

REPUBLIC OF SOMALILAND



THE NATIONAL DEVELOPMENT PLAN II

2017-2021



MINISTRY OF NATIONAL PLANNING AND DEVELOPMENT

JULY 2017



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ABBREVIATIONS AND ACRONYMS

AIMS	Aid Information Management System
ANC	Anti Natal Clinic
ART	Antiretroviral therapy
ART	Antiretroviral Therapy
ARVs	Antiretroviral drugs
BeMONC	Basic Emergency Obstetric and Neonatal Care
CBO	Community Based Organizations
CCT	Cross-Cutting Themes
CeMONC	Comprehensive Emergency Obstetric and Neonatal Care
CHE	Commission for Higher Education
CPR	Contraceptive Prevalence Rate
CSC	Civil Service Commission
CSD	Central Statistics Department
CSOs	Civil Society Organizations
CSOs	Civil Society Organizations
DAC	Development Assistance Committee
DANIDA	Danish International Development Agency
DHS	Demographic Health Survey
ECE	Early Childhood Education
EMIS	Education Information Management System
EPHS	Essential Package for Health Services
EPI	Essential Package for Immunization
EPRP	Emergency Preparedness and Response Plan
ESPs	Energy Service Providers
ESSP	Education Sector Strategic Plan
FBE	Formal Primary Education
FDI	Foreign Direct Investment
FGM	Female Genital Mutilation
FIES	Food Insecurity Experience Scale
FMIS	Financial Management Information System
FPRW	Fundamental Principles and Rights at Work
FSNAU	Food Security and Nutrition Analysis Unit
FZ	Free Zone
GBV	Gender Based Violence
GBVIMS	Gender Based Violence Information Management System
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GFATM	Global Fund to Fight Against AIDS, TB and Malaria
GPI	Gender Parity Index

HE	Higher Education
HLACF	High-Level Aid Coordination Forum
HMIS	Health Management Information System
HRM	Human Resource Management
ICPD	International Conference on Population and Development
IDPs	Internally Displaced Persons
IDPs	Internally Displaced Peoples
IFC	International Finance Corporation
ILS	International Labour Standards
IMACC	Inter-Ministerial Aid Coordination Committee
IMNCI	Integrated Management of Neonatal and Childhood Illness
INGOs	International Non-governmental Organizations
IPV	Inactivated Polio Vaccine
IQS	Integrated Qur'anic Schools
ISCG	Intersectoral Coordination Group
ISCM	Intersectoral Coordination Meetings
IYCF	[Infant, Young and Child Feeding]
JHNP	Joint Health and Nutrition Program
JNA	Joint Needs Assessment
JPLG	Joint Program for Local Governments
KAPB	Attitudes, Practices, and Beliefs
LDTs	Land Dispute Tribunals
LIC	Least Developed Country
LLIT	Long Lasting Insecticide Treated
LMIS	Labour Market Information System
LNGOs	Local Non-governmental Organizations
LPG	Liquefied Petroleum Gas
LRC	Law Reform Commission
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MIS	Management Information System
MLA	Measuring Learning Achievements
MoEHS	Ministry of Education and Higher Studies
MoEM	Ministry of Energy and Minerals
MoERD	Ministry of Environment and Rural Development
MoJ	Ministry of Justice
MoLSA	Ministry of Labour and Social Affairs
MoNPD	Ministry of National Planning and Development
MoPWH&H	Ministry of Public Works, Housing and Transport
MoT	Modes of Transmission
MoTI	Ministry of Trade and Investment

MoTI	Ministry of Trade and Investment
MoWR	Ministry of Water Resources
MoYS	Ministry of Youth and Sports
MPFs	Multi Partner Funds
MPP	Multi Partner Program
MPTFs	Multi Partner Trust Funds
MSMEs	Micro, Small and Medium Enterprises
MTBF	Medium Term Budget Framework
MTMFF	Medium Term Macroeconomic and Fiscal Framework
NACF	National Aid Coordination Forum
NDP	National Development Plan
NEC	National Electoral Commission
NEP	National Education Policy
NERAD	National Environment Research and Disaster Preparedness Authority
NGOs	Non-Governmental Organizations
NHPC	National Health Professions Commission
NPC	National Planning Commission
NPC	National Planning Commission
NYP	National Youth Policy
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Economic Cooperation and Development
PAC	Public Accounts Committee
PAR	Participatory Action Research
PFM	Public Financial Management
PMTCT	Prevention of mother-to-child transmission
PPP	Public Private Partnership
PSDs	Planning and Statistics Departments
PTR	Pupil Teacher Ratio
PWD	Persons with Disabilities
RBM	Results Based Management
RDP	Reconstruction and Development Plan
SDF	Somaliland Development Fund
SDGs	Sustainable Development Goals
SHEB	Somaliland Health Examination Board
SLFMIS	Somaliland Financial Management Information System
SMART	Specific Measurable Assignable Realistic Time-bound
SMEs	Small and Medium Enterprises
SOLNAC	Somaliland National Aids Commission
SSA	Somaliland Special Arrangement
STD	Sexually Transmitted Diseases
STI	Sexually Transmitted Infectious

SWALIM	Somali Water and Land Information Management
TB	Tuberculosis
TEU	Twenty-Foot Equivalent
TVET	Technical Vocational Education and Training
UDCR	Universal Declaration on Children Rights
UN	United Nations
USAID	United States Agency for International Development
VQF	Vocational Qualifications Framework
WASH	Water, Sanitation and Hygiene

FORWARD

The Government of Somaliland is committed to achieving rapid economic growth and sustainable development. To this end the Ministry of National Planning and Development (MoNPD) in fulfilling its mandate has developed, for the second time, a five year (2017-2021) National Development Plan (NDPII) for Somaliland, that focuses on rapid economic growth, sustainable development and poverty reduction.

There are number of paradigm shifts made from the first NDP both principally and methodologically. NDPII has adopted human rights based approach. This is to make sure that all development endeavours in NDPII era are intertwined with upholding universal human rights principles. NDPII has also adapted risk based approach, where all risk factors that can deviate NDPII from achieving its goals are mapped to devise mitigation strategies. As Somaliland is exposed to, and prone to climatic shocks and stresses, building resilience is one of the principles NDPII is grounded. Inclusiveness, ownership, harmonization of efforts and prioritizing the priorities are among the guiding principles as well. NDPII shifted from output orientated to outcome and results based approach. Despite huge data gaps, we have tried our best to ensure that the NDPII is based on evidence. NDPII is also fully aligned to the Sustainable Development Goals (SDGs) and other international development frameworks.

NDPII aspires to achieve higher economic growth rate from the current estimated rate of 2.6% to at least 5% per annum, increase the share of tax in GDP to at least 13% and upscale the contribution of the manufacturing industry to the GDP to 7%. In the NDPII era, we aspire to reduce levels of poverty in both urban and rural areas, which are currently among the highest in Sub-Sahara Africa. Inequality is also among the key focus areas where targets and interventions are devised to reduce inequality incidences. Reducing the very high unemployment rate which has very detrimental effect on country's state building and stability is among the key priority areas. During the plan period, achieving satisfactory level of national food security and reducing the huge dependency of imports are also among the primary targets. We also aspire to increase the export share of the GDP to at least 10%.

During the plan period, the development priority interventions will mainly focus on, among others: creating sound investment climate and friendly business environment to boost both foreign and domestic investment levels; devise sound macroeconomic stability through macroeconomic policies; thrive the potential tourism sector; bolster Diaspora investment who are already an important source of assistance, investment and know-how; boost country's export through foreign markets diversification and value chain and value added development; promote technological advancement through research and development schemes; devise climate resilient practices in the primary sectors; build enabling hard and social infrastructure; uphold the rule of law for improving property rights security and build core government functions; promote public-private dialogue and public-private partnership and align budgeting and planning processes of the country. A "Business Approach" will be adopted to further develop and improve public service delivery and efficiency.

I call upon all the people of Somaliland to embrace and support the NDPII and its principles. I urge our public institutions to adopt and implement the targets and priority interventions provided by the plan. I urge the private sector, the Somaliland Diaspora, and the civil society to combine their efforts and work with the Government of Somaliland, and I call upon the international community to support us and align their assistance to the priorities of NDPII so that we can achieve our goals and National Vision 2030 aspirations.

I wish to express my appreciation and gratitude to all those who technically and financially supported in the formulation process of this NDPII, and all those who worked tirelessly to produce it.



.....

H.E. AHMED MOHAMED MOHAMOUD (SIILAANYO)

PRESIDENT OF THE REPUBLIC OF SOMALILAND

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MOHAMED IBRAHIM ADAN (QABYO-TIRE)

MINISTER OF NATIONAL PLANNING AND DEVELOPMENT

Somaliland National Vision 2030

**A Stable, Democratic and Prosperous Country Where
People Enjoy a High Quality of Life**

Somaliland National Development Plan II Goals

**Reduce poverty through increased economic
opportunities and coordinated investment in youth,
services, production and infrastructure**

**Increase resilience against the effects of climate
change through improved management of the
environment, strategic water management, food
security and diversification of the economy**

**Maintain the human rights of every citizen through
good governance, equal access to social services and
economic inclusion**

Chapter 1: Introduction

1.1 Early Development Planning in Somaliland (1991-2009)

Since independence in 1991, Somaliland has been consolidating peace and development through locally tailored reconciliation within its borders. Despite enduring several internal conflicts Somaliland continued to unite as young a nation. Through the period of 1997-2006 Somaliland moved from conflict to humanitarian and recovery status, where international aid organizations directly implemented programs and projects based upon primarily broad humanitarian and recovery needs.

After one decade of relative stability, the Government of Somaliland and its international partners agreed to move Somaliland from a humanitarian and recovery status towards reconstruction and development. This culminated into a joint Government World Bank and United Nations "Joint Needs Assessment" (JNA) in 2006, Somaliland's first needs assessment focusing purely on future development. In January 2007, a consultative workshop was held in Hargeisa to bring together the Executive and the Legislative branches of the Government, as well as non-state actors to discuss and draw recommendations from the JNA findings. Based on these findings and recommendations the Somaliland Reconstruction and Development Program (RDP), 2007-2011 was produced which was Somaliland's first five-year development plan. Somaliland RDP with a primary vision of "deepening peace and reducing poverty" was designed to further the achievements of restoring law and order, re-establishing public institutions for good governance and social services delivery, and reviving the private sector. It built on the unique experiences of Somaliland in reconciliation, peace-building, recovery, reconstruction, and renewed development. According to Somaliland RDP document, future development efforts were focused on the following pillars.

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 groups such as women, children and the disabled.

B. Establishing an enabling environment for poverty reduction and 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 support of the RDP, the MoNPD produced Somaliland's first National Aid Coordination and Monitoring and Evaluation Policies. As per the guidelines of these policies MoNPD also produced Somaliland's first Annual Aid Effectiveness Report and Somaliland Annual Millennium Development Goals (MDG) Reports. The findings of these early reports (particularly in 2008 and 2009) saw an overemphasis by both the national budget and international aid on peace and state building at the expense of other key economic sectors, including livestock rearing, crop production, and export. Consequently, Somaliland made progress towards achieving the intended "peace"; but lagged behind in achieving its "poverty reduction" targets.

At the end of Somaliland RDP implementation period, the MoNPD produced the first national development policy, i.e. *Somaliland National Vision2030 "A Stable, Democratic, and Prosperous Country Where People Enjoy a High Quality of Life"*, an overarching policy for the long-term development of Somaliland. This was followed soon by the first Somaliland National Development Plan (NDP), 2012-2016.

1.2 National Development Planning Post-2010

1.2.1 Somaliland National Vision 2030

In 2011, after 20 years of remarkable progress as an independent country, Somaliland decided to embark on the formulation of a vision that could encapsulate its long-term aspirations. The Somaliland National Vision 2030: A Stable, Democratic and Prosperous Country Where People Enjoy a High Quality of Life was developed taking into account Somaliland's past, present and envisioned future.

Since its inception in 2011, the Somaliland National Vision 2030 has provided commonly owned goals concerning Somaliland's future. It has been enabling the country to take ownership of its development agenda. It also inspires the nation and its leadership to mobilise resources, and overcome development challenges to attain higher standards of living. Moreover, the vision guides development partners to align their assistance with national priorities and aspirations. Lastly, but as importantly, it provides a framework upon which national strategies and implementation plans can be anchored.

Economic development, infrastructure development, good governance, social development and environment protection are the pillars upon which the Somaliland National Vision 2030 rests. Table 1 below presents the vision's five pillars as well as their individual visions.

Table 1: Somaliland National Vision 20130 Pillars

Pillar	Vision
Economic Development	A nation whose citizens enjoy sustained economic growth and reduced poverty levels
Infrastructure Development	A nation with an advanced infrastructure network that facilitates economic and social development
Good Governance	A society where the rights of citizens are protected by democratic, transparent, accountable and efficient public institutions
Social Development	A caring society meeting the basic social needs of its members
Environment Protection	A state with a healthy and well managed environment that is productive and sustainable

1.2.2 National Development Plan

For the first time, in 2011 Somaliland formulated its National Development Plan (NDP), the medium-term framework for achieving the Somaliland National Vision 2030. The NDP covered the five-year period from 2012 to 2016, and was structured in line with the Somaliland National Vision 2030. It specified the country's strategic development direction for the plan period. The NDP was a country owned initiative which enabled the Government of Somaliland and its people embark to on a new paradigm of development planning and development trajectory while humanitarian and emergency response is kept intact.

Despite significant progress made since Somaliland regained its independence in 1991, the overarching objective of the NDP was to address and overcome structural and institutional development constraints which Somaliland faced and achieve social and economic transformation to attain national

prosperity through the foundations of creating a virtuous cycle of high performing, strong public Institutions, well developed infrastructure, skilled labour force, poverty reduction and expanding opportunities that will lead to the realization of people's aspirations.

To further development planning into the sub-national levels, sector strategic plans and regional development plans were developed. The districts, mainly the JPLG program beneficiaries also had district development plans. In the NDP era, a functioning coordination structure for making sure that all stakeholders' efforts are aligned to the plan was devised.

