been adopted, and
provides for a significant amount of autonomy to local authorities. Currently there are six administrative regions (Hargeisa, Togdher, Sanag, Awdal, Sool, and Sahil) and 42 districts, which are managed and financed by the Ministry of Interior. Despite significant capacity constraints, Somaliland is also engaged with the devolution of financial and administrative responsibility to elected district councils as important steps leading to full decentralization.

1.12 Although devolution of financial and administrative responsibilities can increase government focus on poverty reducing measures and policies by bringing decisions closer to affected populations, there are major constraints to implementing this system in Somaliland, including the lack of own-source revenue and human resources, weak fiscal management, and an underdeveloped local government. The total budget in 2005 amounted to US$ 23 million, of which 80 percent of the revenue originated from Berbera port. The fiscal envelope is primarily constrained by weak revenue collection capacity, while on the expenditure side, recurrent and operational costs account for above 80 percent of the budget, while development expenditure is estimated at about 7 percent. A remaining concern is the continued large security-related costs, which significantly constrains the fiscal space. Discussions also indicate that the annual budget is not prepared through a consultative process, that there is little link between plans and budgets, and little accountable financial management.

Table 1: Expenditure and Revenue, 2005

<table>
<thead>
<tr>
<th></th>
<th>SISh (million)</th>
<th>US$</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customs duty</td>
<td>134,095.16</td>
<td>20.95</td>
<td>90.45%</td>
</tr>
<tr>
<td>Indirect taxes</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>Production tax</td>
<td>151.69</td>
<td>0.22</td>
<td>0.10%</td>
</tr>
<tr>
<td>Income tax</td>
<td>3,807.21</td>
<td>0.59</td>
<td>2.57%</td>
</tr>
<tr>
<td>Government property fee (land tax)</td>
<td>2,214.94</td>
<td>0.35</td>
<td>1.49%</td>
</tr>
<tr>
<td>Government service charge</td>
<td>7,983.22</td>
<td>1.25</td>
<td>5.38%</td>
</tr>
<tr>
<td>Transfers and contributions</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>Loans</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>148,252.22</strong></td>
<td><strong>23.16</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

| **Expenditure**          |                |       |            |
| Wages and salaries       | 82,318.64      | 12.86 | 55.53%     |
| Operational and general expenses | 26,145.13 | 4.09  | 17.64%     |
| Repayment of loans       | 0.00           | 0.00  | 0.00%      |
| Welfare and reconstruction| 3,316.57      | 0.52  | 2.24%      |
| Public works             | 34,471.88      | 5.39  | 23.25%     |
| Investment               | 2,000.00       | 0.31  | 1.35%      |
| Grants and reserves      | 0.00           | 0.00  | 0.00%      |
| **Total Expenditure**    | **148,252.22** | **23.16** | **100.00%**|

Note: US$/SISh = 6,400
1.13 The government currently employs a relatively sizeable civil service in addition to a large but undisclosed security sector. Thirty seven percent of the public service is employed by the Ministry of Education and another 18 percent by the Ministry of Health. Finance is the third largest ministry with 6 percent. Women make up 27 percent of the total, but are most prevalent at lower levels – only two women are ministers or vice ministers; one of the 40 directors-general is a woman; and seven out of 420 directors are female. There are about 3,500 staff in local government, almost 900 of which work for the municipality of Hargeisa and 305 for the municipality of Berbera. On the whole, the pattern of staffing is skewed towards the urban locations at the expense of the rural areas. This disparity has translated into weaker governance, poorer basic social services and limited employment opportunities for the rural populations. Unless this trend is reversed, Somaliland’s efforts to reduce poverty may leave the rural poor behind.

1.14 While staffing was cut back in the early 2000s, it is currently on the rise, and a further rightsizing at the centre and of some local authorities, but not of frontline service providers, is anticipated and needed. Restructuring and rightsizing of the civil service is an ongoing process, and is necessary in order to improve the quality of staff ensuring participation of women as well as to reduce the size of the public administration to an affordable and effective level. The Civil Service Commission has initiated a process to amend recruitment policies guiding employment to the civil service, and to review job descriptions and remuneration arrangements at different levels. In addition, work to decentralize reporting arrangements for front-line service delivery staff is underway, as part of the government’s efforts to equip local governments with the necessary capacity to perform their assigned responsibilities.

1.15 Civil society. Civil society has emerged as an important social and political force. Although a relatively new phenomenon, civil society organizations are today active in provision of social services, contribute actively to peace, reconciliation and development and have taken on many of the traditional functions of the state including dispute resolution and security. In addition, professional associations and networks have emerged as important interest and lobby groups that are influencing the political decision-making process. These groups are supported by a vibrant and to a certain degree liberalized media sector.

1.16 Although significant progress has been made in terms of democratization and good governance, the above clearly indicates that Somaliland still struggles to make the final leap from recovery towards sustainable development and poverty reduction. Progress already made on reconciliation, peace building and the establishment of core government services provides a solid foundation for pressing ahead with effective reconstruction and development in the coming years, helped by the active involvement of traditional leaders and application of traditional dispute and conflict resolution mechanisms. However, given that significant capacity and institutional constraints still prevail, the government should establish a solid foundation for continued reliance on an active civil society and a service-focused NGO community as effective partners in expanding the delivery of key social services. Bringing the private sector into the reconstruction and development effort will also be crucial to instigate economic growth and expand employment and income-earning opportunities. In this framework, women
groups and organizations can be effective and vibrant partners in satisfying needs and priorities of women and children.

(ii) Socioeconomic profile

1.17 Somaliland has made impressive achievements in a number of areas, but the foundations for further progress remain fragile due to high prevalence of poverty, low income levels, high rates of unemployment, weak production and depleted natural resource base, and lack of access to finance and external assistance. Development is dwarfed each time unfavourable events, such as droughts, occur - entailing dire consequences for government revenues and for the welfare of the population.

1.18 Somaliland has an area of about 180,000 square km. Of its population, 54 percent are pastoralists, 30 percent agro-pastoralists and 16 percent urban dwellers. Split equally between male and female, the population is likely among the youngest in the world, and the population growth rate was estimated at 3.14 percent in 2004. A census is recommended within the RDP to take place in 2009. Over the last 15 years, there has been a discernible movement of populations towards towns and cities, with villages growing into towns, and towns becoming cities. The costed actions to address the needs as identified in the RDP Results Based Matrix are not calculated based on population size. Para 3.7 provides details of how the costed actions are calculated.

1.19 Poverty. Poverty levels are estimated to be high compared to East African standards, but lower than in many other post-conflict countries in Africa, indicating that Somaliland has moved further along the development continuum. Per capita income was estimated at US$ 250 in 2004, which is lower than that for Kenya (US$350) and Tanzania (US$280), but higher than in Eritrea (US$190) and Ethiopia (US$100). More than half of the population live below the poverty line (i.e. less than US$ 2 per day). The figures however reveal large geographic disparities, with per capita income ranging from about US$ 201-250 in Sahil; and US$ 251-300 in Sool and Sanaag, to US$ 301-350 in Awdal, Hargeisa and Togdher regions. In addition, the figures show clear urban-rural disparities, with urban populations far better off than their rural counterparts. Somaliland must address this continuing disparity if it is to make headway with its pro-poor agenda.

1.20 Social indicators. The status of progress measured against selected social indicators for which data is available suggests a mixed picture (Table 1.2). Health indicators are among the worst in the world, with under-five and maternal mortality at a staggering 116 and 104 per 1,000 live births, respectively. Access to education is also limited, although the total gross enrolment rate (GER) of 40 percent – 48 percent for boys and 32 for girls – is significantly higher than in South-Central Somalia. For several indicators, the situation is, however, improving: access to improved sanitation stands at almost 41 percent. This indicates that the collective efforts of government, CSOs, NGOs

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2 See Productive Sectors Cluster Report for further details
3 Preliminary Results from the 2006 Somali Multiple Indicator Cluster Survey, UNICEF. Maternal mortality is a national estimate.
4 2005/2006 Survey of Primary Education in Somalia, UNICEF
5 Preliminary Results from the 2006 Somali Multiple Indicator Cluster Survey, UNICEF
and the private sector are yielding some results, although performance is significantly worse than the average for East Africa.

### Table 1.21: Somaliland Key Socioeconomic Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to improved water source (%)</td>
<td>41</td>
</tr>
<tr>
<td>Access to improved sanitation (%)</td>
<td>40</td>
</tr>
<tr>
<td>Primary school enrolment – total (%)</td>
<td>40</td>
</tr>
<tr>
<td>Primary enrolment rate - female (%)</td>
<td>32</td>
</tr>
<tr>
<td>Infant mortality (per 1,000 live births)</td>
<td>73</td>
</tr>
<tr>
<td>Under-five mortality (per 1,000 live births)</td>
<td>116</td>
</tr>
<tr>
<td>Children (under five) under weight (%)</td>
<td>19</td>
</tr>
<tr>
<td>Maternal mortality (per 100,000)</td>
<td>1,044</td>
</tr>
<tr>
<td>Proportion of seats in Parliament held by women</td>
<td>2/82</td>
</tr>
</tbody>
</table>


1.21 Unemployment is high and associated with deep and sustained poverty, poor economic and social outturns, and compounded by the extensive use of khat by a large percentage of the population. Analysis indicates that unemployment is both a cause for and results from heavy khat abuse, and that the two problems are closely linked. Young males in particular spend their days chewing, and are left incapacitated and unable to perform their duties. This also has severe gender aspects, as women are left as sole providers for large families. Although traditional mechanisms still continue to provide coverage for the unemployed these are far from sufficient, and are being undermined by increased urbanization and a changing society.

1.22 **Key economic activities.** The traditional livestock and agriculture sectors dominate the economy of Somaliland and hence the employment of its people, since much of it is labor intensive. **Livestock** rearing, trading and exporting represent the dominant productive activity in Somaliland, followed by crops, fisheries, and forestry. The main features of the livestock sub-sector in Somaliland are the low prevalence of important trans-boundary disease, such as Rift Valley Fever and PPR, the absence of rinderpest, and the dependence on an increasingly degraded, mainly flat, and partly mountainous rangeland that is extremely sensitive to drought. Furthermore, extensive rangeland areas, often the most productive areas of Somaliland, are set aside and fenced (enclosures) to produce fodder for shipped animal and to cater for the forage needs of transit animals, originating either from Somaliland or from neighboring countries. This practice is increasingly constraining free movements of indigenous animals and limiting access to traditional forage reserves, with increased pressure on less productive rangelands. A particular importance will be the establishment of a reliable and cost effective animal health inspection and certification system, based on sound surveillance, initially focusing on trans-boundary animal diseases. Intense field research will also be required on the applicability of the “compartmentalization approach” in pastoral areas along the processing and marketing chains of the livestock industry. Finally, a livestock data information system, starting with a statistically reliable estimate of the livestock.
population, will be required to plan and monitor interventions and to develop sectoral policies.

1.23 Somaliland has a promising **fishing** sector. However the sector has been severely damaged by the lack of effective marine resource management. The lobster population in particularly is considered to be at a point of depletion and eventually extinction if the current unsustainable fishing practice is permitted to continue.

1.24 **Crop** production is sizeable, but plagued by many of the same problems as the livestock sector. About 39,000 farm families are involved in rainfed and irrigated crop production in Somaliland, cultivating about one-third of the area suitable for agricultural production. Rainfed crops include sorghum, maize, cowpeas, groundnut and sesame. Irrigated crops are citrus, papaya, guava, water melons and vegetables such tomato, onion, cabbage, carrot, and peppers. The sector has been vulnerable to droughts and increasingly constrained by the huge damage done to the environment and the lack of available land for cultivation, and is plagued by low efficiency and productivity. Given the deteriorated state of cultivatable farmland the sector’s economic potential is limited, but it will continue to impact the domestic market due to high labour intensity and its importance for local market activity.

1.25 A strong **private sector** has emerged in Hargeisa and other urban centres as a result of the prolonged peace and achievement of relative security, and is currently involved in a wide range of economic activities and import-export businesses. Investments by the private sector in all these cities has resulted in the delivery of goods and services such as electricity, telecommunications, domestic water supplies, and urban waste disposal.

1.26 However the cost of doing business is extremely high due in part to the lack of international recognition. Presently, Somalilanders do not have access to regular bank financing, and cannot borrow at international market rates. Import and export activity also faces large constraints, as traders cannot obtain international insurance or guarantees. Remittance companies are, however prevalent and some have even started the transition towards regular banking operations, including offering savings accounts and limited forms of guarantees. Women’s access to markets and investments in productive sectors is particularly constrained. This barrier increases the cycle of poverty for women as they are often left as sole providers of the entire family. The socioeconomic mapping studies completed in Somaliland during 2004-05 confirm that business licensing is not pro-poor. For example, the annual cost of daily petty trade fees is substantially higher than annual license fees for larger enterprises. The Chamber of Commerce at present is not independent and is weak in terms of the services offered, and unable to effectively push for real changes in the investment climate.

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6 The area with high cultivable potential, both rainfed and irrigable, is estimated to be about 50,000 ha. However, currently only 15,400 ha are rainfed and 2,000 ha are irrigated. In order of importance, crop cultivation in the regions of Somaliland are as follows: West (9,800 ha rainfed and 800 ha irrigated), Together (2,400 ha rainfed and 250 ha irrigated), Sanaag (1,800 ha rainfed and 350 ha irrigated), Awdal (1,350 ha rainfed and 700 ha irrigated) and Sool (50 ha rainfed) based on information from Agricultural Development Organization (ADO), Somaliland, undated.
1.27 **Infrastructure.** Productive activity is constrained by weak and deteriorated infrastructure, which prevents access to markets and transportation. The roads network is in poor condition, and most of the major routes are in need of repair with the exception of the important Berbera-Hargeisa corridor and the border connection past Borama. Although the port in Berbera has seen significant investments over the past decade, more is still needed in order to increase the handling capacity to necessary levels, and the international airport in Hargeisa also needs further improvements to process increased import-export volumes. However, the communication infrastructure is an important exception to the above picture, with coverage levels that match those of far more developed countries.