Apart from the fact that a significant progress has been made against the priorities over the NDP five pillars as evidenced by the review reports, the NDP enabled the Government of Somaliland and its people to step into owning their development destination. It laid the foundations of country's development planning where all the future efforts including NDPII can be built on. It created a good environment for Somaliland's development planning both within the government circles and beyond and influenced the changes observed over the aid flows modalities, which Somaliland Development Fund is a good example.

1.2.3 Somaliland Special Arrangement

The Somaliland Special Arrangement (SSA) was a separate and distinct part of the Somali Compact, the New Deal Framework. The SSA was the sole framework for engaging with Somaliland's development process under the New Deal partnership. It was also underpinned by Ankara and Djibouti Communiqués signed by the Government of Somaliland and the Federal Government of Somalia as part of their on-going dialogue process, in which the two sides agreed to work together to encourage greater and more effective international development assistance by avoiding politicization of aid delivery.

It has been developed under the leadership of the Somaliland Ministry of National and Planning and Development (MoNPD) in consultations with Somaliland stakeholders, including the National Planning Commission (NPC), line Ministries, Civil Society Organisations (CSOs) and implementing partners.

In approach, the SSA was designed to serve as a strategic framework for development partners to engage with identified priority areas of Somaliland's NDP. It also highlighted targeted milestones that are specific enough to guide policy dialogue, project development and planning, while allowing enough flexibility for a changing contextual environment. The SSA was aimed at providing the framework for improving international assistance to Somaliland by setting out a set of partnership principles, preferred financing modalities and mechanisms for coordination and monitoring.

However, it is widely believed by the Government of Somaliland and other local stakeholders that the SSA framework didn't add value to the existing coordination architecture and aid flows to Somaliland, i.e. the UN MPTF, the World Bank MPF, and the African Development Bank MPP have been established for financing the Somali compact/SSA but the Government of Somaliland is excluded from the decision-making process. Somaliland requested separate aid architecture in the MPTF/MPF/MPP decision-making process in number of occasions but had no effect. The funding windows decision process, except the SDF, Somaliland's preferred funding mechanism, was tied up to Mogadishu which the Government of Somaliland cannot be part of.

In NDPII era, the Government of Somaliland is keen and strongly urging the international development partners, in line with the agreement between the government of Somaliland and Federal Government of Somalia in both Ankara and Djibouti of de-politicization of aid, to devise a new separate and distinct arrangement and architecture for delivering development and humanitarian aid to Somaliland. This is critically important for implementing NDPII, deepening state-building and improving people's livelihoods.

1.2.4 Evaluation of the NDP and SSA

Both the 2012-2016 NDP and the SSA were evaluated during at the end of the last development cycle. Two exercises were particularly important: NDP Output Report and the NDP and SSA External Review.

Due to the lack of available information on NDP progress against outputs, the MoNPD in 2016

conducted an NDP Output survey across all the 53 Ministries and Agencies that held output responsibilities for the 2012-2016 NDP. Using a survey instrument, the NDP Output Report was prepared with the main objective of providing an overall picture of achievements (completed outputs). With an overall survey response rate of 55%, the 29 respondents have a total of 453 outputs of the 652 outputs associated with the 2012-2016 NDP. This report finds that 43% of outputs have been achieved, 50% unachieved and the remaining 7% have a status of 'unknown'. The report also points out that the common challenges faced in achieving NDP outputs were lack of funding, misunderstanding of the NDP functionality and lack of regular reviews. Due to limited resources the report could not though delve deep into individual technical and operational challenges that each Ministry faced. Nor could the report delve into the impact that activity outputs had on key indicators (due to the NDP not being outcome and impact oriented).

The NDP Output Report did put forward some key recommendations for the NDPII which were:

- Align national aspirations with potential resources
- Source creative funding mechanisms
- Have a more inclusive approach for the planning process of the NDP II
- Improve Inter-Ministerial relationships

An External Review was also undertaken beginning of 2016 and was aimed at assessing the effectiveness and functionality of the NDP (2012-2016) and the SSA.¹ Due to the limited resources allocated to the review, the primary focus was on the operational level of the NDP and SSA and could not delve further into Pillar, Sector or Ministry level issues.

According to the review, Somaliland's first NDP was in many ways comprehensive, but was not fully aligned with international good practices for national development planning. It represents inverted alignment of Somaliland's needs where Ministries, Agencies and other Government institutions define their outputs based on their own priorities, without attention to the overall goals and priorities of Somaliland. Therefore, the plan itself added little value as an effective tool for guiding the country, especially with regards to prioritizing efforts and measuring tangible impacts (with no outcomes or indicators). The SSA made an attempt at prioritising the first NDP around the New Deal Peace and State-building Goals. Although development partners found it easier to use the SSA and provided a legal framework for engaging directly with Somaliland, the document had very little ownership by the Government who saw the development of the SSA as a rushed policy that had minimal consultation and buy-in. The SSA architecture had minimal support and engagement; competed with the existing NDP architecture and ultimately did not emerge as a functional planning policy.

Based on the assessment of both 2012-2016 NDP and SSA, the Review recommended that the next development plan for Somaliland should have the following features:

- A solid background analysis of the challenges and opportunities Somaliland face based on thorough consultations
- Clear and concise goals at objective and outcome level, including cross-sector as well as sector levels
- Indicators and annual targets that support the goals
- Sector strategies should be developed so that they are aligned with the NDP rather than the other way around. These sector strategies should not be included in the NDP, but aim to achieve the objectives of the NDP
- Prioritized and realistically costed
- The planning process should include wide consultations across regions and reach out to women, youth and marginalised groups
- Based on solid evidence of the development situation in Somaliland
- The M&E arrangements should be clear and implementable
- Be accessible to all in the Somali context

The information and recommendations provided by both the NDP Output Report and the NDP/SSA

¹ The external review was commissioned for the MoNPD and funded by DANIDA.

External Review provided the methodological basis for the new NDPII through its Road Map and Framework.

1.3 NDPII Road Map and Key Framework Components

1.3.1 NDPII Roadmap

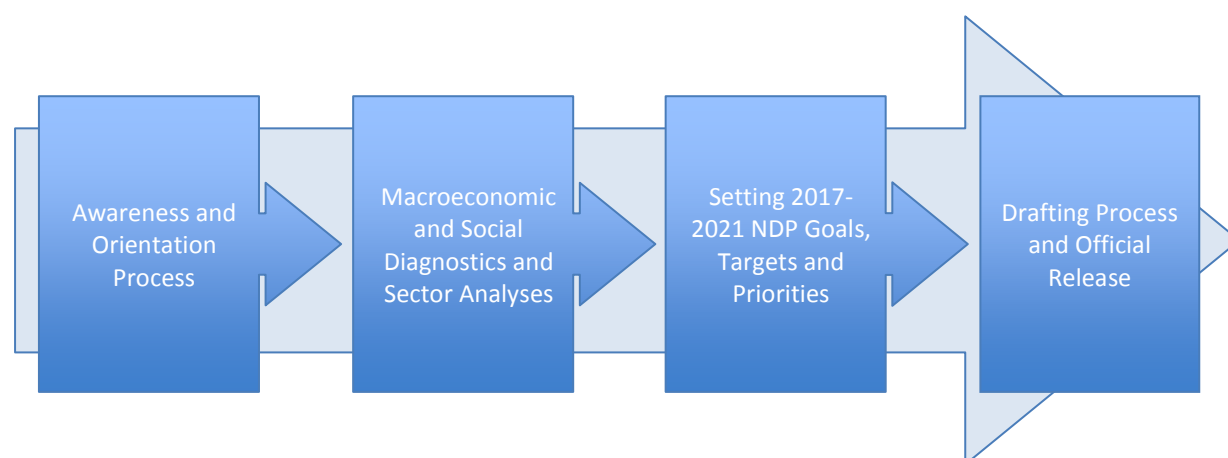
The NDPII Roadmap was designed to provide the Government of Somaliland with a strategic step-by-step plan to prepare the new NDPII 2017-2021 for the country. To promote the future functionality and usability of the NDPII, its Roadmap and planning process followed the guiding principles of:

- Inclusiveness
- Ownership
- Prioritise priorities
- Harmonise strategies
- Alignment with international development frameworks

The methodological framework of the NDPII Roadmap consists of four distinct phases:

1. Awareness and Orientation Process: which familiarised Government, private sector, Diaspora and international community with the planning process
2. Macroeconomic and Social Diagnostics(including Macro-Economic, Poverty, Fiscal Analyses) and Sector Analyses
3. Setting 2017-2021 NDP Goals, Targets and Priorities through a series of consultation and validation workshops in Somaliland's capital Hargeisa as well as in its regions
4. NDPII Drafting Process and Official Release

Figure 1: NDPII Roadmap – Methodological Framework



To ensure government ownership and accountability, the NDPII roadmap was supported by its own planning architecture. This architecture made it possible that all stages of the NDPII Roadmap were conducted and accomplished successfully. Table 2 presents the main stakeholders and responsibilities.

Table 2: Road Map Architecture – Main Stakeholders and Responsibilities

<p style="text-align: center;">NDP Oversight Committee</p> <p>with the authority of the President led the planning process of the 2017-2021 NDPII forward; ensured that all relevant stakeholders are committed and engaged and was ultimately responsible and accountable to the people of Somaliland for the final delivery of the plan.</p>
<p style="text-align: center;">NDP Technical Team</p> <p>with the leadership and guidance of the NDPII Oversight Committee was responsible for all technical aspects of the planning process of the 2017-2021 NDPII; formulated and conducted all the activities and analysis needed for the final delivery of the plan.</p>
<p style="text-align: center;">NDP Sector Technical Teams</p> <p>directly engaged with Ministries, National Sector Coordination Groups and Regional Representatives to ensure that the 2017-2021 NDPII is not only inclusive and transparent but is owned by all key stakeholders in Somaliland.</p>
<p style="text-align: center;">Technical Assistance/Consultants</p> <p>occasionally were used to provide support to the planning architecture. They were assigned for specific activities such as specific analyses and facilitation activities. Consultants also provided technical backstopping to NDPII Sector Technical Teams.</p>

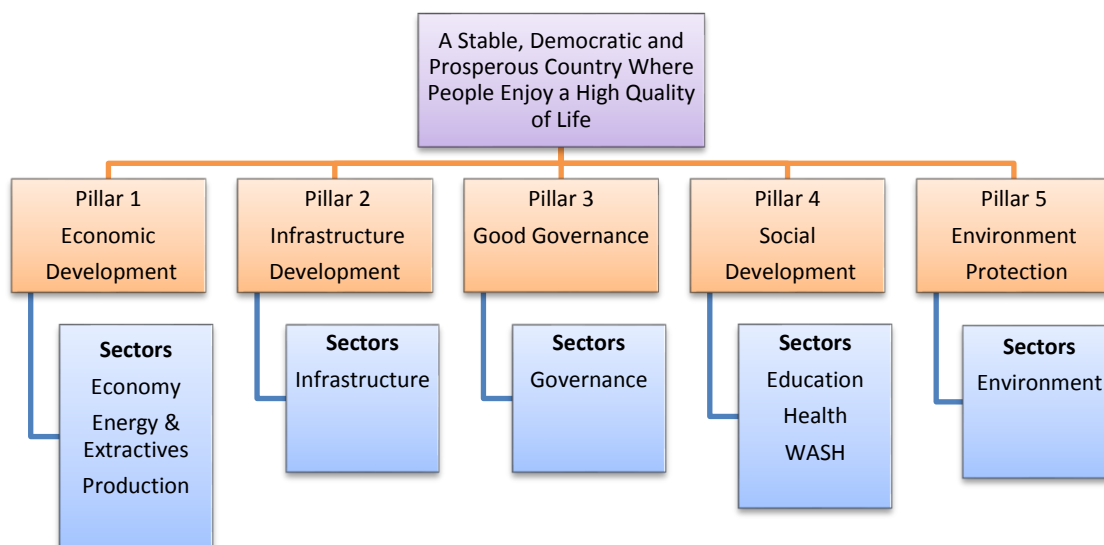
1.3.2 A Sector Based Approach

The NDPII is aligned directly to Somaliland’s existing Coordination Architecture as approved and endorsed through the Somaliland National Planning Commission. Expanding upon the 5 Pillars of the National Vision 2030, the NDPII is strategically centred on the nine development Sectors of Health, Education, Environment, Production, Governance, Energy and Extractives, WASH, Economy and Infrastructure. Each Sector has its own vision, objectives, outcomes and interventions which collectively contribute towards the achievement of the Somaliland National Vision 2030 and NDPII Goals.

In 2016, a decision was also made to incorporate UN led Humanitarian Clusters into Somaliland’s Aid Architecture’ aligning specific Clusters into related Sectors. While Humanitarian Clusters will still have an important role to play within individual Sectors, this alignment signifies an important move in Somaliland’s future development. By completing the transition from a humanitarian based development context to one more focused on traditional development.

The Sector Based Approach applied to the NDPII will strengthen the functionality of the existing Coordination Architecture in Somaliland and provide direction for future coordination, monitoring, evaluation and reporting over the NDPII implementation period (2017-2021).

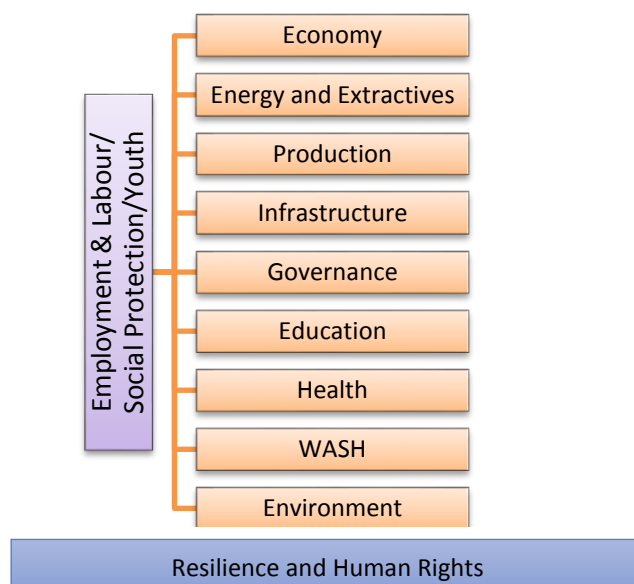
Figure 2: NDPII Sector Alignment to National Vision 2030 Pillar



1.3.3 Underpinning and Cross Cutting Themes

Underpinning the NDPII are the themes of Resilience and Human Rights. Both of these key and critical conceptual areas provide the foundational basis for development that each Sector rests upon. Cutting across each of the nine sectors of the NDPII are three new thematic areas: Employment & Labour, Social Protection and Youth. Each Cross-Cutting Theme (CCT) was selected by government stakeholders based upon the current development priorities of Somaliland that were not established as permanent Sectors but required attention and focus across all Sectors.