1.28 **Disputes over productive assets.** Land disputes are undoubtedly a key constraint to development, both between pastoralists and farmers, between traditional and irrigated farmers, and in relation to urban settlements. There is currently no consistent and comprehensive legal framework for land and property management, but a mix of dispositions and practices stemming from the three sources of law. Costmary law has developed over time and is respected among large parts of the population as a way to regulate and manage common property such as pasture, grazing land, forests and water. At the same time, Islamic law depicts that land cannot be the basis of a commercial transaction, only the investments made on it, while secular law passed during the Barre regime considers all land to be government land which can be leased by individuals for specific uses. In particular, women access to land property is limited. This barrier limits the socio-economic growth for women. Competition for water is also a potential source of conflict that needs to be addressed as part of efforts to generate sustainable livelihoods.

(iii) **Constraints to improved delivery of services**

1.29 **Key social services – education, health and water and sanitation.** Access to basic services is extremely limited in Somaliland, and constrained by lack of trained staff and physical facilities, limited access to financing, and the government’s capacity to provide a sustainable policy framework. Currently, there are about 2,600 public and private teachers serving a total school age population of more than 300,000. Higher education is even more constrained, with only 26 secondary schools, most of which are either lacking teachers or are relying on untrained staff. Although Somaliland has made significant progress on tertiary education, with four universities currently operating, these are also constrained by limited capacity, quality of staff and curricula, as signified by the low competitiveness of graduates in the current job market.

1.30 Similar constraints to access can be found in the health services. Currently, the entire population is served by 23 hospitals, 69 health centres and 157 health posts, and only 422 cadres have proper health qualifications, with 82 doctors and 215 nurses serving the entire population. Training needs are thus high, but only one nursing school and two universities provide medical and paramedical training. The quality of this training is also questionable, as it is organized by the private sector without any technical oversight and quality control.
1.31 The current water supply situation in Somaliland is inadequate due to a variety of factors including the arid climate. Only 45 percent of the urban population is served by either piped water or water kiosks, and the user charges are about US$ 1.20/m³ for the former compared to US$ 10/m³ for the latter indicating that more vulnerable groups are paying far more than affluent groups. In rural areas, about 45 percent of the population relies on water catchments.

1.32 The water and sanitation provision in Somaliland, although largely implemented by the private sector, provides a useful example of how the government can potentially play an important role as facilitator for service provision. For instance, the public-private water supply partnership that is currently operational in Boroma has resulted in increased access to safe water for the urban population through better and more effective management and maintenance of supply facilities. While these systems and structures can present important lessons for the future reconstruction and development of Somaliland, there are however still key systemic constraints preventing them from reaching full potential, including the lack of appropriate laws and regulations.

1.33 Service delivery. Looking at the public sector delivery capacity, the government is providing some frontline services, although in most locations these are operated primarily by the private sector, NGOs and through public-private partnerships. Teachers, health workers and other direct service providers make up more than half the total civil service, and the state is to some degree involved in construction of new schools and health clinics. However, NGOs, communities and supporters from the Diaspora provide the bulk of the financing as well as substantive help to develop curricula, supply textbooks, build and rehabilitate schools, train teachers, support their salaries, and also train communities to play an active role in education. Important financing also comes from user fees and informal payments to local service providers.

1.34 There has been a push recently to increase the number of front-line service providers. The salary levels, however, remain low, and most teachers rely on user fees to supplement their salaries.

1.35 Somaliland has applied a decentralized governance model, in which the districts are given the primary responsibility for service delivery. Given the limited capacity for local revenue generation, a state transfer mechanism has been put in place to provide financing, but the fund transfers are still insufficient relative to the functional responsibilities at the district level, and the transfer system does not constitute a redistribution mechanism that would support poorer districts. Local government provision of social services is also constrained by extremely limited capacity and the lack of direct control of service provision staff.

1.36 In the absence of government involvement, other actors have moved in and are currently providing a variety of services. Both the private sector and NGOs – including women’s groups and organizations - are actively involved, and operate schools and health centres through a system of cost recovery and donations from the Diaspora. Currently, about 600 local NGOs, and several UN agencies and international NGOs are present in Somaliland, delivering a variety of social services including operating primary and
secondary schools and health clinics, developing curricula, caring for the handicapped, and protecting vulnerable groups.

1.37 **Resource constraint.** Total government development expenditure is limited, and constrained by lack of revenue. Of a total budget of about US$ 23 million in 2005, only about 7 percent – about US$ 1.5 million - went to development and investment projects, while of the remainder about 50 percent was spent on military and security sectors, and the rest primarily on recurrent costs. Government expenditure on key areas like education and health amounted to about 2 percent of the budget, which is less than US$ 500,000 or about US$ 0.30 per capita. There is thus significant scope for relocating expenditures across budget lines to make the allocations more pro-poor and pro-women, in particular given the earlier noted point that the disarmament process has been nearly completed. Additional savings could come from continued decentralization of front-line service providers, through rightsizing of the civil service, and through a peaceful solution to the current stand-off with Puntland over the regions of Sool and Sanaag.

1.38 The hard budget constraint still means that the government would have to continue to rely on external aid and the support of the private sector to enable effective and tangible development activities to move forward. Although direct bilateral aid is still constrained by the lack of recognition, UN agencies and international NGOs contribute significant direct resources to humanitarian and recovery efforts in Somaliland, and in addition large amounts of remittances are sent back each year by the Somali Diaspora.

1.39 While the amount of external resources going to Somaliland each year is relatively substantive, there are key constraints to more effective use of these for reconstruction and development. First of all, the government lacks the capacity to effectively monitor and manage the aid flow, and link external financing to its own budget and priorities. Secondly, most of the assistance is provided through a humanitarian approach, which largely prohibits capacity transfers and means that the funds are managed primarily by humanitarian agencies. Lastly, the significant inflow of remittances is spent to a large degree on subsistence rather than investment, and there are also indications that much is returned abroad through Khat consumption, which is imported from Ethiopia and Kenya.

1.40 The above still indicates that there is a large potential for reconstruction and development efforts to take place, building on progress already made and utilizing both the emerging government structures and vibrant civil society and private sector. This opportunity comes with potentially significant amounts of internal and external financing. However, strict prioritization of development efforts is needed to enable substantive and long-term poverty reduction, and the following section will outline key elements of a reconstruction and development programme for Somaliland.
2. CORE OBJECTIVES AND PRIORITY ACTIONS

2.1 Volume I of the RDP report sets out an agenda aimed at deepening peace and reducing poverty. From the above socio-economic profile it is clear that much has already been achieved in peace building in Somaliland, and that increased efforts are now needed to provide the underpinnings for sustainable and equitable poverty reduction, including improved service delivery and income earning activities that can improve people’s livelihoods and create a better, more viable future.

2.2 International experience shows that poverty reaches across sectors, and that any effort to reduce it will need a multifaceted approach. Creating local ownership of development priorities, establishing an enabling environment for broad-based participation in the reconstruction and development process, and linking activities to government policies, budgets and planning mechanisms are all crucial elements that would impact the sustainability of a proposed strategy. This implies that effective development is hinging on good and accountable governance. However, many developing countries are facing severe capacity constraints preventing the public sector from attaining a large role in the provision of social services, and that efforts are needed to ensure that delivery of important public goods like water, health and education can continue throughout the transition period without direct government involvement, while at the same time making sure that government remains involved in the planning and monitoring of private and external actors’ activities. In addition, sustainable livelihood strategies need to be promoted and supported to provide adequate opportunities for a large segment of the population.

2.3 The Somaliland government recognized and took into consideration these constraints when they developed the Somaliland Poverty Reduction Plan (box 1) in 2003. Through a four-pronged approach, this plan aims to strengthen fiscal and policy planning aspects, institutional and human resource capacity, and delivery of basic services, while at the same time remove obstacles to economic and productive sector growth. The same priorities were also reiterated by Somaliland participants throughout the various JNA consultative and validation workshops. Although the focus groups and questionnaires did not specifically address the issue of governance, Somaliland stakeholders highlighted two key priorities for the reconstruction and development period: (i) improving access to basic services, and (ii) strengthening the underpinnings for productive sector activities.\(^7\) The focus groups also confirmed that security and reconciliation are not seen as key development priorities by the majority of the population.

\(^7\) For more information on the questionnaires, please refer to Volume I, section II, and the JNA website at www.somali-jna.org
Based on the Somaliland specific context, international best practices, and the priorities identified by both the authorities and the population at large, the following three pillars of priority objectives and needs have been identified, and will form the nexus of the Somaliland volume of the RDP:

**A. Improve basic social service outcomes** through improving access to education, health, water and sanitation and establishing sustainable mechanisms for service delivery and financing;

**B. Establish an appropriate enabling environment for sustainable and pro-poor growth** through strengthening the traditional and non-traditional productive
sectors and improving income-earning opportunities, while ensuring sustainable use of natural resources; and

C. Strengthen governance – administrative, participatory and judicial. In particular, build up the administrative and fiscal architecture of government to enable the full operationalization of a system of accountable, decentralized governance, with decision making and fiscal flexibility to effectively support long-term pro-poor development.

2.5 These three pillars are all necessary to address the priority needs and to achieve reconstruction and development objectives. For each pillar, specific attention has been paid to prioritizing and defining a strategy and priority outcomes and related initiatives. In addition, capacity and institutional constraints have been identified and highlighted as an integral part of each pillar.

2.6 Criteria for prioritizing initiatives. The needs in Somaliland are undoubtedly large, and strict prioritization has been an essential part of identifying the actions and initiatives outlined below. In keeping with the overall objectives of the JNA exercise, as well as incorporating global experience with implementation of post-conflict reconstruction and development efforts, prioritization has been made on the basis of the following four core criteria:

- impact on peace building
- contribution to sustained equitable poverty reduction.
- opportunity and absorptive capacity for effective implementation and
- cost effectiveness and sustainability.

These criteria are buttressed by broad principles and key basic assumptions including i) responsiveness to existing realities while maintaining equity, transparency and accountability; ii) keeping the public sector small and focused; iii) decentralization; and finally iv) building on the successes of the transition period while recognizing its specific challenges.

2.7 The first of these two criteria relate directly to the impact of initiatives in the two foci of this RDP – deepening peace and reducing poverty. Contribution to poverty reduction includes impact on social indicators, and on employment and productive activities, livelihoods and income levels. Somaliland has made significant progress in establishing peace and stability, but as pointed out earlier, the progress is still fragile, and reconstruction and development efforts will be judged in terms of their impact on reconciliation, continued improvements in security and improvements in governance. Initiatives need to actively foster rule-based, good and accountable governance, inclusive decision-making processes and continued reliance on and deepening of traditional dispute resolution mechanisms and their incorporation into the conventional judiciary system. The third and fourth criteria relate to how effective initiatives are at achieving these outcomes in the context of two key limiting constraints - implementation or absorptive capacity, and the availability of financing. Implementation or absorptive capacity is in
short supply and critical for success so it is essential to be realistic and include the necessary institutional development and capacity building, and it is worth considering options that require little implementation capacity or for which this capacity already exists. Naturally this also affects sequencing, as capacity building often needs to precede the actual implementation of reconstruction and development initiatives such as infrastructure investment. Lastly, cost-effectiveness (the amount of impact on governance, peace and poverty per unit of scarce financial resources used) is important because resources are limited. It is impossible to proceed with all good ideas at the same time, so it is important to concentrate on those that have the most impact for any given amount of financing. Hence the importance of using these four criteria to prioritize among alternative reconstruction and development initiatives and achieve as much sustainable improvement as possible as quickly as possible.

2.8 With this in mind, the following section presents each of the three pillars, and elaborates on elements of a prioritized action plan. A more comprehensive description of proposed initiatives and their sequencing, together with target outcomes, is given in chapter three in the consolidated Results-Based Matrix.

A. INVESTING IN PEOPLE THROUGH IMPROVED SOCIAL SERVICES.

2.9 Providing tangible improvements in social indicators will be central not only to further deepening peace and poverty reduction, but also to the sustainability of the current development efforts in Somaliland. Significant progress has already been made in terms of improving access to education, health and water, and has been assisted by the establishment of relevant and necessary ministries and policies for social services delivery, and the continued engagement of non-government actors in this work. Significant shortcomings still exist in terms of both expanding access and operationalizing the system, as shown by the lack of progress against relevant Millennium Development Goals (MDGs).

2.10 The RDP is based on a vision for the social sectors which includes significantly expanding access to basic services over the next five years, to put Somaliland back on a track towards meeting several of the MDGs by 2015. To achieve this vision, a two-pronged strategy is proposed in this report: (i) improve social service outcomes through human resource development and investment in physical infrastructure; and (ii) strengthen public and private sector delivery mechanisms through sound policies and management strategies and a defined financing framework. To avoid repetition, issues pertaining to implementation are to the extent possible covered in the different sectors - education, health, water and protection - while section (ii) only addresses topics that are cross-cutting in nature, related to delivery modalities and non-governmental participation.
2.11 The six common principles identified by the Somalilanders for improving their social services are:

- Increased access of quality service targeted at the poorest and most vulnerable groups.
- Increased affordability through new financing arrangements.
- Regulatory and policy framework.
- Building partnership with Non-State Actors.
- Improving data collection and analysis.

These principles aligned with the RDP criteria and linked to the recommendations of the Hargeisa and Entebbe consultative workshops, gave rise to the following five proposed areas of intervention:

(i) Expanding education and training
(ii) Expanding basic health services
(iii) Improving the provision of water and sanitation
(iv) Protecting vulnerable and disadvantaged groups
(v) Coordinated strengthening of delivery system

(i) Expanding education and training

2.12 Access to education is limited, as shown by very low gross enrolment rates (GER) of 33 percent. Gender and regional disparities are large, with female to male GER rations of about 50 percent, and significantly higher drop-out rates for girls. Both GER and availability of infrastructure and teachers are disproportionally lower in rural areas as compared to urban areas.