Figure 3: Sectors with Underpinning and Cross Cutting Themes



1.3.4 Sustainable Development Goals

Building on the success of the Millennium Development Goals (MDGs), the Sustainable Development Goals (SDGs) or otherwise known officially as **Transforming our world: the 2030 Agenda for Sustainable Development**, are a universal call to action adopted by 194 countries to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

The SDGs are a set of 17 Goals covering 169 specific targets, significantly expanding on the MDGs, with new areas of focus such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. The goals are interconnected and should be addressed and incorporated in a balanced way across all three dimensions of sustainable development (environment, economics, and society). The key to success in achieving one goal will involve tackling issues more commonly associated with another. The SDGs provide clear guidelines and targets for all countries to adopt but allow for adaptation and alignment to each country's own priorities.

The SDGs are the technical foundation for which the NDPII has been developed. The SDGs and their Targets have been prioritized by each of Somaliland's 9 Development Sectors and 3 Cross-Cutting Thematic Areas. They have been incorporated within the NDPII as objectives (SDGs) and modified to form Somaliland Sector specific outcomes (Targets) within a result based framework. While aligned and incorporated directly into the NDPII's Sectors, the SDGs and their targets are also cross-cutting in nature being applied to each Sector as prioritized. This supports the interlinked nature of the SDGs where multiple Sectors can contribute towards achieving the same Goals. By their nature, the SDGs and Targets are also aligned to both Human Rights and Resilience Based Approaches allowing for a complex fusion of themes to simplified and applied to the Somaliland development planning context.

1.3.5 Evidence Based and Results Based Management Framework

Evidence based approaches seek to move the decision-making processes related to the development of policy and planning from ideological and short term populist foundations to one based more on evidence. It is characterised by creating policies that really deal with problems that are forward-looking and shaped by evidence rather than a response to short-term pressures; that tackle causes not symptoms. While there is no specific blue-print for evidence based approaches to national policy and planning there are some key common elements that have been incorporated into the development of the NDPII.

A Somaliland Macroeconomic and Social Diagnostics has been developed and provides stakeholders and decision makers with a broad national understanding of Somaliland's economic history; a macro-economic overview and outlook; demographic and human development profile and sustainable development and poverty reduction action areas.

The NDPII applies the use of Sector Situation Analyses that have been developed through the utilization of Sector Technical Teams and specialised external Technical Assistance. Each Sector Situation Analysis draws upon currently available statistical data, reports, policies, existing Ministerial plans and stakeholder consultations to see where each Sector currently is and where it wishes to go; what are the current challenges, problems, issues and what opportunities are available or need to be created to move forward.

The statistical data component of this evidence based approach involved an extensive data mapping exercise where a variety of stakeholders including the UN, World Bank and NGOs were engaged to source all available statistical data on Somaliland. The data which was mapped was partially validated and aligned to individual Sectors. The data identified was utilized for the Somaliland Macro-economic and Social Diagnostics and key indicators were aligned across SDGs and Targets in preparation for Sector prioritization.

The situational analysis and data mapping exercise was supported by six Regional Workshop Consultations. Using a qualitative methodology (focus groups), regional stakeholders including government representatives, civil society and community leaders identified regionally specific challenges and opportunities related to each Sector. This information was coded and generated

Regional Sector specific reports. This was the first recorded attempt to include regional stakeholder perceptions into Somaliland's national development planning cycle. The culmination of this information and data provided the basis of evidence for the NDPII's results based management decision making processes.

Results based management (RBM) is a management and policy feedback loop used to achieve a set of desired results that have been predetermined by key stakeholders. The application of RBM to the NDPII aims to ensure development inputs such as funding, activities and human resources actually contribute to the achievement of desired results (i.e. outcomes, targets...). In turn key development stakeholders and policy decision makers such as Government, Development Partners and Civil Society can use the information and evidence collected on actual results to inform future decision making on policy, planning, resourcing and program design. With regular monitoring and reporting, accountability is also increased.

The NDPII RBM process involves 4 defined steps:

1. Assess and Think: What is the current situation; key issues; who are we trying to assist? This is the evidence based stage of the NDPII development process and has involved the completion of the NDP External Review and NDP Output Report; CCT/Sector Situation Analysis; Macroeconomic and Social Diagnostics and Regional Workshops.

2. Envision and Plan: What are we going to achieve; how are we going to do it? With what resources? This component saw the completion of 13 Sector and CCT Results Based Management Workshops which allowed key stakeholders and decision makers to review the evidence and complete of NDPII Sector/CCT RBM matrices focusing on Goals, Objectives, Outcomes, Baselines and Targets. The step in the process also involves outlining Key Interventions & Risks linked to Financial Cost Projections for each Sector and CCT.

3. Do: Get it done, put the NDPII into action. How is it going? Do we need to adapt? Once the NDPII is finalized this is next critical step in the RBM process and will involve the development of individual Government Institutional Strategic Plans (Ministries, Agencies, Districts); NDPII aligned development projects and programs; monitoring and reporting (Mid Term Review). It will also involve modifying and adapting the NDPII if it is not making an impact against Sector and CCT specific outcomes and indicators.

4. Review: What went well/badly? What can we learn for next time? Start to Assess and think. This last step involves closing the loop in the cycle and will involve an External Review of NDPII and providing this feedback into the next NDPIII development phase.

Figure 4: Steps in the Results-Based Management Process



The NDPII is attempting to transition from the NDP's output or activity focused planning model to be more outcome and target oriented. The process for this transition is supported by a number of NDPII

RBM matrix which define, within the constraints of local capacity and available data, the objectives, outcomes, baselines, targets, interventions and risks for each individual Sector and CTT. The objectives for each Sector and CCT are drawn directly from the Sustainable Development Goals and the outcomes have been developed by key stakeholders collectively by customizing SDG targets to the Somaliland development context. SMART methodology has also been applied to try and make stakeholder defined outcomes specific, measurable, attributable, realistic and time bound.

1.3.6 NDPII Limitations

The process of transitioning Somaliland's national development policy from output or activity orientated planning to evidence and results based (outcome and impact) is not without its challenges. Many Ministries within Sectors do not have well established data collection and reporting mechanisms and a variety of external studies that do provide alternative sources of information are outdated. Most Ministries do not have management information systems in place to collect and manage data. The formal mechanisms required for the transparent sharing and collation of reports across institutions are weak and underdeveloped.

The National Development Plan itself was not effectively reported on annually in relation to achievements and challenges over the 5-year period. There were no midterm evaluations conducted and only summative evaluations were applied through the NDP Output Report and NDP/SSA External Evaluation. Neither the NDP nor the SSA was effectively used or applied through Somaliland's Coordination Architecture to guide development, budgeting or monitoring, evaluation and reporting. There were no Sector or Ministry reports linked to the NDP to draw from. It was therefore extremely difficult and limited to the information available, to apply the evidence based approach to linking individual NDPII Sector Analysis to either the NDP or SSA.

This has placed limitations on the NDPII's ability to set objectives and outcomes on current valid evidence; data and analysis. The Situational Analysis for each CCT and Sector could only be made using the current information available. While many outcomes were deemed critical for Somaliland's medium term development it was difficult to determine baselines and targets due to a lack of data linked to specific indicators. Many Outcomes within the NDPII have indicators which are currently not available and targets which still need to be determined. Despite significant efforts to the contrary, the culture of activity or output oriented planning (wish lists) also prevailed where some outcomes, even after being applied to SMART methodology are more aligned to outputs and interventions than actual outcome oriented targets.

But despite these challenges and limitations, NDPII will make a significant step forward towards building Somaliland's capacity in evidence and results based planning. Data mapping exercises have been completed for the first time; many key government stakeholders have had their first opportunity to review available evidence and set measurable outcomes collectively through Somaliland's Aid Architecture; SDGs and Targets have been applied to the Somaliland context and a RBM framework is now in place that can be built on and improved for the future. With ongoing support and commitment, especially in relation to data generation, the NDPII lays an important foundation for improved evidence and results based planning in the future. While many baselines and targets are now incomplete with further investment in statistics, monitoring, evaluation and reporting these can be included in future reiterations of this NDPII (after Mid-Term Evaluation) and going forward into NDPIII.

Chapter 2: Macroeconomic and Social Diagnostics

Somaliland has managed to secure peace and stability for over quarter of a century after more than a decade of civil war and state collapse. Both economic production and trade are dominated by livestock production, which has led to macroeconomic volatility. As one of the poorest nations in the world, its poverty rates are higher and human development indicators are lower than other Least Developed Countries in the region.

Somaliland has been able to provide security and stability to its people after over a decade of civil war and strife. However, despite the progress that has been made, Somaliland is still one of the poorest countries in the world. Somaliland's economy is highly dependent on livestock, and its economic structure must be diversified in order to provide economic stability and growth.

Somaliland should take advantage of its peace dividend and increase agricultural productivity, diversify its economy, continue to promote private sector-led economic growth and increase human development.

Special attention should be given to rural areas where poverty is more prevalent. Rural areas are more vulnerable to droughts, have less employment opportunities and are less likely to receive remittances.

This chapter covers the following topics:

- A Brief Economic History of Somaliland
- Macroeconomic Overview & Outlook
- Somaliland Demographic & Human Development Profile
- Somaliland's Sustainable Development and Poverty Reduction Action Areas

2.1 A Brief Economic History of Somaliland

There are four major periods in Somaliland's history. In the first period, there was no centralised governance system and subsistent nomadic pastoralism was the dominant mode of economic production for the majority of the population. In the second period, as a British protectorate, the economic structure changed with limited investments and openness made by the British administration. The third period was one of economic destruction under the Barre regime with a large portion of Somaliland's capital stock and infrastructure destroyed. Finally, Somaliland is currently undergoing an economic revival with signs of sustained economic growth.

2.1.1 Stateless Nomadic Pastoralism

For millennia, the majority of the Somaliland population were nomadic pastoralists whose political structure had no centralised governing authority and whose economic production was dominated by nomadic pastoralism.

There was no centralised political authority and governance was based upon customary law (*xeer*). Disputes were resolved through arbitration and negotiation between families and clans. The dominant mode of economic production was nomadic pastoralism: families migrated with their herds to where pasture and water could be found. The living standard of nomadic pastoralists was (and still is) almost wholly dependent upon the natural resources that support their livestock. Although a smaller proportion of the population are pastoralists today, they still make up around 35% of the population.

2.1.2 Protectorate

The British Somaliland Protectorate experienced significant political and economic changes. The protectorate had a limited centralised government and its livestock-based economy was further

integrated into international trade networks.

Somaliland pastoralists had been undertaking limited trading with other countries prior to the country becoming a protectorate. This trade increased markedly under the British Protectorate, as the economy was further integrated into international trade networks. The economic structure changed significantly with livestock now being reared for exports as opposed to being primarily used for subsistence. Whilst this may have led to economic growth, it also brought about significant environmental challenges. As early as the 1930's, it was feared that increased herd sizes would lead to environmental degradation and the population being at a heightened risk of drought.

The increase in trade and the presence of a centralised British political authority also led to an increase in rural to urban migration. Somaliland now had a nascent business class and urban centres that could facilitate trade and new forms of economic activity. This urbanisation also likely led to an increase in inequality as new sources of income and wealth were available in cities but not in rural areas. The British authority undertook some limited investment in Somaliland primarily to improve livestock production with the provision of reservoirs and some veterinary services. However, investment in other sectors was almost non-existent with little or no provision of education or other social services.

2.1.3 Civil War and Economic Destruction

Somaliland suffered precipitously during its union with Somalia with low levels of investment and nationalisation leading to a fall in economic growth. This was followed by a ruinous civil war that destroyed most of the country's infrastructure and capital.

The lack of investment in Somaliland continued after independence during the union with Somalia. The Barre regime invested little in Somaliland with Somaliland receiving less than 10% of public investment that Somalia received. The Barre regime pursued economic policies that initially led to economic stagnation and then economic destruction in the civil war. The regime stifled the nascent private sector in Somaliland with most economic sectors being brought under state control. The economy was badly mismanaged. The state could not, however, nationalise livestock production and this helped sustain livelihoods in Somaliland during the civil war.

As the civil war intensified, the Barre regime destroyed almost all of Somaliland's infrastructure and made a concerted effort to damage natural resources that underpinned the pastoral economy. The major cities of Hargeisa and Burco were reduced to rubble, water reservoirs were destroyed and the country was littered with landmines. Exact estimates of Somaliland's capital stock after independence do not exist, but the evidence indicates that it was extremely low after decades of underinvestment and a ruinous civil war.

2.1.4 Political Stability & Economic Revival

Despite having gone through a destructive civil war, Somaliland managed to establish a government that secured political stability and peace. This allowed new forms of economic production and encouraged economic growth.

The Government of Somaliland had to rebuild the economy after the war in the face of significant challenges. Two more civil conflicts would follow before peace was finally attained in 1996. Whilst post-war reconstruction was difficult, Somaliland achieved notable successes with livestock exports, economic growth and government revenues increasing strongly after independence.

However, the new country faced significant challenges. All major institutions had been destroyed including the financial system and government institutions. Government revenue was extremely low and security was the first priority in order to ensure that the new nation could survive. Government investment in social expenditure was initially low with external aid agencies providing many social services.

Successive export embargoes from Saudi Arabia significantly reduced livestock exports. Analysis indicates as much as USD435 million in export revenues was lost as the result of the second ban. Despite this, the economy grew and private investment increased as Somaliland was able to

guarantee a secure environment for businesses to operate in. The end of the second livestock ban in 2009 led to a significant increase in government revenues and consequently, increased investment in social sectors such as health and education.