2.13 The main education priorities in Somaliland are to equitably extend the coverage and quality of basic and higher education and to build institutional capacity. The programmes proposed by the RDP would almost double primary school coverage within five years, from 33 to about 58 percent (55% for girls and 62% for boys), with a major focus on improving access for girls. The action plan for basic education involves building and rehabilitating schools, improving the learning environment, and making concerted efforts on recruitment and training, with particular focus on rural and urban poor areas. Creation of female institutes is also a fundamental initiative to increase access and enrolment to school for girls. In addition, activities should aim to support secondary and tertiary education, which is required to address the skills and capacity deficit in
Somaliland. A review of the secondary schools curriculum has been conducted, and indicated a need to strengthen capacity for exam assessment and certification at the secondary school level. Access to secondary schools must be significantly expanded from the current 26 government owned schools, and the four universities must also be supported through development of diversified and strengthened curricula that respond to specific human resource needs and through technology investments.

2.14. The suggested priorities include:

a) **Improve access, quality and gender equity in primary school education** by building 447 schools out of which one/third should be female institutes, training an additional 3,000 teachers – including women teachers - and upgrading skills for existing teachers, revising textbooks, and introducing special initiatives to increase enrolment for girls.

b) **Improve access to secondary and higher education** through infrastructure investments and improved teacher training, revise university curricula, and introduce new technology.

c) **Initiate programmes that target adult literacy and provide non-formal education** for out-of-school children, including expanding access to vocational training for youth and adults, with special focus on women and vulnerable groups.

d) **Support institutional and policy developments**, including through a package of technical assistance and capacity-building activities for the Ministry of Education to enable better management and planning of the sector within a decentralized framework. At the administrative level, support curricula development, budgeting and education policy development, monitoring and evaluation, and certification.

(ii) **Health.**

2.15. Improved access to basic health services is a priority in both urban and rural areas. Somaliland’s poor health outcomes are associated with a health care system that is significantly under-funded, unbalanced and inefficient. The coverage of the primary health care network is severely constrained by lack of staff and funds for recurrent expenditure. It is estimated that only 400 skilled health workers man the Somaliland healthcare system. There is no consolidated estimate of the resources allocated to the Somaliland health care system from public and private sources. According to a 2007 World Bank study, external contribution in 2006 to the sector was approximately US$ 7 per person. While humanitarian and disease specific control program will continue to receive support through existing mechanisms (CAP, GAVI, GFTAM), additional assistance is needed for developing/strengthening key components of the health system including financial and personnel management, health care provision, drug procurement and distribution. The infrastructure network is limited, with high population-to-facility ratios of around 65,000 per hospital and 22,000 per health centre. There are very large urban-rural and regional disparities in the availability of services, and about half the hospitals and almost two-thirds of the doctors are currently located in Hargeisa.
2.16. The identified strategy for Somaliland will significantly increase basic health service coverage from the current estimated level of 45 percent of the population over the next five years. An associated objective is to improve equity in health service coverage, access, and outcomes, in particular through reducing geographic, urban/rural, gender and socioeconomic inequalities. This means that the overall coverage target above should be achieved by larger improvements among under-served populations.

2.17. The main health priority is to increase utilization and strengthen quality of primary and first-referral health care services with particular focus on female health care facilities and Mother-child Health (MCH). This will involve financing reforms, strengthening institutional capacity, particularly in more deprived states, policy and strategy development in key areas, investments in facilities and human resources, and increased financing, quality, and coverage of basic preventive and curative service provision. The main objective is to reduce the high levels of mortality and morbidity, especially among women and children. An associated health priority is to address the prevalence of communicable diseases and female genital mutilation (FGM), and to tackle the large-scale consumption of khat, which has serious negative health effects for individual users as well as severe economic and social consequences and gender dimensions. Important components of the health programme include:

   a) **Improve access to quality primary health care services for all** through investments in infrastructure and human resources. In particular, significantly increase the number of trained and accredited primary health care workers over the next five years and the provision of incentives for most training programme graduates to be posted in areas of need, and for an intense programme of in-service training based on minimum basic standards required for regulating, managing and monitoring health facilities and care.

   b) **Increase the availability of affordable essential drugs** of proven quality, and in particular ensure that communicable diseases (e.g. malaria, TB, HIV/AIDS and respiratory tract infections) receive necessary attention.

   c) **Review health care financing to increase affordability**, through technical assistance and capacity building in the areas of policy development, planning/regulation/supervision, financial management, human resources, pharmaceutical policy and regulation, and health information systems, and support for strengthening decentralization through the transfer of financial resources and administrative authority and capacity to the state level.

   d) **Explore options for community-based initiatives** that aim to address the prevalence of FGM and Khat abuse, and also look at ways of strengthening the traditional support structures. In addition, policies and awareness campaigns are needed to address the negative effects of FGM and Khat on human and economic development.

(iii) **Water and Sanitation.**

2.18. Access to safe water and sanitation has important social and health implications. Currently, about 45 percent of the urban and 38 percent of the rural population has access
to improved water sources, which are mainly in the form of piped or potable water in urban areas and water catchments in rural areas, and only 47 percent have improved sanitation (see Table 2 above). The average available water per person per day is 12 and 8 litres in urban and rural areas, respectively, which is far below the lowest standard for human consumption of 20 litres per day.

2.19. Water supply systems are currently weak or lacking. In urban areas water provision is either privately owned/supplied or communal. In most cities, such as Hargeisa, current water supplies are limited and costly. Part of the demand for urban water supplies is the result of water being transported to rural areas from urban distribution systems, a phenomenon usually due to subsidized water sales in urban areas. As a comparison, in rural areas, water is collected mainly in cement catchments (berked) or obtained from wells or boreholes which could be communal or private. An active system for water delivery has developed, spanning very small operators with wheelbarrows or donkeys to operators with one or more trucks. For example, there are over 800 berkeds in Eastern Sanaag alone, 350 shallow wells and 27 boreholes. Destitute and poor families traditionally do not pay for water; those with slightly more funds borrow from relatives in difficult times. Similarly, sanitary facilities need to be expanded to more fully meet basic needs and to reduce and contain sanitary-related diseases.

2.20. Improving Water and Sanitation means looking at both supply and demand mechanisms:

a) Supply initiatives to improve access to quality water and sanitation services include rehabilitating, extending and improving existing water and sanitation facilities, in particular for disadvantaged groups, though building water retention structures, looking at introducing subsidies for the urban poor; and developing alternative, low-cost water harvesting and management systems in rural areas.

b) Demand initiatives include looking at public information campaigns and civic education to inform about hygiene and water-borne diseases.

2.21. In addition, increased efforts are needed to further develop institutional, legal and training structures for integrated water resource management, and to revise the existing legal framework to allow for greater private participation in water supply. The National Water Policy for Somaliland should also be scrutinized for efficiency measures under a gender perspective, and an urgent priority is to pass the Water Act and Water Regulation of 2005.

(iv) Protection of vulnerable groups.

2.22. Vulnerability is judged by the ability of an individual or household to manage risks, or to prevent a severe decline in their living standards. Among the most disadvantaged groups in Somaliland are the large numbers of orphans – estimated to about 11 percent of all children, most of whom are affected economically, socially and psychologically – and large groups of women and girls. Negative effects facing these groups include the lack of access to income-earning opportunities, malnutrition, reduced
access to education and health care, lack of legal support and protection, migration and homelessness, child labour, and associated psychological sufferings like depression, guilt and fear.

223. Somali communities have traditionally shown a great deal of resilience and have cared for disadvantaged groups through use of religious, community and clan-based coping strategies and systems. However, with the increased social and economic decline and breakdown of clan-based structures, these coping mechanisms have been increasingly overburdened. The Diaspora, community organizations, religious bodies and other civil society members have to a certain degree stepped in and are providing limited financial and human resources, information, vocational skills training, basic education, medical care and counselling, but the system is far from sufficient.

2.24. While social services can largely be scaled up through improving existing mechanisms, disadvantaged groups clearly need special attention, and this RDP suggests focusing on the following core priorities:

a) **Increase public awareness of protection issues**, including improving the community-based identification of disadvantaged individuals/groups, and establish indicators and data systems to monitor, coordinate and evaluate implementation of initiatives.

b) **Establish family and/or community-based networks** for the care and protection of vulnerable children.

c) **Develop legislative, policy, and regulatory frameworks**, including protection standards, and increase access to services such as legal aid, family tracing and reunification for vulnerable groups

d) **Provide alternative means for self-help**, including through education, vocational and on-the-job training, and placement programmes, and improved access to income earning opportunities through microfinance schemes.

(v) **Coordinated strengthening of delivery mechanisms**

2.25. It is impossible to look at improving social service outcomes without also looking at improving the delivery system. Expanding delivery of education, health, and water and sanitation will be a critical component of this RDP, and has regulatory, institutional, financial and capacity dimensions that will need to be addressed in parallel. While many of these issues have already been elaborated on in the section above in terms of sector specific interventions, there are important cross-cutting aspects that will need to be addressed in a comprehensive and coherent way. The following section will elaborate on these, which relate to local government capacity as well as private sector involvement, as well as community-based initiatives for delivery, while refraining from repetition of specific recommendations highlighted above.

226. **Social services are still primarily delivered by non-governmental actors and the private sector.** Currently, large numbers of international NGOs and UN agencies operate in Somaliland, and are providing a variety of social services to the population.
There are, however, both regulatory and access issues restricting these organizations and most are currently confined to urban areas. Furthermore, the current regulatory framework does not provide adequate cover for private participation in delivery of social services.

2.23 As pointed out before, the government is to some degree involved in front-line delivery of social services. A significant number of public servants are employed by the health and education ministries, but it is unclear how many are actually teachers and health care workers. Public front-line service delivery staff is in theory hired and paid by the central government, but there is currently little control since they are primarily working at the district level while paid through central budgets. In recent years there has been a push for decentralizing a large portion of these staff, to enable local governments to more directly control and quality assure service provision at the district level, but this has yet to be matched by a significant increase in fiscal allocations.

2.24 In the absence of government financing, private investments continue to play an important role, especially in urban centres, and have expanded into water supply, health centres, pharmacies and educational institutions. Access to services has largely been paid through external investments and user fees. There seems to be significant acceptance in Somali society of payment for services, and future interventions should draw on this for improved delivery.

2.25 A key to improving people’s lives will be to address and overcome the geographic and gender disparities that are currently the defining characteristic of access to basic services in Somaliland. Availability of both services and trained staff tends to be concentrated in urban centres, which is to the detriment of the much larger rural population. In order to address this issue, a series of reforms and programmes have been identified that would significantly expand access to health, education and water and sanitation in disadvantaged parts of the country.

2.26 From the above it is clear that a key feature that will continue to define Somali society is the strong involvement of the private sector and civil society in delivery of basic services and the broad acceptance of this among large parts of the population. It will be important that development efforts build on and reflect these structures, existing success stories and ongoing efforts, and that any increased involvement of the public sector does not crowd out community involvement. Priority activities should aim to:

a) Support the continued strong involvement of the private sector and civil society in delivery of social services, through establishing an appropriate legal and regulatory framework and procurement rules that guide different actors’ involvement, roles and responsibilities, and regulate the scope and use of public-private partnerships in delivery of basic services.

b) Build the institutional and human resource capacity of local government to accommodate greater responsibilities in education, health and water supply though developing functions and capacities, progressively decentralizing service delivery staff as these come online, and developing procedures for management, quality assurance and monitoring, as well as a package of
training and capacity building to ensure that local governments can attain the intended increased role in delivery.\footnote{8}

c) **Establish sound governance and integrated approaches to delivery of health, education and water and sanitation**, based on best practices and including for multi-sectoral coordination and management of water and sanitation delivery systems.

d) **Adopt a legislative and policy framework** to protect vulnerables and disadvantaged groups (access to basic services, to justice, to income-earning activities in productive sectors) and professional training, and to prevent gender based violence

e) **In addition, explore the scope for community-driven recovery schemes**, including in the provision of physical infrastructure, recurrent payment for teachers and health care providers, and in management of local water sources.

\footnote{8}{For more details on issues pertaining to a decentralized civil service, please refer to pillar 3.}
B. ESTABLISHING AN ENABLING ENVIRONMENT FOR POVERTY REDUCING SUSTAINED ECONOMIC GROWTH

2.27. **Broad-based growth to generate employment and incomes** is central to effective consolidation of peace and reduction of poverty. The key to equitable economic growth will be to support the already vibrant Somaliland private sector, strengthen the livestock and fishery sectors, and broaden opportunities for off-farm income-earning opportunities. In addition, efforts are needed to support productivity increases in traditional and semi-mechanized crop production, given the sector’s importance for food security, local market activity, and employment generation. To meet these growth targets, the following are needed:

- Large investments in infrastructure to expand access and markets;
- Action to address specific constraints to these sectors such as the shortage of veterinary and agricultural services as well as the lack of a reliable and cost effective animal health inspection and certification system based on sound surveillance
- A simple, transparent and stable regulatory framework that is conducive to market-oriented private sector-led growth;
- Improved access to finances and international guarantees.

The four highest priorities the people of Somaliland identified and agreed to in the Hargeisa RDP Consultative Workshop on creating the enabling environment for poverty reducing sustained economic growth are:

(i) Improved Infrastructure

(ii) Livestock

(iii) Ensuring sustainable natural resource management

(iv) Financial and commercial regulatory framework mechanisms

These priorities are harmonized with the core RDP criteria and detailed as follows:

(i) **Improving infrastructure**

2.28. Somaliland has a large infrastructure deficit, and investments will be crucial to achieve desired outcomes envisioned in this RDP, including improvement of access to markets and basic services, and enabling the private sector development through better roads, ports, and power. In addition to the direct economic effects, infrastructure
investments can also have a secondary effect on the economy through the use of labour-intensive public works and supply structures to boost employment opportunities. A public-private sector partnership in the development of both rural and urban infrastructure will enhance the state’s capacity to maintain and sustain the roads, ports and air networks once they are established.