2.2 Macroeconomic Overview & Outlook

Somaliland is one of the poorest nations in the world with a GDP per capita of USD444 in 2012. Economic production and trade are dominated by the livestock sector and this has led to macroeconomic volatility. In the short term, growth is likely to fall and the current account deficit to rise as the drought and livestock ban both reduce output and exports. Inflation is also likely to rise as the currency continues to devalue. The fiscal position is strong with approximately no outstanding debt. In the medium and the long term, Somaliland is in a relatively strong position to take advantage of its peace dividend and secure economic and human development.

Somaliland has progressed rapidly after independence due to the security and stability that the country enjoys. Building upon its long tradition of pastoralism, Somaliland has developed a strong livestock sector that accounts for around 30% of GDP and the vast majority of its exports. However, the country requires critical reforms and investments to diversify its economy and reduce dependency on primary production.

The government's role in the economy has been limited since independence in 1991. In 2013, central and local government spending was around 8.5% of GDP and, although public spending has increased, levels of public investment remain low. Somaliland is one of the most difficult places in the world to do business with Hargeisa ranking 174 out of 183 in the *Doing Business Index* in 2012.

2.2.1 Gross Domestic Product

Somaliland's GDP per capita was amongst the lowest in the world in 2012. Its production structure is heavily dependent on livestock and imports. The economy will face significant short-term challenges as the result of the drought as well as a new Saudi Arabian ban on livestock exports. However, in the medium-term Somaliland's continued safety and stability should allow it to reap a "peace dividend" that encourages further investment into the country. In the long-term the country will need to address its low level of human capital and the damaging effects of climate change.

Somaliland's GDP in 2012 was estimated at USD1,558.4 million. Somaliland's GDP per capita stood at USD444 and is considered one of the lowest in the world.²

Somaliland's economy is dominated by low-productivity sectors with livestock and retail trade making up over 50% of GDP. Livestock has been traditionally the backbone of Somaliland's economy contributing with 28.4% of its GDP. The wholesale and retail trade (21.9%), real estate activities (7.6%) and crops (7.0%) are other important sectors. On the other hand, sectors that are key for economic growth such as energy (1.0%) and finance (0.3%) have meagre participation. Table 3 presents a breakdown of GDP by economic sector in 2012.

² Ministry of National Planning and Development, Somaliland in Figures 2015. Remittances and aid are very important for Somaliland's economy; however, both are not captured by this GDP estimate.

Table 3: Somaliland's GDP % Share by Sector

	GDP % Share
Livestock	28.4
Wholesale and retail trade; repair of motor vehicles	21.9
Real estate activities	7.6
Crops	7.0
Taxes and subsidies on products	6.4
Forestry	4.6
Education	3.3
Accommodation and food service activities	3.0
Public administration and defence	3.0
Construction	2.2
Information and communication	2.0
Transportation and storage	1.9
Professional and support services	1.7
Human health and social work activities	1.7
Manufacturing (food and beverages)	1.2
Mining and quarrying	1.2
Electricity supply	1.0
Manufacturing (others)	0.5
Other services activities	0.5
Financial activities	0.3
Fishing	0.3
Water supply, sewerage, waste management	0.3

Source: Ministry of National Planning and Development, Somaliland Figures 2015

Private investment is very low in Somaliland but should increase with improvements in the business environment. Low domestic revenue limits the government capacity to invest. Gross capital formation stood at 11.1% of the GDP according to the World Bank estimates for 2012, which places Somaliland in the group of economies with lowest investment rates in the world. Private investment should increase with improvements in the business environment, especially in areas such as finance, energy and transport infrastructure. Domestic revenue is low having a direct impact on public investment rates. In 2013 the tax revenue to GDP ratio estimate was 8.5% – or 11.7% including revenue from semi-autonomous agencies.

The Drought Impact

After years of low and erratic rainfall, Somaliland is currently experiencing a drought. This has had a damaging impact on the health of livestock herds and, for the pastoralists that raise them, a fall in income as well as a rise in hunger. The drought has had a large direct impact on those who are engaged in agricultural production. It has also had an indirect impact on those working in the non-agricultural sector through reduced economic growth and higher inflation.

The drought has led to a severe reduction in the quantity and quality of grazing pastures and water available for livestock. The effect on livestock herds has been devastating. Some regions have seen herd sizes fall by over half due to death, distress selling and lower birth rates. As a result, some families have lost their entire herd due to the drought.

Even where livestock are able to survive the drought, their health and weight has been severely reduced due to a lack of available pasture and water. The poor bodily condition of these animals reduces their prices. For example, the price of a goat in Sanaag has fallen by over 70%. Livestock that are in poor bodily condition produce less milk and find it difficult to conceive and give birth.

Around half of the population are pastoralists and livestock plays a crucial role in supporting their livelihoods. They are a source of income and calories as well as a major capital asset. For many pastoralists, livestock are the only asset they own. Their living standards are intimately connected with the health of their livestock. As the drought has reduced the health of their livestock, it has reduced the income and ultimately, the calories pastoralists are able to consume leading to rising food insecurity, hunger and malnutrition. Many pastoralists have had to take on debt, where available, to meet urgent consumption needs.

A significant portion of the country is facing high levels of food insecurity. Between February and June 2017, FSNAU estimates that around 17% of the population face crisis or emergency levels of food insecurity with at least 45% being under food security stress. Food insecurity has been worst in the eastern areas of Sool and Sanaag where around 25-30% are at crisis or emergency levels of food insecurity.

The drought has primarily affected those engaged in the agricultural sector but urban workers are likely to feel the impact as well. Where insufficient rainfall has led to a fall in crop production, households who grow crops saw a fall in income and consumption. However, some areas where crop production is more prevalent saw an increase in rainfall and crop production at the end of 2016. Cereal production was 68% higher in the North-West Agro-pastoral zone than in the previous five years due to better than expected rainfall.

Urban workers have not yet seen a significant reduction in wages or the amount of rice that their daily wage can buy. Worldwide prices of rice and wheat are below average, although the depreciating currency has led to a modest rise in the price of these food items within the country. However, urban income and consumption may deteriorate significantly if the fall in economic output from pastoralists leads to a fall in demand for urban services.

Growth Outlook

Due to the lack of macroeconomic data and forecasting, there is no precise estimate of Somaliland GDP growth in future years. However, based on regional growth prospects and Somaliland specific conditions, the country expects to face significant short-term challenges for GDP growth but promising medium term prospects. In the longer term, it is crucial that Somaliland increases investment in human capital and adapts to climate change to ensure sustainable economic growth.

Short-Term Outlook: Economic Slowdown

There is likely to be a significant reduction in economic growth in 2017. The country is currently experiencing a major drought and a new Saudi Arabian ban on livestock exports, both of which will reduce production and sales in Somaliland's agricultural sector.

The Horn of Africa is currently facing its most severe drought in 35 years with large numbers of Somaliland livestock having already perished. Drought reduces the health and productivity of livestock. Over half of the population rears livestock and the drought, by reducing the income and consumption of this group, will lead to a fall in economic output and growth (see box "The Drought Impact" above). The loss of livestock and a reduction in their health will lead to a fall in export earnings - another drag on economic growth. Even after the drought ends, there is likely to be a short-term drag on growth as pastoralists use any additional income to pay off debts they incurred to support urgent consumption. They may continue to sell assets (i.e. any remaining livestock) to improve their debt position.

Saudi Arabia has instituted a temporary livestock ban in 2016. Whilst it is unclear how long the ban will last, the previous ban led to a significant economic slowdown with a fall in exports, output and consequently, growth. Economic growth will be negatively related to the length and severity of the ban.

Broader regional trends may help to ameliorate the negative effects of the drought and livestock ban. Although, Sub Saharan Africa experienced its slowest growth rate for 20 years in 2016, a modest rebound is expected in 2017. There is heterogeneity within the region – commodity exporters are suffering a significant slowdown due to low commodity prices whilst the converse is true for commodity importers. As a commodity importer, Somaliland will benefit from lower input prices.

Medium-Term Outlook: Promising Prospects

The nation should see continued investment and economic growth from its stability. However, the impact of the current drought is likely to be felt in the coming years.

Somaliland's continued peace and stability should allow it to reap a "peace dividend" that encourages further investment and, consequently, economic growth. Nations (such as Somaliland) that emerge from war and maintain peace see additional economic growth as political stability encourages investment and innovation. Investors and businesspeople are assured that any investments and innovative production improvements will not be lost due to conflict.

There are signs that Somaliland's continued peace and stability has attracted additional investment from abroad. The Diaspora already invests significant amounts in the country and anecdotal evidence indicates that this has increased in light of continued stability and an improving business environment. Diaspora investments have been particularly important in reviving and bringing innovation to sectors such as real estate, construction, education, health and other services.

Private investment has also been forthcoming from other sources with the Berbera Port deal as the most prominent example. In 2016, Somaliland and Dubai Ports World agreed on a USD442 million-deal, which has granted the port operator a 30-year concession to manage and develop Berbera Port. The investments will provide an immediate boost to growth and the port's increased capacity and the potential Berbera free economic zone should encourage further investment and trade in future years.

On the downside, the after effects of the severe drought will be felt for years to come with the

damage to human capital and livestock constituting a continuing obstacle to economic growth. An overreliance on livestock exports poses significant risks and the country will be susceptible to major economic shocks without export and production diversification. In addition, the rise in food insecurity and malnutrition caused by the drought will increase poverty and damage human capital, further limiting economic growth.

Long-Term Outlook: Climate Change and Human Capital Challenges

Somaliland's economy faces two major long run challenges – the damaging effects of climate change and the low level of human capital in the country. Effectively meeting these challenges requires long-term strategies and greater levels of investment.

Climate change is already having a damaging effect on Somaliland's agricultural production and this may continue to worsen. Below average rainfall has led to a fall in agricultural production, incomes and economic growth. Somaliland's long pastoralist tradition and current economic structure leave it highly susceptible to negative climactic shocks, e.g. droughts. Long-term economic growth will require investments and strategies to adapt to and mitigate the effects of climate change. In part, this requires a more diversified economic structure that is less dependent on agricultural production.

Economic growth cannot be sustained without higher levels of human capital and increasing human capital requires long-term sustained investments in, for example, health and education provision. A healthier and better-educated workforce is one that is more productive. By contrast, low levels of human capital investment cast a long shadow over future economic growth. A child who receives little schooling and healthcare will be significantly less productive as an adult and the damaging effects of these low human capital investments in childhood cannot be reversed. As shown below in Section 2.3, Somaliland currently performs poorly on human development indicators. Delaying or worse, not undertaking much-needed human capital investments will damage Somaliland's long-term economic growth.

2.2.2 The Balance of Payments and the Current Account

The latest statistics suggest that Somaliland has a large trade deficit that is primarily financed through aid and remittances. Somaliland's exports are heavily concentrated in both products and markets, with livestock accounting for a majority of export earnings and the vast majority of livestock exports are sold to Saudi Arabia. Imports also appear to be increasing leading to growing trade deficits.

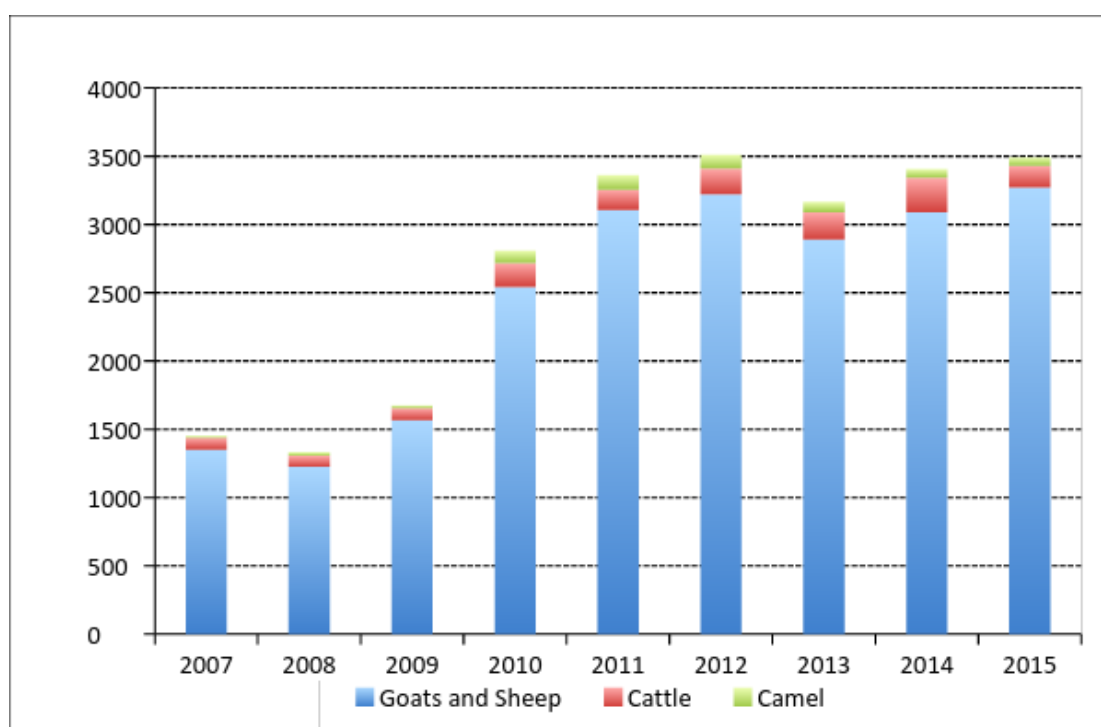
Trade

According to World Bank estimates, Somaliland's economy is very open with a ratio of imports and exports to GDP of 91.5% in 2012 – USD883 million imports and USD387 million exports. In 2012 the trade deficit was 37.5% of GDP. Trade deficits in Somaliland are primarily financed by aid and remittances.³

Livestock is Somaliland's main export product with a large portion of its export earnings coming from the sale of livestock. After the Saudi Arabian ban on Somaliland's livestock was lifted in 2009, exports grew rapidly in the following years. Livestock exports more than doubled between 2009 and 2011. Livestock exports have fluctuated between 3 and 3.5 million animals exported each year as can be seen in Figure 5 below. Figure 5 shows the annual livestock exports through Berbera Port, which is the main Berbera Port for Somaliland's livestock exports as well as the main entry point for imports. Berbera Port is strategically located on the southern coast of the Gulf of Aden and well connected to the capital Hargeisa as well as to other regions of Somaliland.

³ World Bank, The Somaliland Economic Conference, *Growth & Unemployment*. January 29, 2014. Hargeisa, Somaliland

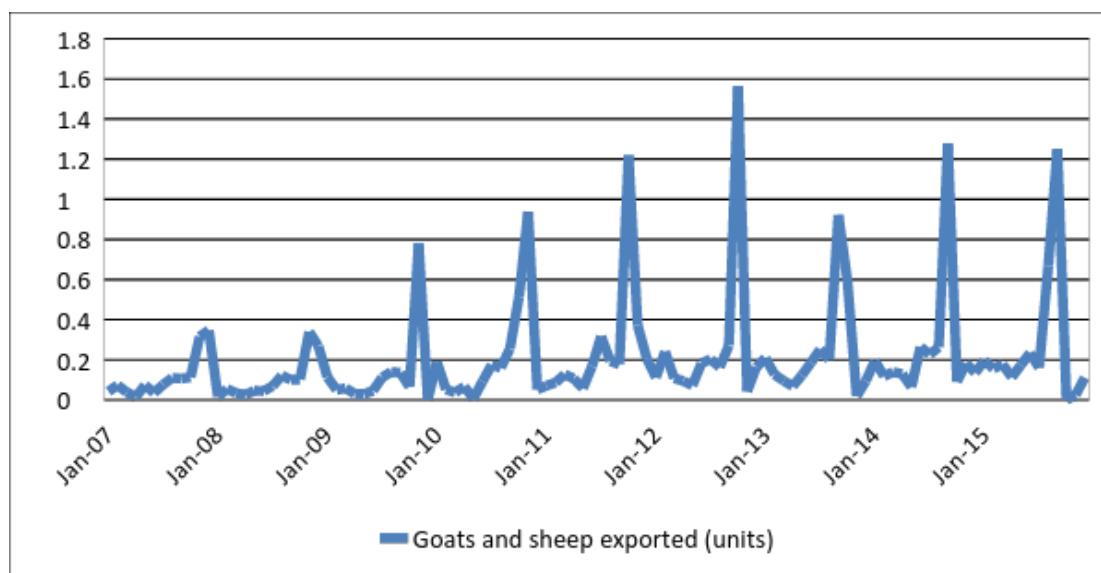
Figure 5: Somaliland's Livestock Exports – Livestock Annual Units



Source: Berbera Port Authority

As shown below in Figure 6, livestock exports are seasonal. Peaks represent the annual Hajj, which takes place in Saudi Arabia; and the increase in demand before each Hajj represents seasonal demand at Eid al-Fitr, marking the end of the holy month of Ramadan.

Figure 6: Somaliland's Livestock Exports – Monthly Goat and Sheep Units

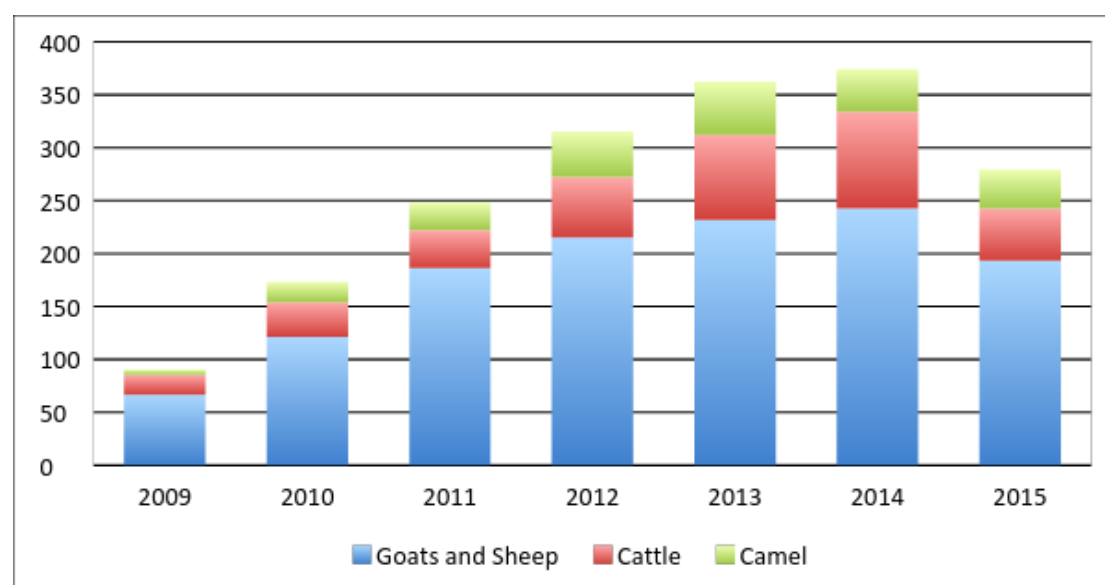


Source: Berbera Port Authority

However, whilst the amount of livestock exported has remained relatively constant, export earnings are estimated to have fallen due to the depreciation of the Somaliland shilling against the dollar. Taking livestock prices from FSNAU for the month of the Hajj in each year, we have estimated that dollar earnings from livestock exports through Berbera Port peaked in 2014 at around USD 375

million but fell to around USD 280 million in 2015. This fall in livestock export earnings may indicate falling demand due to changing consumer preferences and/or the condition of Somaliland livestock.

Figure 7: Somaliland's Livestock Exports (Current USD)

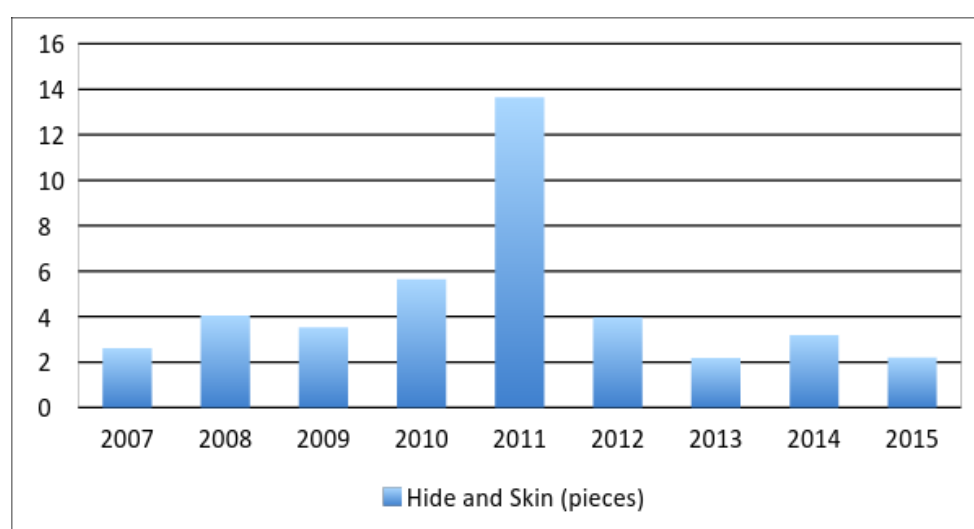


Source: Berbera Port Authority

Currently available data and recent developments – i.e. the drought and new Saudi Arabian ban – suggest that livestock export earnings are likely to fall further in 2016. Between January and October 2016, around 2.98 million units of livestock were exported. This is 342,000 fewer animals than were exported between January and October 2015. Livestock export earnings are currently estimated at around USD200 million between January and October 2016, which is around USD75 million less than in January to October 2015.

Other export products including hides, skins and frankincense have also seen falls in recent years. As shown in Figure 8, hides and skins export peaked in 2011 but fell considerably in subsequent years.

Figure 8: Somaliland's Hide and Skin Exports

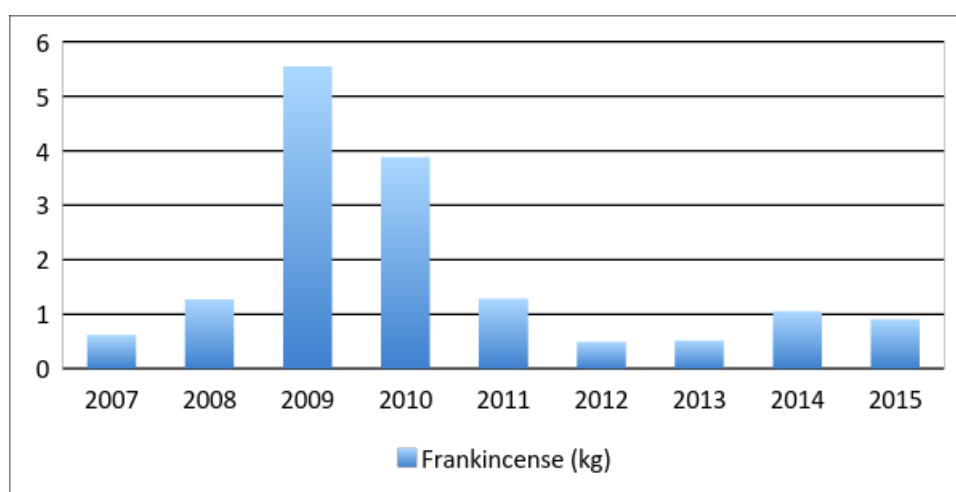


Source: Berbera Port Authority

Frankincense exports also experienced a boom in 2009 and 2010 but annual volumes have drastically

fallen since then. The main inputs for frankincense, gums and resins, have been affected by climate change and there is a risk of frankincense production completely disappearing in the medium to long-term.

Figure 9: Somaliland's Frankincense Exports

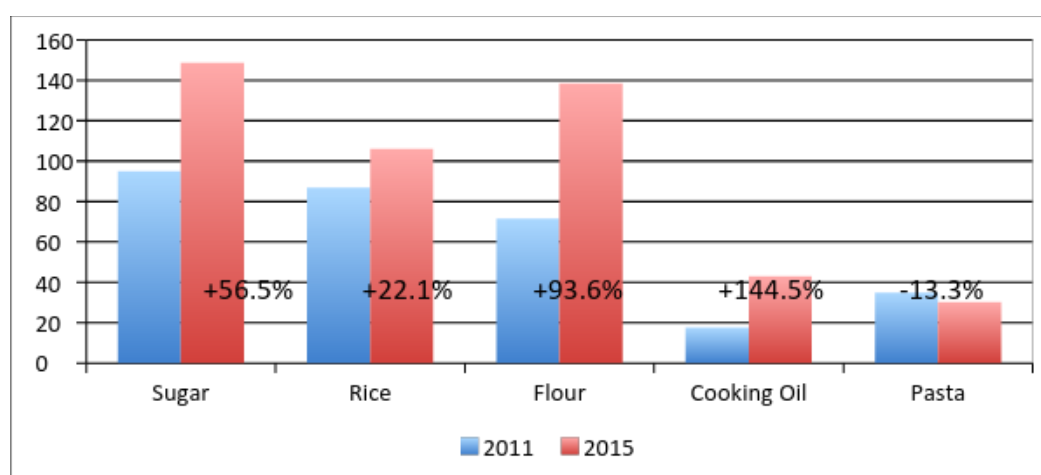


Source: Berbera Port Authority

Somaliland needs to import many of the products consumed in the country. Both food and non-food items are imported and come into the country through Berbera Port and also through Wajale – border with Ethiopia.

Food is the largest household expense accounting for around 40% of total household expenditure in rural households and 35% in urban households.⁴ Low agricultural production has led to households consuming imported food to meet their nutritional needs. There has been a significant increase in the imports of essential food items such as sugar, rice and flour in the previous few years. From 2011 to 2015, sugar imports through Berbera Port have increased by 56.5%, rice by 22.1% and flour by 93.6%.

Figure 10: Selected Food Items Imported through Berbera Port (Tonnes)



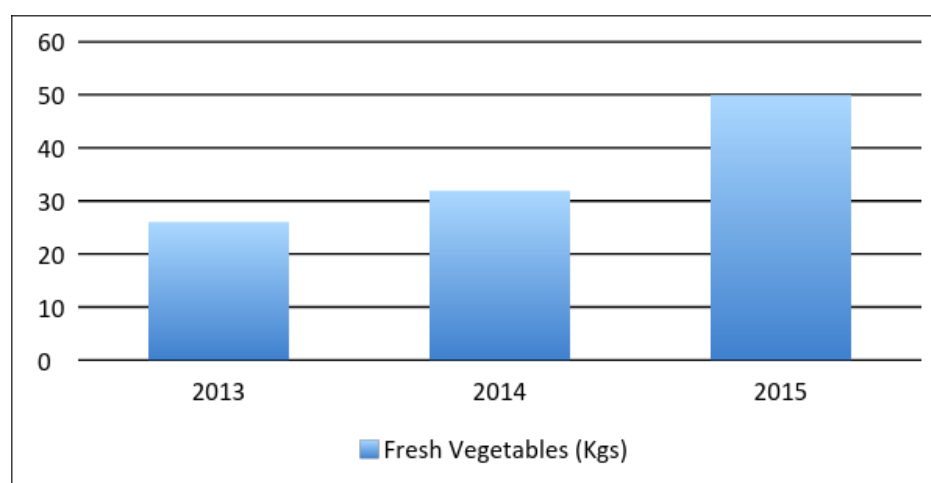
Source: Berbera Port Authority

The increase in food imports was also seen at Wajale. Domestic production of vegetables is still low and most vegetables come from Ethiopia. Vegetable imports increased by 23% between 2013 and

⁴ FSNAU, 2013, Remittances and Livelihood Support in Somaliland and Puntland

2014 and 57% between 2014 and 2015.

Figure 11: Fresh Vegetables Imported through Wajale



Source: Wajale Customs

Aid

Using figures provided by the World Bank, it is estimated that external aid expenditure in Somaliland was equivalent to 9-10% of the country's 2012 GDP estimate at around USD 120m to USD 135m. Not all aid expenditure is included in Table 4 below and so the actual amount of aid expenditure in Somaliland is higher than indicated here. Some project funding is not split between Somalia and Somaliland and so is not presented below. In addition, humanitarian aid is not included in the below figures.