2.29 Somaliland has a fairly well developed transportation network, with some degree of management capacity. The road network connects major cities with the port of Berbera, and also connects Somaliland with Ethiopia and Djibouti. Somaliland has also a functioning international airport in Hargeisa, which operates international flights to Dubai, Ethiopia and Kenya, and which managed 1,750 landings, 5,600 passengers and 2,300 tons of cargo in 2002. The port in Berbera has been significantly modernized over the last few years, and is now handling the majority of livestock exports, as well as serving as a reserve port for neighbouring Ethiopia.

2.30 While the transportation infrastructure has largely been developed, it needs significant improvements to enable increased economic activity to fuel the economy. Urgent priorities include:

a) Improve the transportation volume through rehabilitating major corridors and bridges and through increasing the loading capacity at the Hargeisa airport and Berbera port;

b) Expansion of the secondary feeder roads network to improve basic accessibility to major productive centres such as farming communities, livestock hubs and fish processing centres.

2.31 Access to power varies largely according to region. While the system in Hargeisa is fairly well developed, rural populations have very limited access to electric power and rely for the most part on charcoal or firewood, which has large negative consequences for the environment. To improve access, priority interventions include rehabilitating and expanding the current distribution network to reduce wastage.

2.32 The key constraint to infrastructure network expansion will be the low implementation and management capacity. Over the past years, Somaliland has received significant external support to establish this capacity for improved maintenance of the transportation infrastructure. The establishment of the Somaliland Roads Authority is one example of successful institutional capacity building, but the organization still lacks sufficient technical, institutional and financial capacity to manage the road network adequately. The same applies to the Civil Aviation Ministry and the Ports Authority, although the latter has maintained a lot of financial strength through retaining a significant share of the collected revenue.

2.33 As of now, the institutional capacity is too low to assure proper management, implementation and maintenance of key infrastructure. Other opportunities thus need to be explored to ensure the rapid reconstruction of key infrastructure facilities. There are good
regional examples of effective **public-private partnerships** (e.g. the Hargeisa water supply) that should be replicated in different areas and extended to also include non-governmental actors and community-based structures in urban planning management of infrastructure development, and basic service delivery (water supply, energy, transport, housing, solid waste management).

(ii) **Sustainable growth and livelihood strategies**

2.34 Transforming the livestock and agriculture sectors and promoting private sector development is central to the challenge of development and sustainable poverty reduction in Somaliland, and will require substantial policy and programme efforts. Moreover, developing sustainable alternative employment and livelihoods is critical for the effective reintegration of ex militia and for lessening the chances of them again taking up arms. All seasonal rural feeder roads are important for the agricultural produce to reach the markets.

2.35 **Livestock.** Livestock rearing, trading and exporting represent the dominant productive activity in Somaliland, followed by crops, fisheries, and forestry. The main features of the livestock sub-sector in Somaliland are the low prevalence of important trans-boundary disease, such as Rift Valley Fever and PPR, the absence of rinderpest, and the dependence on an increasingly degraded, mainly flat, and partly mountainous rangeland that is extremely sensitive to drought. Furthermore, extensive rangeland areas, often the most productive areas of Somaliland, are set aside and fenced (enclosures) to produce fodder for shipped animal and to cater for the forage needs of transit animals, originating either from Somaliland or from neighboring countries. This practice is increasingly constraining free movements of indigenous animals and limiting access to traditional forage reserves, with increased pressure on less productive rangelands.

2.36 Productivity under these harsh conditions, measured in terms of lambing or kidding rate, is believed to be low at around 60 percent for mature females. The current age of turn-off of small ruminants is between 2 and 5 years, which mean that turn-off rates are also very low at around 25 percent of the total flock. Most sheep and goats are sold as live animals to Gulf countries, with an unknown number slaughtered at an abattoir in Burao registered with the UAE as suitable for export to Dubai.\(^9\)

2.37 While there is considerable uncertainty about the number of livestock, the Food Security Analysis Unit (FSAU), as quoted in the Somali Livestock Sector Strategy (FAO/EU/WB, 2004), estimated that in 1999 Somaliland had an estimated 5.8 million head of sheep (50 percent of the estimated total sheep in all Somali regions), 4.8 million goats (30 percent), 1.3 million camels (21 percent), and less than half a million cattle (7 percent). In 2000 a serious drought began that lasted until 2004, which no doubt resulted in considerable animal deaths and significant migration towards less affected areas. Since then it is said that there has been a remarkable recovery in livestock numbers and that they may now again be close to the 1999 levels. Improving the data base on livestock

\(^9\) No data on production and exports from the abattoir in Burao are published, but it is understood that the abattoir, constructed in mid-2004, has a slaughtering capacity of 1,250 two-year-old goats/sheep per day.
numbers and production, and developing a medium to longer term strategies for the livestock sector will be important to verify and validate these facts and figures.

2.38 Livestock production, processing, trading and exports will continue to dominate the Somaliland economy and be the most important source of household income and economic growth for decades to come. But circumstances have changed and are expected to change further, including but not limited to foreseen negative effects of climate changes. The latter might be dramatic within years and should be considered in the development of the sub-sector vision. The main changes are the absence of the once plentiful acacia and other tree species, very little shade for livestock, increased prevalence of thorny shrubs, and a harsher environment for annual and perennial grasses, substantial soil erosion, and greater overall vulnerability of the rangelands to drought. In these circumstances it is unlikely that the sustainable carrying capacity for small ruminants and camels, and to lesser extent cattle, can increase much beyond current levels. The question therefore arises whether, with the deterioration in grazing condition of the rangelands and foreseen limited private investments in livestock supporting practices in the rangelands (soil and water conservation, fodder production, veterinary services), the historical pattern of livestock production and trade can be sustained in the future. However, the rapid urbanization and development of major urban settings, such as Hargeisa, Berbera, Burco, Boroma, Erigavo and Laas Anod, coupled with changing eating habits of urbanized Somalilanders and returnees from the Diaspora, may create formidable incentives for intensification of livestock productions, especially dairy and poultry, in peri-urban areas and on more fertile rangelands. This in turn may foster additional investments in the agro-industry, especially in the processing of livestock commodities (meat, dairy and livestock by-products) and the processing industry for agricultural and fisheries by-products used for commercial feeds, to meet the internal demand for more sophisticated products of animal origin and the likely expansion of the export sector, in particular processed livestock commodities.

2.39 A particular importance will be the establishment of a reliable and cost effective animal health inspection and certification system, based on sound surveillance, initially focusing on trans-boundary animal diseases. Intense field research will also be required on the applicability of the “compartmentalization approach” in pastoral areas along the processing and marketing chains of the livestock industry. Finally, a livestock data information system, starting with a statistically reliable estimate of the livestock population, will be required to plan and monitor interventions and to develop sectoral policies.

2.40 However, sectoral policy decisions will also need to include mitigation measures to minimize expected negative impacts of the livestock intensification process on environmental pollution, public health and employment conditions. Intensification of livestock productions is usually characterized by higher investments on infrastructures and technological innovations, and imposition of stricter public health measures on products of animal origin. This is often followed by a drastic reduction of employment on the sub-sector, crowding out of subsistence livestock keepers, and unfavorable conditions for poor producers and pastoralists. A typical example is the dairy ring supplying milk to large urban centers like Hargeisa. The establishment of specialized dairy farms around
Hargeisa may have a negative impact on the many traditional livestock dairy producers that supply milk daily to the town, with dire consequences on the livelihoods of small scale dairy producers and other associated business, such as transport and petty trade. The latter, mostly conducted by women, may have serious consequences on their livelihoods. If development in the dairy sector in Somaliland is to take place, its primarily focus should be to attract private investments in milk collection centers in the peri urban areas of towns like Hargeisa improving the cool chain, gathering milk from small producers utilizing and improving the already existing network of small producers. High demand for fresh cattle milk may encourage and justify the establishment of dairy farms with irrigated fodder in Somaliland.

2.41 **Fishing.** Another key sector with substantive growth potential is fishing. There is a large international market, but recent over fishing, especially for lobster, threatens sustainability. The sector is currently marginal when looking at the domestic economy, with less than one percent of the population currently engaged, but if well managed the potential is much larger. More than half of the fishermen are employed to supply the tuna canning factory at Laas Qorey, which reopened in 2001, and processes 16 tons of fresh tuna per day. Industrial fishing, however, is carried out almost exclusively by foreign vessels. Nevertheless, there is significant scope for making the fishing industry a major source of employment and a substantial force for income generation based on a strong role by the private sector including foreign investment. Growth of the fishing industry would help reduce poverty and would improve food security for the relatively poor Somalilanders along the coast.

2.42 To release the growth potential in the fishing sector, key priorities in the short and medium term will include a combination of the following:

- a) Capacity building of the Somaliland fisheries authorities, including through improving the capacity of the Berbera College of Fisheries and Maritime Studies to train artisanal fishermen;
- b) Promoting investment in artisanal and semi-industrial fish production and processing;
- c) Establishing and financing a coastguard and working with neighbouring authorities to monitor use of fishery resources and to enforce standards;
- d) Introduction of measures to ensure licensing of all off-shore vessels and their compliance with all fishing regulations.

2.43 **Crop production.** Given Somaliland’s geographic features, it seems likely to remain a net food importer, financed by exports of livestock and fish products. The cost of producing food is relatively high, but the agriculture sector will remain important given the rather labour intensive production methods and importance for local food supply.

2.44 Measures are required to improve productivity and sustainability of the sector, and to create a positive environment for private sector investment in crop production,
processing and marketing. Better advisory services for farmers are needed, and the agriculture sector could also be given a boost through establishing a competitive fund for the financing, adaptation and generation of innovative agricultural technologies to which the institutions that provide agricultural services could apply. In addition, links could be established with regional networks, in order to access existing technologies. This could result in a significant increase in crop yields and productivity, which would generate income and stimulate private sector investment in agro-processing.

2.45 Other productive sectors. Looking beyond traditional livestock and agriculture, there is potential to **diversify the economy in rural areas, and provide opportunities for off-farm income-earning opportunities.** Currently, most of the population is involved in subsistence based production, which is highly labour intensive. With the predicted increase in productivity from technology exchange and better rangeland management, a substantive amount of the labour stock could be released, and measures should be taken to ensure that off-farm income opportunities are developed. Priority actions should also include incentives for local manufacturing through access to training, technologies, microcredit and improved regulations, as well as improvements in local markets and trading structures. In addition, the government should encourage labour intensive methods for construction of major infrastructure items and better use of public-private partnerships in the reconstruction period.

2.46 Somaliland also has a range of **known mineral resources** such as coal, gypsum, and limestone, various gemstones as well as precious and base metals such as gold, copper, lead and zinc that should be further investigated since they present prospects for income and employment generation. Oil exploitation is also believed to be a realistic possibility based on oil finds in Yemen in similar geological formations. What is needed is a competent and transparent public regulatory and contracting authority within government to manage the decisions over rights by the private sector to exploit these resources, and a general strategy that can ensure appropriate and sound use of public resources.

The majority of the urban population, while at the same time enlarging generating capacity to meet increased demand from an improved supply network. In rural areas, efforts are also needed to diversify, including the increase of alternative fuels like liquefied petroleum gas (LPG) gas and kerosene. Given the environmental conditions with much sun and wind, renewable energy sources should also be explored. At the same time, a strategy for improving the regulatory and policy framework is needed, which would have to include capacity-building elements to maintain the existing network, as well as looking at the cost benefit of importing energy from neighbouring countries and means to decrease wastage.

**(iii) Ensuring sustainable natural resource management**

2.47 Somalis have always depended on natural resources for most of their production and incomes, and this continues to be the case today. However, the **environment has been severely damaged** in recent years because of the absence of effective regulations, irresponsibility on the part of powerful groups and individuals exploiting the fragile environment, and the desperate search for livelihoods by the poor.
2.48 Given the heavy dependence of traditional economic activities on the natural resource base, sustainability of renewed growth will also depend on the establishment and maintenance of an effective and sustainable management of natural resources pivoted on sound policy, community awareness and capacity building in bio-diversity conservation and renewal. Developing and implementing regulations to control the imports of dangerous pesticides will contribute to sustaining the state’s natural resources.

2.49 The effect of environmental degradation on growth potential and poverty reduction has been clearly mapped out above, and includes deforestation, over-fishing, reliance on non-renewable energy sources, and poor waste management. To complement the Country Environment Profile conducted by IUCN, there is a need to prepare a “State of Environment” report. Although Somaliland has a Ministry of Environment, this has not yet been able to effectively address environmental problems in a coherent manner, and improved efforts are needed to create a conducive policy environment for the effective and sustainable management of the natural resource base. In addition, key priority initiatives should include:

a) Enforcing the ban on charcoal exports;

b) Conducting a thorough field-based State of the Environment report to assess the status of natural resources and to guide future resource management and development decisions;

c) Investigating the alleged toxic waste sites on land, and dumping of toxic waste at sea, and the former Berbera missile base site for chemical contamination, and assess the cost of cleaning these sights; and

d) Building institutional capacity to manage public policy on sustainable use of natural resources.

(iv) Enabling financial and commercial regulatory framework

2.50 Strong, private sector-led growth based on an enabling policy and regulatory environment for private sector investment is necessary to create employment, expand livelihood opportunities, diversify economic activity, and support a lean and efficient government. This will contribute significantly to achieving the RDP’s main objective of reducing poverty. In this regard, Somaliland’s Economic Recovery and Poverty Reduction Plan (2003-05) will need to be revised, updated and adjusted into a Poverty Reduction Strategy Paper to guide it to pursue its pro-poor agenda. A number of actions will be required to lower the cost of doing business in Somaliland and reach this vision, including (i) establishing and maintaining a simple and transparent regulatory environment (e.g. business licenses should be inexpensive and easy to obtain, and regulations focused on public good issues such as environmental effects), (ii) the reconstruction of effective and independent Chambers of Commerce that can, in collaboration with the government, address constraints impeding private sector development, with the resolution of constraints leading to an improved investment
climate (iii) improved provision of financial and insurance services, and (iv) establish a women fund to increase women access to markets and investments.