Table 4: External Aid Expenditures in Somaliland as % of GDP

	2015	2016	2017
External Aid (Current USD)	131,343,000	134,906,000	121,180,000
% of 2012 GDP Estimate	9.4%	9.7%	8.7%

Source: World Bank

Remittances

The exactly volume of remittances entering Somaliland is hard to determine due to the absence of official data and statistics. It is estimated that between USD 500–900 million in remittances per year are received in the country, which is equivalent to 35–70% of Somaliland's 2012 GDP estimate.⁵ Despite the challenges in assessing the inflows of remittances, it is clear that they play a key role in Somaliland's economy, particularly in contributing to household income and supporting consumption.⁶ However, this source of income may not be sustainable in the long-term. Ties between a migrant's children and family relatives in the country of origin tend to lose strength in each new generation, which may lead to fall in remittances in the future.

⁵ World Bank, 2016, Somaliland's Private Sector at a Crossroads: Political Economy and Policy Choices for Prosperity and Job Creation.

⁶ Please see Section 2.3.4 for more details.

BoP and the Current Account Outlook

Short Term Outlook – Deteriorating Current Account Deficit

The current account deficit is likely to rise in the short run as the trade deficit widens whilst the outlook for aid and remittance inflows remains unclear. The livestock ban and the drought have led to a fall in exports and will continue to do so in the near future. The drought, by reducing economic output, is also likely to lead to a rise in imports to make up for the production shortfall. These both exacerbate a longer-term trend of Somaliland's increasing trade deficit.

Aid inflows are subject to the decisions of the international community and it is unclear whether these will rise or fall in future years. In recent years, aid flows have been marked by uncertainty as development cycles do not necessarily coincide with agreed funds and pledges are not followed through.

Little is known about the volume of remittance flows into Somaliland due to a lack of regulation in the sector. However, the experience of other countries shows that the inflow of remittances tends to increase during periods of economic distress, e.g. a drought. However, remittance flows can also fall if ties between remitters and receivers lose strength. First-generation migrants feel more compelled to send remittances to their countries of origin than their children, who do not have as much contact with their extended family.

Medium Term Outlook – Economic Diversification Required

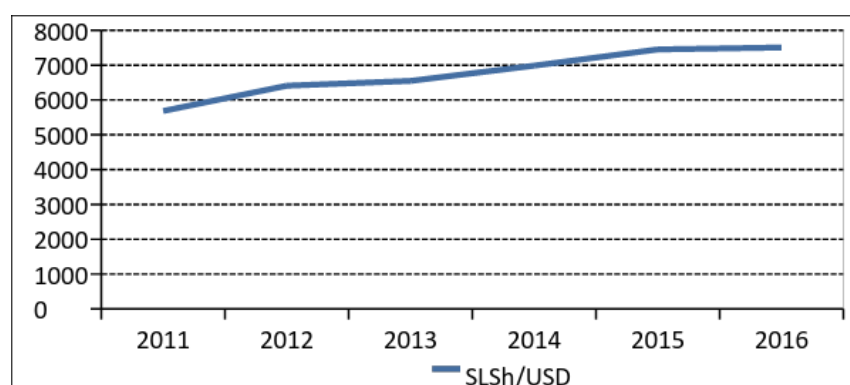
Somaliland's current account balance is likely to remain in deficit (and perhaps deteriorate) unless it diversifies its export base. As noted above, demand for Somaliland's livestock may have begun to fall prior to the recent livestock ban and drought. Export diversification in both products and markets is necessary to ensure a lower, less volatile current account balance in the future. Somaliland is dependent on one export product (livestock) to one major buyer (Saudi Arabia) and is susceptible to large falls in its current account balance if any factor affects either that product or its trade relationship with its major buyer.

2.2.3 Exchange Rate & Inflation

Inflation has generally been moderate but may rise if the currency continues to depreciate. Food price inflation has been significantly higher than non-food price inflation and this has damaged the real incomes of the poor.

The SLSh/USD exchange rate has been systematically increasing since 2011. The depreciation of the national currency has been caused by, amongst other things, a persistent trade deficit.

Figure 12: SLSh/USD Exchange Rate



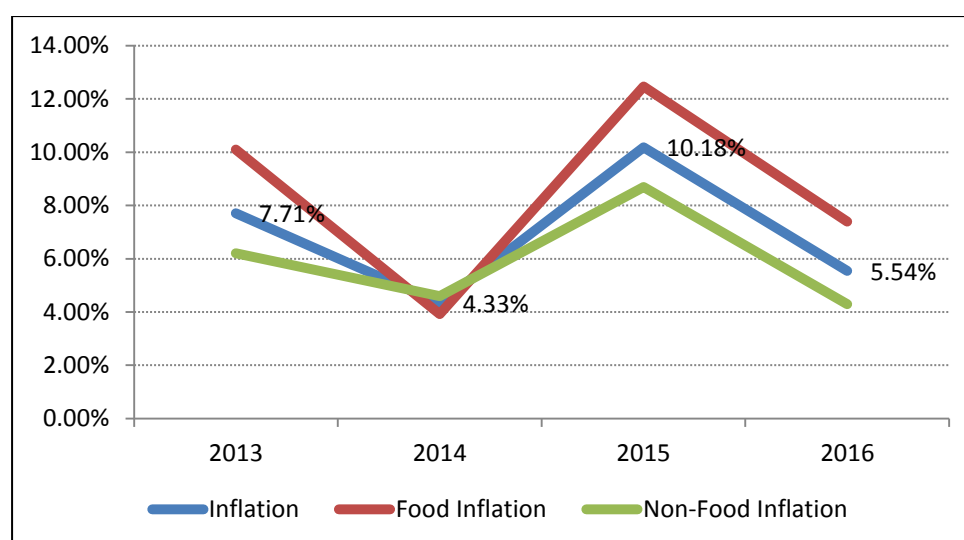
Source: Ministry of Finance

Inflation has generally been moderate over the previous few years (Figure 13 below). However, the inflation series below uses a combination of dollar and Somaliland shilling prices. It may

underestimate the rate of inflation for those who largely conduct transactions using Somaliland Shillings. The currency depreciation is likely to lead to a rise in inflation in the future, especially for those who exclusively conduct transactions in the local currency. Food price inflation tends to run higher than non-food price inflation and is currently responsible for over 50% of price inflation in the country.

Food prices have increased significantly as a result of a growing population coupled with the inability of the country to increase domestic production at the same rate. The depreciation of the national currency further impacts food prices, which are mostly imported.

Figure 13: Inflation Rate



Source: Ministry of National Planning and Development

Exchange Rate & Inflation Outlook

Short Term Outlook – Rising Inflation, Depreciating Currency & Regional Prospects

In the short term, inflation may rise further as a worsening trade deficit leads to a further depreciation of the Somaliland Shilling and, with it, rising inflation. Whilst inflation may increase in the short term, this is likely to be temporary with inflation falling when the country recovers from drought and once the livestock ban is lifted.

There are also encouraging regional signs with Sub Saharan Africa seeing moderate levels of inflation with average inflation at around 5%. Lower commodity prices should also contribute to lower inflation in Somaliland.

Medium Term Outlook – Keeping Inflation under Control

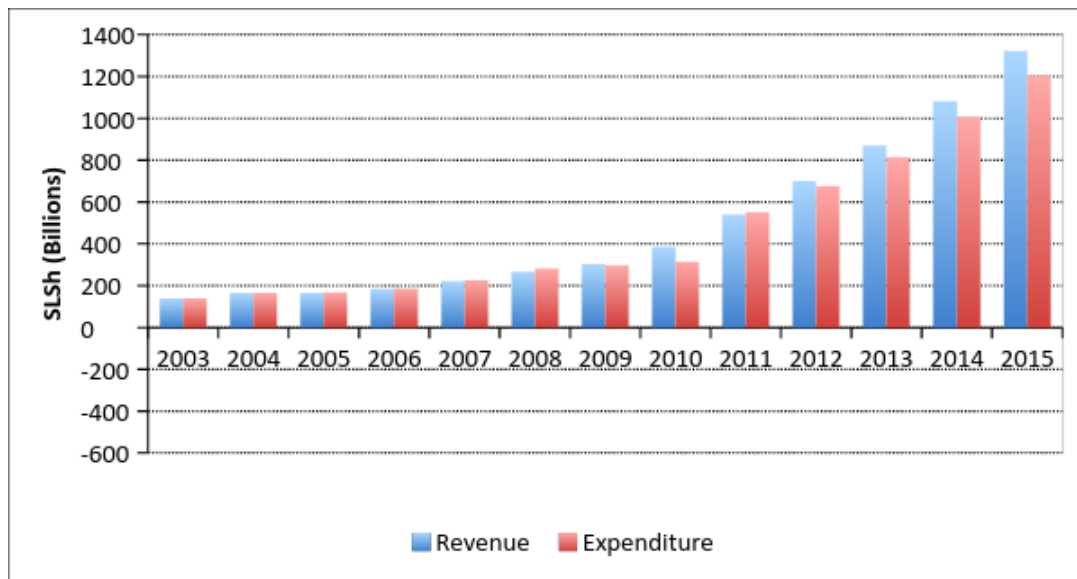
The Government of Somaliland will be able to exert more control over inflation in the future with a well formulated and executed monetary and exchange rate policy. Somaliland has scope to implement its desired monetary policy given its strong fiscal position.

2.2.4 Fiscal Position

The government's current fiscal position is strong with no outstanding debt. The government has seen a large increase in revenue in the previous decade.

The long run evolution of the government's fiscal position is shown in Figure 14 below. Due to the absence of a consistent, robust long run inflation data series, we present the below in current prices. The government's overall fiscal position is strong with deficits never exceeding more than 6% of revenue and a strong, consistent surplus since 2012. It currently has no outstanding debt. Government revenue has grown strongly with a ten-fold increase between 2004 and 2015.

Figure 14: The Somaliland's General Government Fiscal Position through Time (Current Prices, SLSh)



Source: Ministry of Finance

The Government of Somaliland is currently unable to access international bond markets and so is currently unable to utilize its strong fiscal position to attract finance to invest in development. It is also currently unable to implement a strong counter-cyclical fiscal policy in the face of external shocks to growth.

Fiscal Outlook

Short Term Outlook – A Challenging External Environment

The current growth slowdown and livestock ban is having a negative effect on government revenue with revenue growth in 2017 unlikely to reach the rapid gains seen in recent years. However, government revenue is likely to recover strongly when the livestock ban is lifted and the country emerges from drought.

The government is currently undertaking a large PFM reform program that includes reforms to increase domestic revenues. The program has already seen notable successes with an increase in the technical capacity of officials in both the Ministry of Finance and Budget Administration institutions in the country. These reforms will increase the ability of the Somaliland revenue authorities to increase tax revenue and implement revenue reform policy changes. There are signs that this reform program is beginning to bear fruit with a rise in revenue from sources other than international trade taxation.

Medium Term Outlook – PFM Reform Implementation

The Government's ability to increase domestic revenue will depend on the successful implementation of PFM reforms (see Chapter 6 for more details). Current reforms have been making progress with a further program of work due to begin shortly that will increase the capacity and ability of the Revenue Administration authorities to collect revenue. A future debt management policy will allow the country to attract significant amounts of finance to increase investment in priority development areas.

Macroeconomic Overview and Outlook

Somaliland is one of the poorest countries in the world and currently faces a significant economic slowdown but its continued safety and stability leaves it in an excellent position to reap a significant growth dividend in the future. Policies that improve the business environment and encourage investment are likely to lead to strong, sustained economic growth in the future

The country is running a trade deficit that is likely to worsen in the coming year. Interventions that aim to increase economic and export diversification are essential to ensure lower trade deficits in the future.

Inflation may rise in the near future but has generally been moderate and is likely to continue to be so in the future. A monetary and exchange rate policy should help secure low and stable inflation in the future.

The Government's fiscal position is strong with no outstanding debt. The Government should see an increase in revenue after the successful completion of PFM Reform programs and may choose to borrow for investment in the future.

2.3 Demographic and Human Development Profile⁷

Somaliland's population is young and has become more urbanised over time. However, there is still a significant proportion of Somaliland's population living outside of urban areas, whether settled in rural areas or living as nomadic pastoralists. Urban and rural households differ significantly in terms of economic activities, sources of income and consumption patterns. Although poverty is present across the country, those in non-urban areas are more deprived.

2.3.1 Demographics of Somaliland

Somaliland's population is characterized by being young and more and more living in urban areas.

Below, Table 5 shows the population breakdown of Somaliland. Once a population strongly characterised by its nomadic lifestyle, Somaliland has undergone a strong process of urbanization with its urban population already surpassing 50%. However, a significant proportion of Somaliland's population is still not settled –the nomadic population constitutes for 34% of the total population.

Table 5: Somaliland Population Breakdown – Estimates for 2016

	Urban	Rural	Nomadic Population	IDPs	Total
Total	2,013,379	417,871	1,291,601	75,977	3,798,828
Percentage	53%	11%	34%	2%	-

Source: Ministry of National Planning and Development estimates for 2016 based on UNFPA, Population Estimation Survey 2014

⁷ In 2016 the World Bank in partnership with the Ministry of National Planning and Development conducted the High-Frequency Household Survey (HFHS) 2016. This survey contains invaluable information including data on poverty, inequality, employment, consumption, among other key issues. The MoNPD is currently analysing this data to see how it can best use it; therefore, unfortunately due to time constraints, the findings of the HFHS 2016 could not be incorporated in this present version of the NDPII. Once HFHS 2016 data is analysed, its findings will be reflected in an updated version of this chapter.

The growing urban population is already reshaping the socio-economic dynamics in Somaliland. More individuals in cities mean an increased demand for services and jobs. Also, this new trend is putting pressure on prices, particularly food and housing prices.

Currently Somaliland has a very young population with over 60% of it in the 5-29 age range. Very few individuals are over 65 years old, which is partly the result of the nation's low life expectancy.

Table 6: Somaliland Population Age Breakdown

Under 1 year	1- 4 years old	5-29	30-64	65+
1%	9%	62%	25%	3%

Source: UNFPA, Population Estimation Survey 2014

2.3.2 Poverty and Inequality Overview

Many households in Somaliland are struggling to meet their basic needs. Poverty is acute across the country and households but is more severe in rural areas.

In 2013 more than 29% of the urban population were considered living in poverty. Poverty is more prevalent in rural areas, where the poverty headcount rate stands at 37%.⁸

Table 7: Poverty Headcount in Somaliland and Regional Comparison

	Poverty Headcount (%)
Somaliland	
Urban	29.7
Rural	37.0
Ethiopia	
Urban	25.7
Rural	30.4
Somali Region, Ethiopia	
Urban	23.1
Rural	35.1
South Sudan	
Urban	24.4
Rural	55.4

Source: Reproduced from World Bank (2015) and based on SLHS 2013, Ethiopia MOFPED (2013), World Bank (2011)

The difference between urban and rural populations in Somaliland is even starker when looking at levels of extreme poverty. In rural areas, 21% of the population is considered living in extreme poverty compared to less than 10% in urban areas.⁹

Somaliland has high rates of inequality both in urban as well as in rural areas. The Gini coefficient stands at 43.0 in urban areas and 46.0 in rural areas.¹⁰

⁸ According to the World Bank (2015), the amount of money required for an adult per month in 2013 to meet his/her needs is estimated at SLSh 207,300 in urban areas and SLSh 180,900 in rural areas. Adult individuals living on less than these estimates are considered living in poverty.

⁹ Households with per capita consumption below 2,100 kilocalories are considered living in extreme poverty (World Bank 2015).

¹⁰ The Gini coefficient is a measure of statistical dispersion to represent income distribution and is internationally used as a proxy of inequality.

2.3.3 Economic Activities

Less than 50% of Somaliland's population are in the labour force. However, even among those that are considered economically active, poverty headcount rates are high. Services are the main sector of work in both urban and rural areas, but livestock and agriculture are the most important activities in rural areas.

Table 8 shows that poverty rates are higher in rural areas regardless of the individual economic status. It is striking that there is little difference in the poverty rates of adults whether they are not in the labour force or employed (or self-employed).

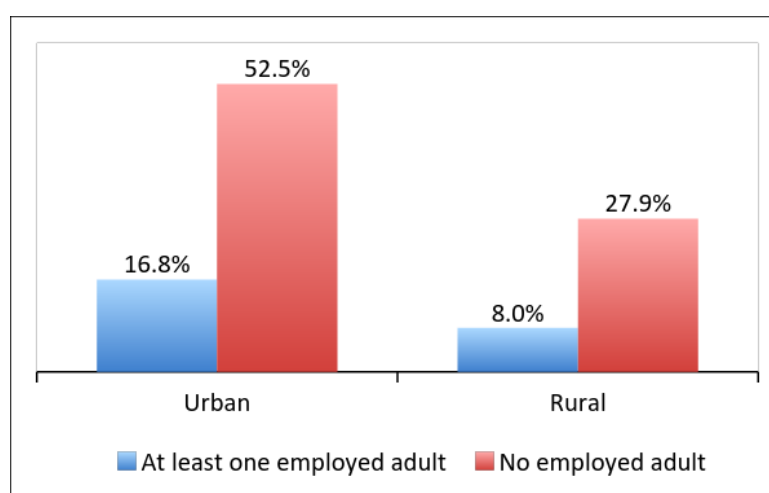
Table 8: Poverty Headcount among Working Age Individuals (15-64 years) by Economic Status

	Urban		Rural	
	Percentage of population (%)	Poverty headcount rate (%)	Percentage of population (%)	Poverty headcount rate (%)
Not in the Labour Force	57.9	25.5	53.4	33
Employed and Self-Employed	26	24.0	32.7	32.8
Unemployed or Discouraged	16	29.7	13.9	53.4

Source: Reproduced from World Bank (2015) and based on SLHS 2013

Around 40% of households in rural and urban areas do not have any economically active individuals aged 15 to 54. These households are also more likely to receive remittances. Households without any economically active adults are around three times as likely to receive remittances in both urban and rural areas as shown below in Figure 15.

Figure 15: Households with and without Employed Adults Receiving Remittances



Source: Reproduced from World Bank (2015) and based on SLHS (2013)

In urban areas, most working adults are found in the services sector (67.8%) as well as most wage employees (71.4%). However, working adults in rural areas are divided almost equally between services (48.9%) and agriculture and livestock activities (40.4%). Wage employees in rural areas are

mainly found in services with less than 5% working in agriculture and livestock activities.¹¹

Table 9: Primary Sector of Work

	Adults (%)		Wage Employees (%)	
	Rural	Urban	Rural	Urban
Agriculture and Livestock	40.4	5.4	5.1	3.7
Mining and Extraction	0.5	0.2	0.4	0.2
Manufacturing	1.4	4.7	1.4	4.3
Construction	2.8	8.4	8.0	11.6
Services	48.9	67.8	67.3	71.4

Source: Reproduced from World Bank (2015) and based on SLHS (2013)

More than a half of urban individuals work as paid employees. When disaggregating by economic status, paid jobs are the main economic activity for both non-poor (57%) and poor (54%) individuals alike. By contrast, in rural areas the most common economic activity is farming (37%), particularly for poor individuals. However, as Table 2.8 below shows, the main activities of those in rural areas differ between the poor and non-poor. 34% of the non-poor in rural areas run household non-farm businesses, followed closely by 32% working on household farming – including agriculture, livestock and fishing at own account – and 23% who have paid jobs as their main activity. For poor economically active adults in rural Somaliland, the most common activity is working on household farms with 46% of those adults, followed by paid jobs (34%) and household non-farm businesses (14%).

Table 10: Main Activity of Labour Force

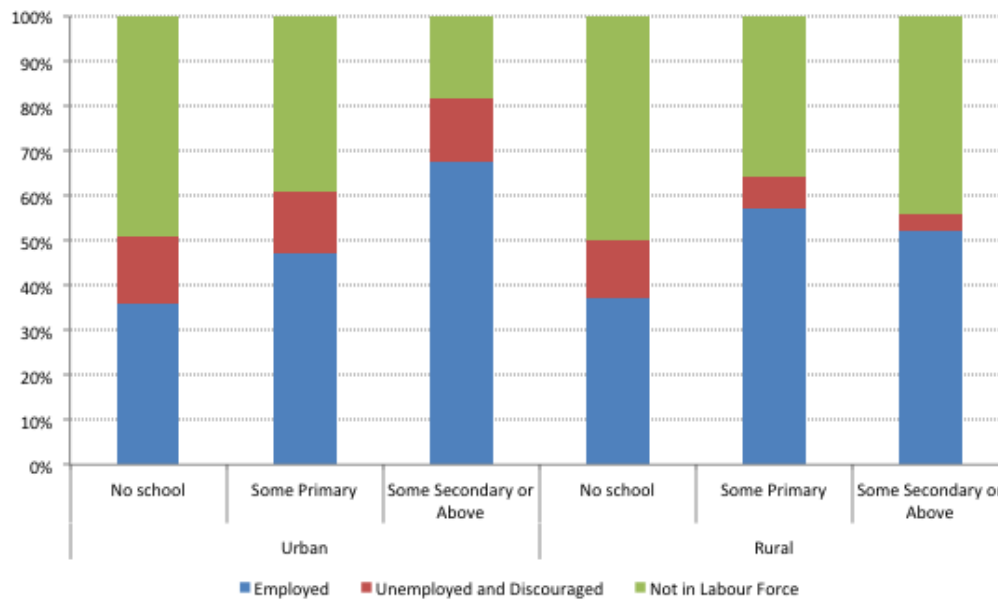
	Urban			Rural		
	Total (%)	Non-Poor (%)	Poor (%)	Total (%)	Non-Poor (%)	Poor (%)
Work as paid employee	56	57	54	27	23	34
Run household non-farm business	25	26	25	27	34	14
Help in household non-farm business	11	10	14	8	10	4
Work on household farm	3	2	5	37	32	46
Work as apprentice	4	5	2	1	1	2

Source: Reproduced from World Bank (2015) and based on SLHS 2013

Employment rates tend to rise with education in both urban and rural areas. Figure 16 below shows the employment rates by education in urban and rural areas. Around 35% of those with no primary education are employed in urban areas and this rises to around 65% for those with some secondary education or above. Surprisingly, adults in rural areas with primary education are more likely to be employed than those with secondary education.

¹¹ According to the methodology used by the World Bank in its SLHS (2013), “services” include: shop assistants and demonstrators; hairdressers, barbers, beauticians; undertakers and embalmers; house stewards and housekeepers; cooks and other catering service workers; waiters and bartenders; transport conductors; travel guides and ground attendants.

Figure 16: Employment Rates by Education



Source: Reproduced from World Bank (2015) and based on SLHS 2013

2.3.4 Income and Consumption

Rural and urban households differ in their main sources of income and the types of shocks that have an impact on their consumption. Wages and remittances are the most important sources of income for urban households; whereas for rural households the importance is more evenly divided amongst different sources of income such as non-agricultural activities, wages, remittances and livestock. Inadequate employment hits urban households' consumption harder and droughts have a greater impact on rural households.

For urban households, wages are the most important source of income (38%) with remittances as the second most important source (31%), especially for non-poor households (36%). In rural areas the most important source of income is self-employment in non-agricultural activities, with 21% of all rural households benefiting from these activities. Although 59% of rural households reported owning livestock, only 14% consider animals as a source of income. Unlike urban households, remittances are a small source of income for rural households – only 16% of them receive remittances.

Table 11: Household's Sources of Income

	Households engaged in... (%)		Households reporting income from... (%)					
	Crop Production	Owning Livestock	Agriculture	Livestock	Non-Agri Self-Employment	Wages	Remittance	Other Transfers
Urban								
Non-Poor	4	14	1	2	15	37	36	6
Poor	7	12	2	0	13	41	18	5
Total	3	13	1	1	14	38	31	6
Rural								
Non-Poor	19	54	12	13	25	16	17	10
Poor	17	67	8	16	13	18	14	6
Total	19	59	11	14	21	16	16	9

Source: Reproduced from World Bank (2015) and based on SLHS (2013)

Urban and rural households differ in the factors that cause a negative shock to their consumption.

Inadequate employment hits urban households harder, particularly poor households. 42% of poor and 35% of non-poor urban households reported that inadequate employment negatively affected their consumption. However, 19% of poor and 16% of non-poor rural households mentioned inadequate employment as a shock to their consumption.

Droughts have a larger negative impact on a greater number of rural households than urban households. 50% of poor and 44% non-poor rural households reported that they are negatively affected by droughts, whereas only 15% of urban households are affected. High food prices affect similar percentages of households in urban and rural areas in Somaliland.

Table 12: Types of Shocks to Household Consumption

	Drought (%)	High Food Prices (%)	Inadequate Employment (%)	Insufficient Water for Farming (%)
Urban				
Non-Poor	16	28	35	4
Poor	12	24	42	6
Total	15	27	37	4
Rural				
Non-Poor	44	30	16	13
Poor	50	27	19	11
Total	46	29	17	12

Source: Reproduced from World Bank (2015) and based on SLHS (2013)

2.3.5 Health

Somaliland performs poorly on health indicators, lagging behind Sub-Saharan Africa average and other Least Developed Countries in the region. Health indicators are worse in rural areas where access to healthcare and nutritional levels are lower than in urban areas.

Table 13 below shows Somaliland's health indicators when compared to Least Developed Countries in the region and the Sub-Saharan average. Somaliland tends to perform worse on most health indicators when compared to Sub-Saharan Africa and most other countries in the region.

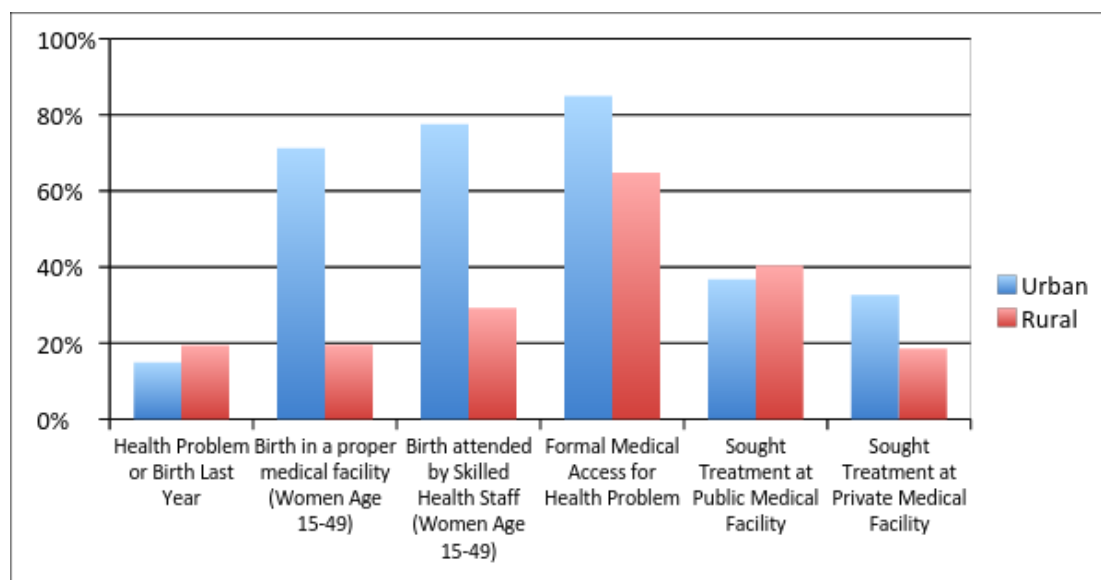
Table 13: Somaliland's Health Indicators

	Somaliland	Ethiopia	Sub Saharan Africa	South Sudan	Eritrea
Maternal Mortality (% of births)	1.0%	0.7%	0.7%	0.9%	0.5%
Under 5 Mortality (% of children)	9.0%	7.1%	9.7%	9.3%	5.4%
Under 5 yrs Wasted	13.0%	10.1%	N/A	22.7%	15.3%
Under 5 yrs Stunted	42.0%	44.2%	N/A	31.1%	50.3%
Life Expectancy	51	62	57	54	62

Sources: MICS (2011) UNICEF (2009), WDI (2016). For international data, we use the year closest to when Somaliland data was collected.