2.51 Establishing an effective and reliable **commercial banking and non-bank financial sector**, plus insurance services, and enabling Somali businesses to access services and information about new economic opportunities are key challenges. Hopefully this could build on the current success of *hawala* companies as vehicles for financial flows. Information campaigns for businesses and efforts to remove possible barriers to accessing contracts (i.e. bid bonds, credit) to establishing and conducting business (i.e. registration, letter of credit requirement) could not only help spread benefits through the Somaliland economy but may also help diminish the tensions which arise in post-conflict operations between domestic entrepreneurs and foreign businesses. Development of a credit program, including microcredit schemes, for small-scale traders and farmers is an associated priority, as is the improvement in access to basic guarantees, which can enable increased export and import activities.

2.52 There are a number of other issues that must also be addressed in the short term to improve investor prospects. The common hurdles that investors face when exploring the requirements for starting a business - which even in some developed countries have proved onerous – must be removed by simplifying business registration procedures, abolishing redundant licensing requirements, greater clarity on tax requirements, and clarification of land acquisition and rental. The same is needed to support continued and improved private sector provision of telecommunication services.

C. **Deepening Peace, Improving Security and Establishing Good Governance.**

2.54 Somaliland has made large achievements in terms of establishing elements of good and accountable governance, but further work is needed as part of the reconstruction and development efforts to ensure that progress so far on internal reconciliation is consolidated, and that the government is given the means to guide the implementation of this plan. The work on governance and institutions will need to be grounded in, on the one hand, the current legal framework, as provided by the Somaliland Constitution of 2001, and on the other hand the underlying strategic principles for this RDP, including good and accountable governance through a system of devolution of power to the district level, particularly for the purpose of decentralized local service delivery.

2.55 Drawing on these principles and the current state of governance structures in Somaliland, work is needed on three levels to simultaneously achieve the stated objectives of this report. First, improving the underpinnings for good governance, institutional capacity and accountability will require special attention, including strengthening the link between decisions, plans and budgets, improved revenue collection capacity, better public financial management, continued civil service reform, further decentralization, and addressing constraints to human resource capacity. Second, the ongoing democratization process needs to be deepened through initiatives for
strengthening bottom-up accountability from civil society, professional organizations, and media institutions, and through parliamentary training and deepening of the multiparty system. Lastly, continued judicial and legal reform and deepening of aspects of human rights are needed to consolidate peace and lay the foundations for a Somaliland based on principles of rule of law and human rights. Each of these aspects is elaborated on in further detail below, as well as in the RBM.

2.56 The four highest priorities identified and agreed to by participants at the Hargeisa RDP Consultative Workshop on deepening peace, improving security and establishing good governance are as follows:

a) Judicial governance and dispute resolution mechanisms.

b) Participatory governance.

c) Administrative governance.

(i) Judicial governance and dispute resolution mechanisms

2.57 An important drawback in the Somaliland constitution is that the judiciary is operating in a legal vacuum. There is no body of laws which establishes how the legal system should operate - defining the jurisdiction and competence of the different courts, required qualifications for judges, how seniority among judges should be determined and how promotion in the judiciary should be regulated.

2.58 Somaliland is in the process of re-establishing secular courts through rehabilitation of the justice infrastructure, including buildings and equipment, and through the provision of basic training. There are High Judicial Councils responsible for the appointment, transfer, and promotion of judges and disciplinary hearings for removing them, and for supervising the courts. While the government officially guarantees the independence of the judiciary, it often in fact controls the High Judicial Councils. Institutional weaknesses include lack of qualified staff, infrastructure, basic equipment, record keeping, transportation, and reference material as well as an under-developed management and supervision system.

2.59 Strengthening the rule of law will require increased confidence in the system, which can only be achieved by building legitimate and transparent law enforcement institutions. The judiciary also requires upgrading of skills and training in human rights, particularly in gender equity, and sensitive application of shari’a law. Training for the police force needs to include inter alia exposure to good international practice, awareness rising on human rights and statutory laws, crime prevention, investigation and interrogation techniques, and relationships with other security sectors. The strengthening of the Police Force can be augmented by promoting neighbourhood policing. Monitoring and accountability mechanisms are needed in the correctional system to stem abuses, and to enhance access to justice for vulnerable groups, including displaced women, juveniles,
minorities and the disabled. A separate juvenile correctional system is needed to properly address the unique needs of this age group.

2.60 In order to protect women’s rights, the government needs to harmonize current domestic legislation with international standards. The proposals include training programs to sensitize parliamentarians, the judiciary, police and correctional services to gender equity issues, increasing the representation of women among their ranks, and establishment of a system for protection, monitoring and reporting of human rights practices. Support to women’s advocacy organizations would play an important role. Reforms to the existing legal and justice systems are also necessary to ensure equal rights, including with respect to land and property laws, to secure access to justice and legal aid for women, and to address the shortcomings in customary and statutory law vis-à-vis basic human rights.

2.61 To effectuate the above reforms, the relationship between traditional and common law needs to be further clarified. The capacity of formal secular courts needs to be expanded, which will require investment in infrastructure and training (including on gender and human rights issues), development of legal materials, improvement of access to justice through efficient court performance, enhanced awareness of rights by all citizens, and legal assistance. In addition, a culture of human rights is needed within all legal structures. This calls for training and the establishment of oversight and accountability structures, in addition to the development, implementation and promotion of gender, child, disabled and minority rights strategies.

2.62 Existing national legislation needs to be reviewed to ensure the sustainable management of natural resources and environmental protection. A crucial requirement in this regard is strengthening of the legal framework regulating land and property rights, which has a large impact on taxation, economic activity and people’s livelihoods. Currently, there is no consistent and comprehensive legal framework for land and property management, and a land commission should be established to review the current system for dispute management and develop a draft land law. A land tenure survey is also needed, as well as a proper registration system.

2.63 The priorities for strengthening judicial governance and dispute mechanisms include:

a) Establish of a well-defined judiciary system in place supported by legitimate and transparent law enforcement agencies.

b) Train the Somaliland Police Force, expand the force through continued absorption of remaining demobilized militia, and ensure the inclusion of at least 15% women.

c) Reinforce the adoption and observance of international human rights standards.

d) Establish an appropriate regulatory framework for land and property rights.
(ii) Participatory governance

2.64 As already noted, Somaliland has a relatively developed democratic and electoral system. The legitimacy of elected authorities as well as democratic institutions like the Somaliland Electoral Commission has been reinforced and people in Somaliland have become more aware of their rights. The coming 2007-2008 local and presidential elections and the 2010 parliamentary election will serve as a good opportunity to further consolidate the democratic system of governance. However, deepening of democratic values and institutions will require on the one hand a strengthening of the electoral and multiparty system, and on the other hand a further strengthening of civil society and media institutions that can ensure greater accountability and engage in the decision-making process.

2.65 The next stage will be to prepare for and hold successful local and presidential elections in 2007/2008. A census will also be needed to consolidate the voter registration pool and the election processes. In order to ensure correct sequencing of support to the electoral and multi-party system, it will be useful to issue identity cards before the voter’s registration.

2.66 Increasing political participation in the local communities is a priority. This will require research on and promotion of the inclusion of women, young adults and other under-represented groups, research on civic and human rights, and research on institutions and non-state actors. An important aspect of the effort will be the design of civic education programmes and public information campaigns. To encourage greater participation of NGOs and NSAs in the democratic process, it will be necessary to confer a legal standing on these bodies through an act of Parliament.

2.67 Somaliland’s civil society organizations currently suffer from a range of constraints and the question of legitimacy of the sector emerges as a key constraint to the effective operation and impact of civil society. Legitimacy is inextricably linked to lack of accountability and inadequate transparency, and problems include the proliferation of “briefcase NGOs,” which undermines the credibility of the NGO sector as a whole. To improve bottom-up accountability, priority actions should include the development of a legal regulation of the sector, equipped with a system of official registration of civil society organizations and NGOs. Such regulatory framework could guide and clarify the involvement of civil society in public affairs, and programmes of training for human rights institutions and CSO’s in civic education, with special attention to gender issues and disadvantaged groups.

2.68 Media institutions are moving towards a free, market-oriented system, but are still constrained by weak information delivery capacity, lack of professional skills on behalf of journalists, and close links to political factions. Radio stations are the main tool for delivering information and raising public awareness in Somaliland. However, coverage in rural and remote areas, where information is needed most, is limited. Improved coverage is thus a key priority that could be accomplished through establishing low cost community radio stations or alternatively repeating stations in rural areas. In addition, capacity building of media professionals will be important, as well as the
development of a communications and information policy framework that can guide the sector’s involvement, including in civil and social education efforts. The participation of women in the media sector, including at management levels, is crucial to address gender needs and priorities. In order to preserve the freedom of press, it is necessary that a general code of conduct be adopted for the media and adequate space created for private media, especially the radio.

2.69 Immediate efforts are needed to further strengthen and consolidate Somaliland’s electoral and multiparty system. Priority actions should include:

a) Institutional support to Parliament, the Electoral Commission and local authorities to ensure that they operate in transparent and accountable ways;

b) Support to improve the voter registration system;

c) A review of constitutional and electoral legislation ensuring at least 30% of women representation in Parliament and local government;

d) Support for human rights institutions and civil society organizations and the media in civic education, and accountability with special attention to gender issues and disadvantaged groups.

(iii) Administrative governance

2.70 Grounded in the Somaliland constitution of 2001, the guiding principle for the overall architecture of government is that it should be a minimal, lean, efficient structure of institutions that serves regions and localities and embodies principles of good governance, including transparency, accountability and participation. A key feature in this regard is the continued push for a well-functioning local government with clearly defined functional and political assignments. There is need to develop a legal basis for roles and functional relationships of the various ministries. Rightsizing the current civil service, developing policies and procedures that regulate local government activities, and building technically competent and operationally efficient and accountable public institutions will be key to operationalizing this system, as will the establishment of adequate revenue collection and management capacity, and sound public financial management and linking policies to planning and budgeting processes.

2.71 Somaliland has a fairly well developed public administration, but the current system for planning, budgeting and fiscal management has large shortcomings and is not properly integrated. Efforts are urgently needed to clarify procedures and ensure greater transparency and accountability in planning and budgeting. In particular, there is an urgent need to establish elements of strategic planning in the budget formulation process, and to introduce functional classification for budgeting and spending, compromising inter alia the transparency of fiscal operations and the ability to plan, execute, and monitor poverty reduction efforts. In addition, the system of public oversight should be strengthened, in particular the offices of the Accountant General, the Auditor General, and the Public Account Committee, to enable them to take on the role of effective watchdog of public management. Technical capacity for auditing and accounting must be
approved, and the authorities should look at outsourcing these elements in the medium term to avoid creating bottlenecks for rapid implementation.

2.72 Continued administrative and fiscal decentralization will be crucial to a well functioning government in Somaliland. The clarification and harmonization of the relationship between the central and local administrations is a necessary step in Somaliland’s administrative and fiscal decentralization process. The current three-tier system of government will, however, need strengthening in terms of clarifying both the functional responsibilities at each level and expenditure assignments. Once this has been done, increased efforts are needed to:

a) Establish institutional and human resource capacities for districts and local governments to enable local development planning and budgeting and improve accountability in local budgets from a gender perspective, as well as to ensure that development expenditures meet intended targets for poverty reduction and improved service delivery ensuring gender balance;

b) Strengthen central government capacity to monitor and account for local government expenditures and link to the policy and planning process; and

c) Revise and operationalize the system of intergovernmental transfers that can enable increased pro-poor and pro-women development expenditure at the local level, focusing on strategic interventions for the most vulnerable segments of the population. This will include redefining the current criteria for transfers to be based on elements of equitable and pro-poor and gender-balanced distribution of public resources, establish a transparent and accountable transfer and monitoring mechanism, and agree on both the overall size of the transferred amount, and the horizontal and vertical shares.

2.73 In addition, further work is urgently needed to increase the fiscal space by establishing a system for improved revenue collection and management. Currently, 80 percent of own source revenue comes from import and export taxation at the port of Berbera. Collection is managed centrally, and a percentage transferred back to the districts. As such there is large scope for improvement in both administration of revenues currently collected and capacity to collect other sources of revenue like income and property tax. Priorities will include clarifying the revenue assignments at different levels of government, strengthening collection and management capacity, creating a new gender sensitive tax law, and establishing registration capacity to allow for improving the revenue base through diversification of alternative taxation sources such as sales, income, corporate and property tax.

2.74 The need to improve the performance and accountability of public sector agencies is arguably the most critical cross-cutting theme of the proposed framework. Currently, the civil service is plagued by overstaffing relative to available resources, low pay, and few senior level staff relative to lower level clerks. The Somaliland Civil Service Commission has recently started to address these issues by initiating a process of both rightsizing the public service and decentralizing front-line service delivery staff. This process should be continued, and a priority should be to design a fully fledged reform strategy that looks at policy options for staffing structures, functions, salaries,
recruitment, promotion and training. Skills gaps need to be identified as part of the recruitment strategy, and a comprehensive capacity-building programme should be developed based on an assessment of key functions and capacities needed at both central and local levels and implemented through the existing civil service training centre in Hargeisa. The above policies should promote gender equity and access with affirmative action policies, and incorporate conflict sensitivity, human rights, peace building and gender into policies and training.

2.75 Sound **public financial management** is not merely a technical issue; it is a critical dimension of government’s accountability to the public, and of informed decision-making at the domestic level and by development partners. Alongside technological modernization and training, financial management will become more transparent. Stakeholders need to know, for example, how much of domestic revenue is being allocated to basic education, and how much of the allocation is being executed. Reforms are needed to ensure accountability in intergovernmental relations, including expenditure management, as well as for the establishment of effective, transparent systems for public procurement, including oversight mechanisms.

2.76 **Procurement** is arguably one of the most urgent aspects to ensure the effective implementation of the reconstruction and development program, and should as such be outsourced in the short to medium term to avoid unnecessary delays. However, outsourcing should not come on the expense of building necessary local capacity, and any contracts should include specific capacity building elements and sunset clauses for hand-over. The five year target is that procurement practices and systems will be based on transparency, efficiency and economic viability, and that the current tender board is elevated to a procurement oversight authority.

### 3. IMPLEMENTATION, COORDINATION AND MONITORING ARRANGEMENTS

3.1 As mentioned earlier, all three pillars of this RDP are interrelated and mutually reinforcing. Ideally, all three would be implemented concurrently, to ensure positive externalities and synergies to be formed. The benefits achieved by partial implementation would be fragile and could exacerbate tensions.

3.2 In keeping with the current situation and progress made in Somaliland, the vision outlined above, and experience from other countries that have transitioned from conflict to reconstruction and renewed development, the following broad **guiding principles** and **basic assumptions** should be recognized and adopted in the implementation of this RDP:

   a. **Transparency and accountability.** Implementation and monitoring arrangements need to be inclusive and transparent and provide for full accountability to beneficiaries (communities/claim holders), national stakeholders (government at all levels plus civil society), and participating donors (those providing funds). Such accountability requires involvement and participation of various stakeholders during implementation, and corrective mechanisms.
b. **Keep the public sector small and focused.** Encourage the continued development of a lean, transparent and efficient public sector complementing the existing strengths of the private sector and NGOs. This means strengthening the government’s capacity to perform core regulatory functions through building on existing structures and strengths, establishing smart and innovative public-private partnerships, and consolidating the regulatory framework;

c. **Building sound fiscal management.** Although the implementation of this RDF will be funded primarily by international sources, the funds should be linked to government’s own budget and planning processes. This will enable greater capacity transfer, and ensure greater understanding and ownership of the development priorities also after the five year period;

d. **Continue administrative and fiscal decentralization.** Every effort should be made to ensure that the commitment to a decentralized system of governance and service delivery is implemented. Clearly defined functional and revenue assignments at different tiers of government will enable further empowerment of local communities and administrations to respond to the needs in service delivery, thereby reducing the risk of localized conflict over resources, or the persistence of grievances that might prompt a return to outright war;

e. **Build on successes.** Lessons learned from recent achievements should be incorporated and built upon. Similarly, as mentioned above, the achievements of civil society, NGOs religious groups and the private sector in providing services can be built upon.

f. **Recognize specific challenges in the transition period.** The implementation of proposed initiatives will have a distinct impact on the future sustainability of the reconstruction and development process, in particular on social and state institutions. Given limitations to absorptive capacity and financing, it is important to note that, while international partners will initially be crucial to ensure the improvement of people’s daily life, such initial arrangements should be transitional and have a clear sunset clause.

3.3 **Implementation arrangements and challenges.** As pointed out earlier, delivery of services are at present primarily done through non-governmental actors and with external funding, albeit with increasing involvement by government agencies. To ensure effective and targeted implementation of this plan, the current structures should be recognized, and built on, and important lessons from implementation so far should be incorporated into an overall implementation strategy. This would include getting a better view of who is doing what at present, as well as the linkages and interface with government agencies and their capacity for monitoring and participation in various sector plans.

3.4 Some lessons learned are already available from externally driven activities in Somaliland, and provide useful insight into the present implementation environment.
Several bilateral donors are already funding development activities in Somaliland, mainly through separate components in larger Somali programs. Examples are DFID and World Bank contributions to community-driven recovery and development (CDR/CDD) and EC contributions to the education sector. Lessons from these activities highlight how continued donor pressure and interest in development programs can have positive effects on the impact and progress of the activities. However, most donors are prevented from dealing directly with the Somaliland government, and depend on subsidiaries for the implementation of development programs.

3.5 Although no external actors are working completely through government agencies, recent experience however shows that there is scope for bringing the authorities into the decision making and implementation process. Several external actors are implementing sector programs with the participation of specific ministries, and are soliciting their inputs and preferably also approval before specific activities are moving ahead. One example is in the education sector, where UNESCO has established a unit within the Ministry of Education responsible for data collection and monitoring of activities, and as a vehicle for building the capacity of the Ministry for project design and implementation.

3.6 The above mentioned developments show that the Somaliland government has the limited capacity needed to partake in the design and implementation of development activities, albeit not take on the actual management. As such, each project and program proposal arising from this RDP should include specific elements on which government agency is expected to be the main interface, bring staff of this agency into the planning and decision making process, and ensure appropriate capacity transfer and handover of activities at a predetermined future time.

3.7 **Costing.** A unit cost approach was used to prepare the Results Based Matrix utilizing the actual present day costs of inputs as the primary means of calculation of the RBM financial requirements. The 5-year cost structure was based on the sequencing of prioritized needs, the opportunity for effective implementation and the fact that far more outputs are expected to be delivered in the last 3 years of the RDP, largely because of increased absorption capacity. Population data were drawn on and relevant only to approximately 20% of activities outlined in the RBM.

3.8 Recent experiences also provide useful implications for the financial aspects of scaling up. Most external actors have established bank accounts with one of the remittance companies in Somaliland, and transfer funds frequently to cover recurrent and capital costs. A common denominator for all international partners in Somaliland is however that they transfer funds outside of government budgets, and although the authorities are brought into the decision making process they are largely left out of the loop when it comes to the actual funds. With increased capacity, there should be a push to improve the linkages between the government budget and external financing of development funding, either through some form of pooled funding or through a tracking system for development expenditures linked to the monitoring framework described below.

3.9 In the short to medium term, it will however be important to recognize the efforts by international and national NGOs, and a process is needed to ensure that vital
experience and information are not lost with the large expected capital inflow. To ensure that ongoing efforts are continued and scaled up, a mapping of active partners in Somaliland is urgently needed, and further emphasis should also be placed to bring these groups into the management or monitoring of the implementation of this RDP. Such participation, although controversial in the sense that it merges different approaches and focuses, will be particularly crucial for delivery of basic services in rural areas, where few international partners are present, and where much of the devastation is worse.

3.10 Given that one of the key implementation strategies outlined above is that service delivery should take place at the district level, international partners will also continue to play an important role related in terms of their capacity to transfer funds directly to the community level. For example, most NGOs work through local subsidiaries for these transfers, as part of community driven recovery projects, thus bypassing the bureaucratic procedures often associated with government managed recovery and development efforts. At the same time however, these transfer structures have important side effects that need to be recognized and prevented, including the difficulties in direct monitoring and thus potential for misuse and corruption.

3.11 Securing the participation of private sector has already been recognized as a crucial factor during the implementation of this plan. The public-private partnership experiences in the water sector in Berbera and garbage collection in Hargeisa should be built on and extended. One possible factor for consideration is to include components of this in all larger projects and programs, and in particular in terms of maintenance of the infrastructure investments needed.

3.12 Implementation needs to be supported by systematic development and collection of key data and statistics, to enable continuous monitoring of progress and adequate capacity for strategic focus in particular areas and sectors, as well as prioritizing of limited resources. As far as possible, different sectoral data should be collected by one agency, and using one agreed set of indicators and targets. Collected statistics should also be disaggregated for particular groups, regions and by gender, to determine levels of vulnerability and access to services, as well as mapping of service providers and levels of provision in both rural, urban and peri-urban areas, and mapping of resources available for service delivery at community, district and regional levels.

3.13 As part of local capacity development and to ensure continued ownership by the people of Somaliland, there would ideally be one or more aid coordination bodies within the Somaliland authorities. The number of such bodies would depend on implementation arrangements and agreements to be reached regarding the possible decentralization of implementation. This body (or these bodies) would be closely linked with management of the fund(s) and with overall coordination of reconstruction and development initiatives. Over time, the capacity of such an aid coordination body (or bodies) would develop into an ongoing focal agency for continued international assistance. A common set of Indicators for the RDP, adopted by all stakeholders would enable clearer performance monitoring with respect to the implementation of the RDP, as would a common Information Management System for the RDP that all stakeholders would use and contribute to.
### 4. CONSOLIDATED RESULTS-BASED MATRIX FOR DEEPENING PEACE AND REDUCING POVERTY

<table>
<thead>
<tr>
<th>Target Outcomes for Year 5</th>
<th>Baseline 2006</th>
<th>Constraints to Achieving Outcomes</th>
<th>Key Actions and Intermediate Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Year 1</td>
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</table>

#### A. Investing in People through Improved Social Services.

**A1: Expanding Education and Training services**

(i) Access to primary education improved with GER rising from 40% to 58% to ensure gender equality

- GER 32% for girls, 48% for boys – overall 40%
- Inadequate quantity and quality of schools and teaching/learning facilities
- Just two percent of Government budget is allocated to Education

(ii) Access to secondary education improved

- Only 26 secondary schools existing
- Shortage of trained teachers
- Poor capacity for exam assessment and certification
- Four Universities exist,

- Lack of adequate funding and other forms of support.
- Inadequate number of schools (397).
- Insufficient number (2,613) and proficiency of teachers.
- Limited policy and planning capacity

- Social mobilization to increase GER launched,
- Rehabilitation, supply and revitalization of at least 10% of primary schools started.
- Provision of latrines and rehabilitation of wells/boreholes for rural and urban schools initiated
- Building mobile schools for pastoral communities started, with special focus on female students
- Teaching and learning materials delivered to schools

- School rehabilitation continued with 60 rural and urban schools
- Social mobilization continued,
- Rehabilitation, supply and revitalization of at least 15% of primary schools,
- Provision of latrines and rehabilitation of wells/boreholes for schools continued
- Continued building of mobile schools for pastoral communities,

- Social mobilization continued to 58% enrolment
- At least 25% of primary schools rehabilitated, supplied and revitalized.
- Schools provided with latrines and rehabilitated wells/boreholes
- Boarding and mobile schools for pastoral communities built, and returned students included in education.
- Establishment of day schools finalised in every district

- Teachers and learning material provided
- Scholarship provided to encouraged children of poor families
- 30 schools constructed
- Textbooks and other teaching & learning materials distributed
- Training for secondary schools teachers completed expanding inclusion of female teachers by 25%
<table>
<thead>
<tr>
<th>(iii) Tertiary Education Expanded, Producing Required Human Resources for the Economy</th>
<th>but limited access to tertiary education</th>
</tr>
</thead>
<tbody>
<tr>
<td>(iv) Technical and Vocational Education and Training (TVET) Expanded and Providing a Well-Trained Labour Force to Meet Demand in the Local Economy</td>
<td>Vocational training centres exist, but provision limited, and only with the support of NGOs.</td>
</tr>
<tr>
<td>(v) Institutional and policy capacity established for management and planning of the sector</td>
<td>Inadequate facilities in education offices. Inadequate data/statistics for planning. Draft Education Policy ready for ratification by parliament.</td>
</tr>
</tbody>
</table>

**[Costing: 87.2 m]**

- University curricula poorly adjusted to job market
- Lack of resources and availability of highly qualified academics
- Lack of research and practice facilities and new technologies
- TVET provision is expensive, Lack of adequate funding and absence of conducive environment.
- TVET activities mapped and labor market survey carried out, with data disaggregated by gender and sex
- 4 TVET institutions established.
- TVET policy reviewed and implemented, taking into account gender needs
- NFE policy drafted

**[Costing: 15.9]**

- Female teachers by 15 %
- Policy and Legal framework for higher education put in place
- Infrastructure development for tertiary institutions started
- Scholarship policy/programme developed with special focus on female students.
- Increase women in education management of at least 15 %
- 4 new TVET institutions established and instructors recruited and trained.
- TVET curricula, with gender consideration, developed.
- NFE policy implemented
- NFE programmes for youth, women and adults expanded

**[Costing: 55.6]**

- Gender sensitive Education Policy approved.
- Examination authority established
- Assessment of staff training needs undertaken; training programme for local level MOE staff designed, taking into account gender balance.
- Collection of gender disaggregated data for planning and identification of gender gaps in institutional and policy capacity
- Gender sensitive Education Policy implementation
- Examination authority operating, piloting certification for each level of the education system ensuring women representation.
- Capacity of local level staff improved especially women
- Develop strategy to bridge the gender gaps for planning

**[Costing: 15.9]**

- New curricula introduced
- Higher education system for development of human resources implemented.
- Scholarships in place for disadvantaged groups.
- Infrastructure development completed.
- Increase women in education management of at least 25 %
- A total of 12 TVET institutions established,
- TVET curricula in place,
- 15 % of youth and 30 % of adults, 50 % of women and 60 % of ex soldiers/militia enrolled in NFE programmes.
- Curricula, teaching and learning materials for NFE programmes distributed.
- Education Policy reviewed
- Planned departments and institutes strengthened and fully functional.
- Education and management system from MOE to local level with gender emphasis established and operational.
- Implementation and monitoring of the strategies

**[Costing: 55.6]**
### A2. Improving Health Services

(i) **Improved access to quality primary health care for all and especially women and other vulnerable groups through:**

- health infrastructure rehabilitation,
- human resource capacity improvements;

*Leading to improvements in addressing the needs of women and children*

- Disjointed drugs procurement systems, and self-medication practices common
- Unregulated system. No quality control in place. Diseconomies of scale in drug procurement. Poor prescription patterns
- A 1999 Strategic Health Plan exists
- Plans for decentralizing health care workers developed
- Uncertainties related to the political/governance settings
- Challenges in regulating the private sector
- Low per capita expenditure on health
- Inadequate funding available and low planning and implementation capacity at central and local government level
- Limited access to Health Care Services
- Scattered population and long distances between referral health facilities
- Priority given to urban areas by political constituencies

(ii) **Increased availability of affordable essential drugs of proven quality Leading to decrease in communicable diseases (e.g. malaria, TB, HIV/AIDS and respiratory tract infections)**

*Improved affordability of health care, and strengthened capacity of MoH for planning and implementation at central*

- Inadequate funding available and low planning and implementation capacity at central and local government level
- Low per capita expenditure on health
- Inadequate funding available and low planning and implementation capacity at central and local government level
- Limited access to Health Care Services
- Scattered population and long distances between referral health facilities
- Priority given to urban areas by political constituencies

<table>
<thead>
<tr>
<th>[Costing: 15.7]</th>
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<tbody>
<tr>
<td>Block grants provided for community health care systems</td>
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<tr>
<td>Norms and standards for health facilities developed,</td>
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<tr>
<td>Rehabilitation of 10 clinics and hospitals started</td>
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<tr>
<td>Strategy for training of health staff developed</td>
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<tr>
<td>Curricula revised at four existing teacher training facilities</td>
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<tr>
<td>Five partner training institutions operational</td>
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<td>Common supervision tools developed</td>
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<tr>
<td>Pilot projects to improve quality of health care identified, focusing on nomads</td>
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<tr>
<td>Formulation of essential drug list and standard treatment guidelines finalized</td>
</tr>
<tr>
<td>Independent non-profit drug purchasing agency established</td>
</tr>
<tr>
<td>Regional drug supply agencies established</td>
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<tr>
<td>Finalized plan for harmonization of salaries, incentives and contracts based on expenditure review</td>
</tr>
<tr>
<td>Legal framework for NGO including women organizations and</td>
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<tr>
<td>Health Management Information System introduced</td>
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<tr>
<td>Autonomous Health Policy Analysis Unit established</td>
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<tr>
<td>HR Development Plan</td>
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<tr>
<td>and local levels strengthened</td>
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<tr>
<td>-------------------------------</td>
</tr>
<tr>
<td>[Costing: 41.5m]</td>
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<tr>
<td>• FGM is common practice</td>
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<td>• Khat is widely abused, with large negative societal effects</td>
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</table>

For the Programme addressing women special health needs:
- Designing legal framework to improve NGO including women organizations and private sector involvement
- Identify key posts and recruit core policy and administrative staff
- Existing surveillance system strengthened
- Increase women in health management of at least 10%
- Assess skills and institutional capacities to address women health needs (reproductive health, women friendly services, HIV, MHC, gender based violence recovery services)
- Awareness campaigns on the harmful effects of FGM and khat initiated

Costing: 41.5m

For the Programme addressing water management:
- Improved water supply and sanitation facilities provided through effective involvement of private sector and NGOs
- Water Act and regulatory framework not approved
- High costs of constructing/harnessing water sources
- Recurring droughts stressing water sources in rural areas

Costing: 6.6m

For the Programme addressing women health needs:
- Institutional support and capacity building provided to relevant Ministries
- Arrangements of pro-poor and pro-women tariffs and strategies are being piloted.
- Policy and regulatory

Costing: 10.1m

Private sector involvement approved
- Health services sector operational
- Information/monitoring strategy designed and implemented
- Increase women in health management of at least 20%
- Develop programme and policy framework to address women health needs (reproductive health, women friendly services, HIV, MHC, gender based violence recovery services)

Costing: 24.8m

Regional/District authorities manage rural water and waste management
- Pro-poor and pro-women tariffs and strategies are implemented.
- Safe and environmentally sound solid and liquid waste collection and
## (ii) Improved awareness of hygiene and water diseases

- Only 10% of annual rainwater harvesting is exploited
- High social and economic costs for lack of water
- Large prevalence of water-born diseases
- Rudimentary institutional system in place, but no regulatory framework to manage water resources
- National Water Policy adopted, but Water Act not passed
- Less attention is paid to sanitation and hygiene that to water
- Information not included in school curricula
- No legal framework guiding water management
- Water Ministry limited capacity and human resources
- Sanitation facilities improved in schools
- Regulatory framework for private participation in water and sanitary services developed
- Introduce rainwater harvesting schemes
- School curricula revised to include information on hygiene and health issues
- Public information campaign designed
- Increase women’s participation in water management by at least 10%
- Water Act and Water Regulation passed
- Gender sensitive review of efficiency measures in National Water Policy initiated
- Training of key staff in water resource management initiated
- Framework for private participation in water and sanitary services implemented
- Public information campaign progressively implemented
- Hygiene issues included in teacher training
- Increase women’s participation in water management by at least 20%
- National Water Policy amended based on review
- Water management institutions integrated
- Training policy adopted and implemented

**[Costing: 3.3]**

## (iii) Fully integrated water resource management system in place

- Sanitation facilities improved in schools
- Regulatory framework for private participation in water and sanitary services developed
- Introduce rainwater harvesting schemes
- School curricula revised to include information on hygiene and health issues
- Public information campaign designed
- Increase women’s participation in water management by at least 10%
- Water Act and Water Regulation passed
- Gender sensitive review of efficiency measures in National Water Policy initiated
- Training of key staff in water resource management initiated
- Framework for private participation in water and sanitary services implemented
- Public information campaign progressively implemented
- Hygiene issues included in teacher training
- Increase women’s participation in water management by at least 20%
- National Water Policy amended based on review
- Water management institutions integrated
- Training policy adopted and implemented

**[Costing: 3.6]**

## A4 Protecting Vulnerable and Disadvantaged Groups

### Improved community awareness of protection issues and strengthened support systems

- 11% of children orphans
- Lack of legislative and protection mechanisms
- Gender based violence widespread
- No legal protection for women and children
- High levels of adult illiteracy
- Limited information, institutional capacity and resources
- Discrimination, stigma and low awareness
- Poor understanding of vulnerability and protection measures
- Establish community based information systems to identify needs
- Establish pilot targeted service delivery programmes in at least 10 districts drawing on NGO expertise
- Baseline survey on public awareness of protection issues and access to services undertaken
- Drafting of legislative, policy, and regulatory framework initiated to protect vulnerables and
- Expand targeted service delivery programmes in at least another 10 districts drawing on NGO expertise
- Provide training workshops on the protection of vulnerable groups
- Training of communities in identification of disadvantaged groups initiated
- Baseline survey concluded and recommendations made

**[Costing: 7.3]**

- Sanitation facilities available in all schools and public offices
- Increase women’s participation in water management by at least 30%
- Ministry fully operational with capacity to uphold legislative framework
- New National Water Policy passed
- Expand targeted service delivery programmes to all districts,
- Provide training workshops to strengthen capacity of duty-bearers for protection of vulnerable groups,
- Family and/or community-based networks for the care and protection of vulnerable children implemented and functional
- Human rights and protection

**[Costing: 7.3]**
<table>
<thead>
<tr>
<th>Legislative, policy and regulatory frameworks for vulnerable groups established</th>
<th>Disadvantaged groups and to prevent gender based violence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative means for self-help developed</td>
<td>• Develop program for training and skills development targeting vulnerable groups including women, persons with disabilities, destitute families, female-headed households and minority groups</td>
</tr>
<tr>
<td>Costing: 12.3m</td>
<td>• Explore options for microfinance schemes for women</td>
</tr>
</tbody>
</table>

**Costing: 4.9**

- Ensure that protection of disadvantaged are part of the agenda of the Human Rights Commission
- Draft legislation, policy, and regulatory framework to prevent gender based violence finalized and circulated
- Training activities and placement programs with private sector enterprises gradually implemented
- Placement programs targeting vulnerable groups fully integrated into government policy
- Legislation policy and regulatory framework adopted and implemented

**A5 Coordinated strengthening of delivery mechanisms**

| Large geographic disparities in service provision | Limited government capacity and available financing |
| Basic services primarily delivered by private sector and NGOs | Regulatory framework missing for Private participation in delivery |
| Local government act highlights decentralization of functions and hiring responsibilities | Lack of unified impact monitoring system |
| Strong tradition for private delivery and financing of services | Lack of coordination of delivery across ministries, and weak communication |

**Costing: 5.5**

- Options for legal and regulatory framework for PPP and civil society engagement explored
- Financing and human resource capacity at local government levels improved including women staff and ensuring resources to address women strategic needs and women capacity building to endage with PPP and CDD
- Options for community driven development schemes fully explored and strategy developed
- Cross-ministerial unit establish to monitor

**Costing: 1.9**

- Link between private actors and government strengthened through establishing integrated monitoring framework
- PPPs initiated in water, health care provision, and school construction, receiving a fixed share of total external development financing
- Increase local financing of social services through block transfers to the districts in the budget based on agreed indicators and local level monitoring
- NGO legislation passed

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10 Specific initiatives for improved delivery of education, health and water are integrated into A1 – A4 above, while issues pertaining to decentralization, civil service, and local government capacity are covered in section C1 below. This section only covers activities that are cross-cutting in nature, and that deal with overall policy, regulations and implementation modalities.

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45
| Costing: 5.1 m |  | overall effort and impact, and gender sensitive indicators agreed
- Options for longer-term development financing explored, including links to local financing and efforts
Costing: 0.9 |
|---|---|---|

<table>
<thead>
<tr>
<th>Costing: 1.2</th>
<th>Costing: 3.0</th>
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<thead>
<tr>
<th>Target Outcomes for Year 5</th>
<th>Baseline 2006</th>
<th>Constraints to Achieving Outcomes</th>
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<td>Year 1</td>
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</table>

### B. Establishing an Enabling Environment for Poverty Reducing Sustained Economic Growth

**B1 Sustainable growth and livelihood strategies**

1. **(i) Increased turn-off rates and higher incomes in the livestock sector**
   - 54% of population involved in livestock production and export
   - Sector plagued by vulnerability to droughts and diseases and lack of access to international markets

2. **(ii) Increased sustainable production of fish and fish products**
   - High fish production potential but low yield,
   - Potentially large international markets, and low but increasing internal consumption
   - Only one processing factory exist

3. **(iii) Improved productivity and sustainability of crop**
   - 30% of population
   - High vulnerability to

**B1: Sustaina ble growth and livelihood strategies**

1. **(i) Increased turn-off rates and higher incomes in the livestock sector**
   - Livestock data base and production numbers updated
   - Medium- to long-term strategies for the livestock sector developed
   - Export structures and design plan for improved export inspection and certification reviewed
   - Curricula for veterinary education reviewed
   - Plan for eradication of periodic diseases developed
   - Increase women veterinary of at least 15%  

2. **(ii) Increased sustainable production of fish and fish products**
   - Interim improvements in export inspection and certification system implemented
   - Disease control program initiated
   - Gradual shift in flock management initiated
   - Increase women veterinary of at least 15%

3. **(iii) Improved productivity and sustainability of crop**
   - Simplified export inspection system finalized and operationalized,
   - Number of qualified veterinarians increased,
   - International trade policies and regulations integrated and adhered to.
   - Increase women veterinary of at least 20%

4. **Coastguard established and financed, enforcing agreed-upon standards for monitoring use of fishery resources**
   - Strategy for attracting private fish processing companies designed and implemented
   - Marketing strategy finalized
<table>
<thead>
<tr>
<th>Production</th>
<th>Key roads functioning but in need of repair</th>
<th>Feasibility studies for major transportation corridors initiated</th>
<th>Continue rehabilitating of existing roads network and Hargeisa airport</th>
</tr>
</thead>
<tbody>
<tr>
<td>involved in rainfed and irrigated crop production</td>
<td>Key roads functioning but in need of repair</td>
<td>Feasibility studies for major transportation corridors initiated</td>
<td>Continue rehabilitating of existing roads network, including the Berbera corridor</td>
</tr>
<tr>
<td>Low efficiency and productivity, but high labor intensity</td>
<td>One fully functioning international airport in Hargeisa</td>
<td>Assessment of rural roads completed</td>
<td>Resurface the Hargeisa runway</td>
</tr>
<tr>
<td>Low investment and stagnant production</td>
<td>One functioning major port and airport in Berbera, handling 99% of total sea freight</td>
<td>Rehabilitation of primary and secondary roads, critical bridges and structures initiated</td>
<td>Upgrade the Berbera port</td>
</tr>
<tr>
<td>Bureaucratic processes excessively complicated and lengthy</td>
<td>No legal framework regulating the sector</td>
<td>Procurement of essential port equipment completed</td>
<td></td>
</tr>
</tbody>
</table>
### (ii) Adequate access to power for majority of population

- Large regional variations, with urban areas better off
- Limited and rudimentary power grids exist in most major towns, operated primarily by private actors
- Charcoal and firewood main sources of power in rural areas

### (iii) Adequate institutional capacity to implement and manage large scale infrastructure investments

- Somaliland Roads Authority, Civil Aviation Ministry, and Ports and Electric Authorities established but lack adequate technical, institutional and financial capacity

[Costing:214.9m]

### B3 Enabling Environment for Private Sector Activities

**Improved access to finance and investment climate**

- No properly functioning commercial banks, but Bank of Somaliland offers very limited banking services in deposit accounts and trade finance
- Micro-finance services are very limited
- No insurance services or international guarantees available
- Bureaucratic processes excessively complicated and lengthy

- Lack of confidence in banking sector
- High cost of doing business in an uncertain environment
- Low skill of workforce
- Absence of financial and insurance services
- Absence of clear regulations pertaining to foreign investment and mineral rights

- Gender sensitive new legal and regulatory framework of the financial system drafted ensuring women participation in the drafting process
- Initiate restructuring of remittance companies to provide foundation for banking sector
- Initiatives initiated to attract Commercial banks
- Explore options for re-establishing micro credit ensuring women’s access
- Negotiations with insurance companies about providing services locally
- Business Development Service Center established

- Assessment of current generating capacity and power grids in major cities finalized
- Initial capacity building for the Electricity Agency initiated
- Plan designed for rural electrification
- Generating capacity expanded in major cities

- Plan for institution building and human resource development finalized
- Monitoring system designed, progressively implemented

- Regulatory commission established and licensing and registration system designed
- Legal framework for PPP created and approved

- Initiatives to attract Commercial banks continued
- Microfinance schemes expanded ensuring women’s access
- Chamber of Commerce able to effectively assist investors and lobby for removing hurdles to starting businesses
- Regulatory authority and foreign investment guidelines and regulations established
- Systematic and transparent tendering system established for investors in mining

[Costing:20.6] [Costing:32] [Costing:162.3]

- Transmission and distribution networks, and power stations developed
- Electrical Installation Inspectorate established
- Options for alternative energy sources, including wind and solar power explored and policy designed

- Regulatory body for PPP established and legal framework operationalized
- PPP include in majority of awarded contracts
- Comprehensive framework for pricing and cost-sharing designed and approved
- Maintenance costs included in all awarded projects
<table>
<thead>
<tr>
<th>B4 Ensuring Sustainable Use and Management of Natural Resources</th>
<th>Environmental deterioration halted and policy framework adopted for sound management of natural resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costing: 14.6m</td>
<td>Many natural resources destroyed or seriously depleted, including forests, rangelands, and fisheries</td>
</tr>
<tr>
<td></td>
<td>Reports of toxic waste dumping along coast</td>
</tr>
<tr>
<td></td>
<td>Absence of effective regulations and policies</td>
</tr>
<tr>
<td>Costing: 8.3m</td>
<td>Lack of regulation and licensing</td>
</tr>
<tr>
<td></td>
<td>High prices for exports of charcoal and negative environmental impact</td>
</tr>
<tr>
<td></td>
<td>Lack of alternative income sources</td>
</tr>
<tr>
<td>Design less cumbersome procedures for investment</td>
<td>Export ban on charcoal enforced</td>
</tr>
<tr>
<td></td>
<td>Alternative household energy options explored with full participation of women</td>
</tr>
<tr>
<td></td>
<td>Fishing increasingly regulated through licenses</td>
</tr>
<tr>
<td></td>
<td>Coastal toxic waste dumping investigated</td>
</tr>
<tr>
<td></td>
<td>Investigation and remedial design for removal of toxic waste spilled on land completed, removal begun</td>
</tr>
<tr>
<td></td>
<td>“State of Environment” report launched including land, forest, water and ocean resources.</td>
</tr>
<tr>
<td></td>
<td>Explore options for early warning system for droughts</td>
</tr>
<tr>
<td>Costing: 1.6</td>
<td>Export ban on charcoal strengthened</td>
</tr>
<tr>
<td>Export ban on charcoal strengthened</td>
<td>Fishing regulations implemented and enforced</td>
</tr>
<tr>
<td></td>
<td>Environmental policies, legislation and regulations reviewed and implemented</td>
</tr>
<tr>
<td></td>
<td>Legislation and regulatory framework for control of use of wildlife and preservation of biodiversity in place</td>
</tr>
<tr>
<td></td>
<td>Excavation, packaging, transportation and disposal of toxic wastes completed</td>
</tr>
<tr>
<td>Costing: 0.9</td>
<td>Alternative sources of energy promoted with full participation of women</td>
</tr>
<tr>
<td>Costing: 5.8</td>
<td>Comprehensive strategy and policy framework for sustainable management of natural resources implemented</td>
</tr>
<tr>
<td></td>
<td>Full licensing and regulation of all fisheries resources in place, and enforced by effective Coast Guard</td>
</tr>
<tr>
<td></td>
<td>Programs to remove any toxic waste found along coast developed and operationalized</td>
</tr>
<tr>
<td></td>
<td>Recommendations from State of the Environment study reflected in policy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Target Outcomes for Year 5</th>
<th>Baseline 2006</th>
<th>Constraints to Achieving Outcomes</th>
<th>Key Actions and Intermediate Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Year 1</td>
</tr>
</tbody>
</table>

**C. Deepening Peace, Improving Security and Establishing Good Governance**

| C1 system of good and decentralized administrative governance fully operational, with key functions and responsibilities allocated | | | |
| --- | --- | --- | |
| | | | |

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49
### to well-functioning local governments

(i) Improved systems for planning, budgeting, and fiscal management through continued administrative and fiscal decentralization and improved public sector accountability

- Somaliland Constitution outlines a decentralized governance structure
- Large shortcomings in fiscal management
- Public resources mainly coming from trade taxes, expenditures heavily focused on security sectors and modest deficits financed through loans from businessmen
- Office of Accountant General operational but with weak capacity
- Budgets based on last years expenditure; no closed accounts

(ii) Improved revenue base at different levels of government, managed by a fully operational revenue collection and management unit

- Revenue generation capacity weak, based primarily on import and export taxation
- Centralized revenue collection structure with partial reimbursement of funds based on districts fiscal base
- Civil Service Commission (CSC) established and operational, managing 5,559 civil servants
- Weak recruitment policies and lack of qualified staff
- No criteria and systems to assure representation of women and minorities

(iii) Effective and lean civil service in place, with equate institutional and human resource capacity established at local government to ensure effective delivery of social services and public goods,

- Large civil service but weak capacity
- Inadequate data for policy formulation and monitoring
- Lack of domestic resource base to build and finance public sector capacity
- Lack of transparency in budget process
- Weak institutional and human resource capacity at local government level

- National and district balanced gender sensitive budgets prepared through participatory budgeting
- Last year's budget closed and accounted for
- Functions and allocations clarified at different levels of government
- Transfer Allocation Unit established to revise the transfer criteria based on pro-poor and pro-women principles and ensuring allocation of resources on women strategic interventions
- Survey of needs of local government undertaken and capacity building plan designed ensuring training for women
- Development of gender policy with clear institutional framework for gender mainstreaming

- National and district annual gender sensitive budgets prepared maintaining fiscal balance and with increased participation from civil society
- Previous budget accounted for and accounts closed
- New criteria designed and approved by parliament
- Transfer system operationalized, with block transfers to districts
- Local government capacity improved
- Policies and procedures for local government finalized and approved
- Establishment and implementation of gender policy and establishment of institutional framework for gender mainstreaming

- National and districts annual budgets prepared through participatory process, maintaining fiscal balance
- Transfers to districts increased based on revised criteria
- Adequate capacity built at district level to plan, manage and account for additional funds
- Expand implementation of gender policy and establishment of institutional framework for gender mainstreaming

- Continue to diversify and increase domestic revenues. Additional revenue sources to include direct taxes on income and corporate income tax
- Taxpayer Identification Number system introduced
- Manpower development strategy finalized and implemented through the CSC
### Particular Focus on Improving Gender Balance

#### (iv) Sound and Transparent Public Financial Management System Fully Operational

<table>
<thead>
<tr>
<th>Costing: 24.4m</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Manual accounting systems are duplicative and inefficient</td>
</tr>
<tr>
<td>- Inadequate accounting skills among staff</td>
</tr>
<tr>
<td>- Inappropriate and non-participatory budget preparation process with limited perspective and classification</td>
</tr>
<tr>
<td>- Political interferences and lack of independence of integrity institutions</td>
</tr>
<tr>
<td>- General deterioration of human capital due to protracted legacy of low school enrolment levels, lack of professional training and deterioration of relevant skills developed on job prior to state collapse</td>
</tr>
<tr>
<td>- Key auditing and procurement functions outsourced</td>
</tr>
<tr>
<td>- Capacity on financial management and increased women participation improved</td>
</tr>
<tr>
<td>- System of computerized accounting and reporting system, and financial management policies developed</td>
</tr>
<tr>
<td>- Participatory, transparent, gender-sensitive and poverty reduction-focused budget preparation process with a multi-year perspective prepared at national and district level</td>
</tr>
<tr>
<td>- Procurement system made open and transparent</td>
</tr>
</tbody>
</table>

### Well-functioning Participatory Governance in Place

#### Strengthened Democratic and Electoral System, with Improved Accountability through the Active Participation of Civil Society and Media Organizations

<table>
<thead>
<tr>
<th>Costing: 5.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Electoral commission in place and functioning, as shown by the recent parliamentary elections</td>
</tr>
<tr>
<td>- Two-chamber parliament operational and actively engaged in legislative and policy matters</td>
</tr>
<tr>
<td>- Multi-party system exists, albeit policy making processes are weak and</td>
</tr>
<tr>
<td>- Lacking constitutional and electoral legislation</td>
</tr>
<tr>
<td>- Policy making based on clan rather than democratic elements</td>
</tr>
<tr>
<td>- Few local CSO’s, and most large organisations are based in cities</td>
</tr>
<tr>
<td>- Preparations begin for Somaliland local and presidential elections, including issuance of identity cards for voters</td>
</tr>
<tr>
<td>- Political participation in local communities, and especially among under-represented groups, strengthened</td>
</tr>
<tr>
<td>- Review of constitutional legislation</td>
</tr>
<tr>
<td>- Successful execution of local and presidential elections</td>
</tr>
<tr>
<td>- Review of constitutional and electoral legislation finalised;</td>
</tr>
<tr>
<td>- Civic education training for human rights institutions and CSO’s including women organizations finalised.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Costing: 5.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Recruitment ensuring participation of women of at least 25 % and training continued</td>
</tr>
<tr>
<td>- All local staff right-sized</td>
</tr>
<tr>
<td>- Personnel management training provided to CSC staff</td>
</tr>
<tr>
<td>- Competitive pay scheme implemented</td>
</tr>
<tr>
<td>- Public finance management system implemented</td>
</tr>
<tr>
<td>- Computerized accounting and reporting system introduced</td>
</tr>
<tr>
<td>- Participatory budget preparation process with a multi-year perspective prepared</td>
</tr>
<tr>
<td>- Procurement through agent continues, but local fiduciary capacity concurrently being built</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Costing: 13.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Successful execution of local and presidential elections</td>
</tr>
<tr>
<td>- Review of constitutional and electoral legislation finalised;</td>
</tr>
<tr>
<td>- Civic education training for human rights institutions and CSO’s including women organizations finalised.</td>
</tr>
<tr>
<td>- All local councils elected and operating with at least 30 % of women representation</td>
</tr>
<tr>
<td>- Electoral system strengthened; local and presidential elections successfully held,</td>
</tr>
<tr>
<td>- Civil Society Act approved by parliament and ratified</td>
</tr>
<tr>
<td>- CSO’s including women</td>
</tr>
<tr>
<td>Costing: 41.1m</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td><strong>non-transparent</strong></td>
</tr>
<tr>
<td>• Partially liberalized media institutions, but lack of regulatory framework</td>
</tr>
<tr>
<td>and electoral legislation ensuring at least 30% representation of women in Parliament, local government;</td>
</tr>
<tr>
<td>• Civic education training for human rights institutions and CSO’s including women organizations, with special attention to gender issues and disadvantaged groups initiated</td>
</tr>
<tr>
<td>• Provision of institutional support to Parliament, the Electoral Commission and local authorities ongoing,</td>
</tr>
<tr>
<td>• Voter registration system improved,</td>
</tr>
<tr>
<td>• The role of organisations and professional associations strengthened</td>
</tr>
<tr>
<td>• Participation at community level enhanced, ensuring maximum participation of women at decision making level</td>
</tr>
<tr>
<td>• Independent Media Commission established ensuring at least 30% of women members and enhancing human and women rights</td>
</tr>
<tr>
<td>• Legal regulation and official registration of civil associations and NGOs devised</td>
</tr>
<tr>
<td>• Media coverage in rural areas improved</td>
</tr>
<tr>
<td>• Capacity building programs for media professionals carried out</td>
</tr>
<tr>
<td>• Communication and information policy framework put in practice</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Costing: 22.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Institutional support to Parliament, the Electoral Commission and local authorities continued;</td>
</tr>
<tr>
<td>• Improvements of voter registration system undertaken</td>
</tr>
<tr>
<td>• Training of CSO’s and professional associations continued</td>
</tr>
<tr>
<td>• Media Commission strengthened</td>
</tr>
<tr>
<td>• Capacity Building programs for media professionals carried out</td>
</tr>
<tr>
<td>• Communication and information policy framework put in practice</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Costing: 13.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Media staff including women staff well-trained and professional and able to convey messages of fundamental rights and women rights and civic education to the civil society.</td>
</tr>
</tbody>
</table>

<p>| Costing: 5.3 |</p>
<table>
<thead>
<tr>
<th>C3 Judiciary in place based on principles of rule of law and human rights,</th>
<th>Well-defined judiciary system in place, supported by legitimate and transparent law enforcement agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judicial staff are inadequate (93 judges in Somaliland) and lacking in qualification. Somalis, especially women, remain unequal before the law. Most statutes are outdated. Informal and formal Police forces available and training center established.</td>
<td>Different systems of justice - secular courts, shari'as, and xeer co-exist, but without full harmonization. Judiciary operates in a legal vacuum.</td>
</tr>
<tr>
<td>Lack of duty bearers</td>
<td>Improve capacities of the Human Rights Commission. 6 Human Rights instruments signed and ratified.</td>
</tr>
<tr>
<td>Land tenure survey devised. Land titling capacity expanded. Capacity for dispute resolution with regard to land and property.</td>
<td>Training in Human Rights conducted.</td>
</tr>
<tr>
<td>In spite of considerable effort to clarify land titling and resolve land disputes they persist and still impede investment and are a source of potential conflict.</td>
<td>Fundamental rights and freedoms are protected. Provision of legal aid initiated.</td>
</tr>
<tr>
<td>Lack of records Lack of capacity</td>
<td>Institutionalize a land data bank to lesson future dispute risks. Ensure ongoing dispute resolution capacity for land and property.</td>
</tr>
<tr>
<td>Costing: 45.7m</td>
<td></td>
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- Land Commission instituted to review the current system for dispute management

<table>
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<tr>
<th>Costing: 12.4</th>
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- Information campaign designed and initiated in commercial law,

<table>
<thead>
<tr>
<th>Costing: 9.0</th>
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<table>
<thead>
<tr>
<th>Costing: 24.3</th>
</tr>
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<tbody>
<tr>
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</tbody>
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