It is particularly difficult for those in rural areas to access healthcare in Somaliland. Those in urban areas are consistently more likely to receive formal medical treatment than those in rural areas. The number of births attended by skilled attendants is worryingly low (approximately 28%) in rural areas and helps explain the country's high levels of maternal mortality.

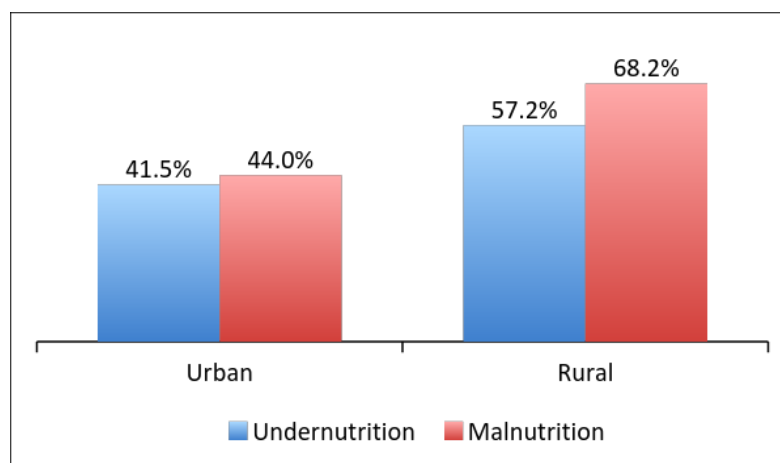
Figure 17: Access to Healthcare in Rural and Urban Somaliland



Source: Reproduced from World Bank (2015) and based on SLHS 2013

As expected, urban and rural areas also differ in prevalence rates of *undernutrition* and *malnutrition*. The incidence of *undernutrition* is larger in rural areas (57.2%) compared to urban areas (41.5%) and the incidence of *malnutrition* is also higher in rural areas (68.2%) compared to urban areas (44%).

Figure 18: Incidence of Undernutrition and Malnutrition



Source: Reproduced from World Bank (2015) and based on SLHS (2013)

Health expenditures do have an impoverishing effect for all households in Somaliland but the effect is greater in urban areas. Health expenditures reduce consumption and lead to an increase in poverty and inequality. Table 14 below shows how the poverty rate and Gini coefficient would change if healthcare expenditure was spent on other consumption. The reduction in poverty and inequality would be greater in rural than in urban areas. This does not take into account the beneficial productivity effects that increased public healthcare provision would have.

Table 14: Somaliland's Health Indicators

	Current Value	Value if household health expenditure spent elsewhere	Percentage change
Rural			
Poverty Headcount	37.0	35.5	4%
Gini coefficient	46.0	45.6	1%
Urban			
Poverty Headcount	29.7	29.1	2%
Gini coefficient	43.0	42.8	0%

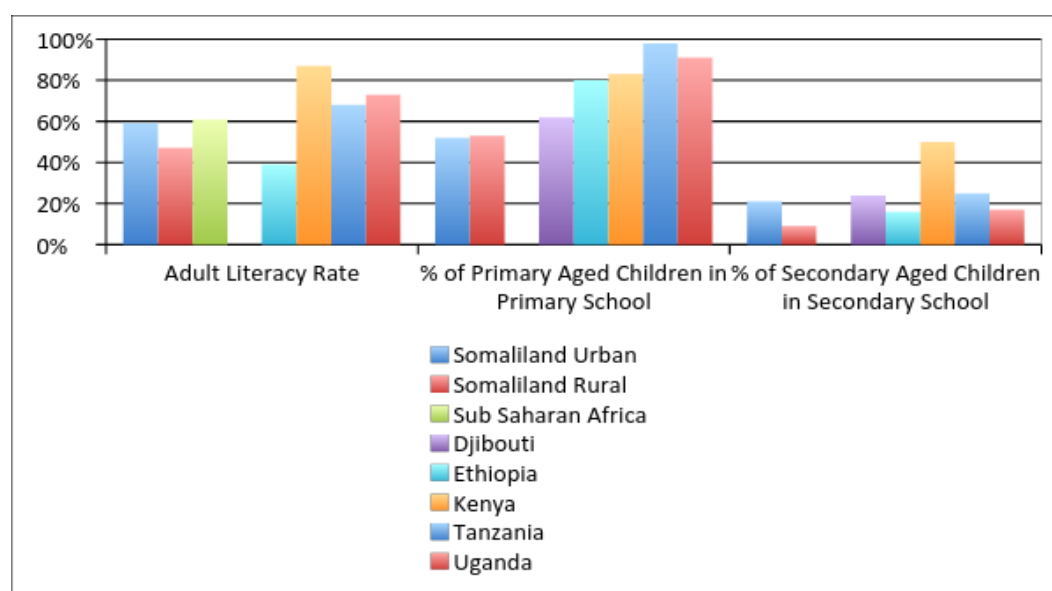
Source: Reproduced from World Bank (2015) and based on SLHS (2013)

3.1.1 Education

As in many other countries, education is highly correlated with poverty in Somaliland and it can be a route out of poverty. Household heads with higher education levels are less likely to be in poverty.

Although adult literacy is close to the Sub Saharan Africa average, Somaliland children are much less likely to attend primary school than children in countries in the region (Figure 19 below). Children who do not attend primary education are likely to grow up lacking basic cognitive skills. The lack of basic cognitive skills will reduce their productivity and wages as adults as well as reduce their ability to adapt to changes and shocks in their environment. Children in rural areas of Somaliland are much less likely to attend secondary school compared to those in urban areas, raising concerns about the disparities in education access in rural and urban Somaliland.

Figure 19: Somaliland's Education Indicators



Source: Reproduced from World Bank (2015) and based on SLHS 2013, and latest WDI available for Sub Saharan Africa

Education is highly correlated with poverty and households where the head has no education are more likely to be living in poverty as shown below in Table 15. Around 70% of household heads have no education at all in both rural and urban areas.

Table 15: Poverty Headcount by Household Head's Education

Education Level	Urban			Rural		
	Poverty Headcount (%)	Distribution of the Poor (%)	Distribution of the Population (%)	Poverty Headcount (%)	Distribution of the Poor (%)	Distribution of the Population (%)
No School	33.7	68	58.1	42.1	72.7	65.9
Koranic	6.2	0.2	0.8	31.2	1.5	1.8
Primary	23.8	11.2	13.6	40.3	18.2	17.2
Secondary	30	11.2	10.8	17.7	4.5	9.7
Tertiary	9.4	4.2	12.5	21.8	2.4	4.1
Others	39.3	3.4	2.5	16.6	0.3	0.6
Don't Know	26	1.8	1.7	29.5	0.5	0.6
Total	28.7	100	100	38.1	100	100

Source: Reproduced from World Bank (2015) and based on SLHS 2013

The education status of the household head has a significant impact on the poverty status of the household. If a household head has primary education (compared to no education), the household is 35% less likely to be in poverty if they live in an urban area and 16% less likely in rural areas. These figures rise to 64% and 51% respectively when the household head has a tertiary education.

2.3.6 Multi-Dimensional Deprivation

Overall, rural households are more deprived than urban households. This is true particularly with regards to income, education and health.

Other dimensions of deprivation tend to have high correlations with poverty. Education, health, sanitation and water, and information availability all have an impact on an individual's income.

Table 16: Indicators of Deprivation

Deprivation Indicator	A household is deprived when...
Education	At least one child of primary age (6-13 years) is not in school
Health	At least one household member cannot access health facility when sick for diagnosis or treatment
Sanitation*	Household does not have access to improved sanitation such as flush toilet or pit latrine in the dwelling
Water**	Household does not have access to improved water source – privately accessible or publicly provided piped water
Information	Household does not use radio, television, newspaper, or internet to access information
Income	Household's real total consumption expenditure per capita is lower than the poverty line

*Only for rural households; **Only for urban households

Source: Reproduced from World Bank (2015) and based on SLHS (2013)

Table 17 shows us that rural households are more deprived than urban households in regard to income, education and health. Sanitation and water as well as information deprivations are more frequent amongst urban households.

However, households in rural areas tend to be deprived in more than one dimension. The difference between urban and rural households is particularly significant in income and health dimensions – 22.9% of rural households are deprived in these two dimensions against 7.3% of urban households. It

is also noticeable that 3 times as many households in rural areas are deprived in the areas of income, health and education when compared to rural households. Modalities of deprivation in three dimensions are also more common in rural Somaliland compared to urban Somaliland.

Table 17: Incidence of Multiple Deprivations

	Urban (%)	Rural (%)
Households deprived in one dimension		
Income	29.7	37.0
Education	47.7	63.1
Health	14.8	29.0
Sanitation/Water	55.9	22.5
Information	43.6	41.7
Households deprived in two dimensions		
Income and education	19.9	27.7
Income and health	7.3	22.9
Income and sanitation/water	19.0	18.4
Income and information	17.6	28.5
Education and health	9.5	29.0
Education and information	20.9	41.7
Health and sanitation/water	8.7	20.9
Households deprived in three dimensions		
Income, health and education	2.0	6.0
Income, information and education	9.0	15.8
Income, health and sanitation/water	2.2	7.1

Source: Reproduced from World Bank (2015) and based on SLHS (2013)

2.3.7 Nomadic Pastoralists

Data on nomadic communities is sparse within the Somaliland population. As they make up around 35% of the population, this is a large proportion of the population that is not included in the above analysis. It is likely that they are more deprived than people in either urban or rural areas for the following reasons:

- 1) Low productivity – Nomadic pastoral production has remained largely unchanged for thousands of years with nomads moving their livestock to where pasture and water is available. There is little in the way of product improvement or value added production for these communities
- 2) Drought and a drastic reduction to livestock herds – As described in the drought impact box, there has been a drastic reduction in livestock herds due to a fall in available pastures. As nomadic pastoralists are wholly dependent on their livestock for their income and consumption, they are likely to be the worst affected group in the country
- 3) Little access to basic health and education services – Health and education services tend to be provided in sedentary locations and it is difficult to reach and provide these services to communities that are mobile
- 4) Poor market access – Poor transport and market infrastructure makes it difficult for pastoralists to access markets available to other groups in the country. They are likely to get a lower price for their products as they cannot access markets directly and require middlemen to sell their produce.

Demographic and Human Development Profile

Somaliland has higher levels of income poverty and inequality when compared to other countries in the region. Policy measures that increase economic growth and ensure that the poor shares in this growth will be crucial to ensuring that there is a fall in poverty.

Those in rural areas are significantly more deprived than those in urban areas. Nomadic pastoralists are likely to be more deprived than those in rural areas. Poverty is higher and health and education outcomes are significantly worse in rural areas than in urban areas. Interventions that aim to reduce poverty and increase human development must explicitly take into account the greater deprivation that non-rural areas face.

High numbers of working age adults are not in work and employment is not a certain route out of poverty. Levels of poverty are remarkably similar when comparing those who are employed and those not in the labour force. Increasing employment and increasing the income of those in employment is necessary for poverty reduction.

Greater educational attainment is associated with lower levels of poverty. Households and individuals with greater levels of education are likely to be more productive, earn more and have a greater chance of escaping poverty.

Health and educational attainment is lower in Somaliland than similar countries in the region and is worse in rural areas. Somaliland requires significant investments in human capital and human development to increase the well-being and welfare of its population.

Rural and Urban households differ in both their main economic activities and the degree to which different shocks affect them. Different policy strategies are needed in rural and urban settings to raise incomes and alleviate poverty. A majority of those in urban areas are wage employees whereas those in rural areas are more likely to run or work in a family business or farm. Rural households are more likely to be affected negatively by droughts whereas those in urban areas are harder hit by inadequate employment.

2.4 Somaliland's Sustainable Development and Poverty Reduction Action Areas

Based on the current macroeconomic, demographic and human development characteristics of Somaliland, there are four main action areas that Somaliland needs to focus on to increase economic growth, reduce poverty and increase development:

- Primary Production Sectors
- Higher Productivity Sectors
- Economic Resilience
- Human Development

2.4.1 Action Area I: Primary Production Sectors

Improving productivity in the primary production sectors will reduce poverty and malnutrition. A large proportion of the Somaliland population is involved in agricultural production. Yet these sectors remain hampered by low productivity and poor market access, which in turn, leads to low incomes for those who own livestock or grow crops. Increasing productivity and supporting markets in these sectors is crucial for poverty reduction.

Around half of the Somaliland population is engaged in crop production and/or rearing livestock. Around 60% of rural households, 15% of urban households and all nomadic pastoralists rear livestock. However, only around 20% of rural households report that they gain income from their livestock

indicating that many consume their own livestock's products to increase calorie consumption. In addition, around 40% of adults in rural areas report crop production and/or rearing livestock as their main activity. Agricultural activities, especially livestock production, constitute a major source of calories and income for a large portion of the Somaliland population.

Poverty and malnutrition is higher in rural areas and amongst nomadic pastoralists than it is for those who live in urban areas. Around 50% of the population live in rural areas or are nomadic pastoralists and poverty amongst these groups is higher than for the urban population. Around 40% of those in rural areas live in poverty compared to around 30% of those in urban areas. Extreme poverty is twice as high in rural areas compared to urban areas. Malnutrition is also higher in rural areas. Living in a non-urban setting is associated with agricultural production, higher levels of poverty and higher rates of malnutrition.

Productivity in both crop production and the rearing of livestock is very low which reduces the incomes of those engaged in these activities. Over 90% of crop production is rain-fed (as opposed to being fed by irrigation) and livestock tend to be fed from natural pastures with little access to veterinary services. Agricultural production and the rearing of livestock tend to be low-value added activities with little improvements in the production process having taken place in previous decades. There are currently opportunities that can be capitalized for upgrading the quality of agricultural or livestock production within Somaliland.

The livestock sector suffers from concentrated market structures, a lack of information and missing markets both up and down stream that reduce their owner's incomes. There are few (or non-existent) feed markets to provide animals with nutrition when natural pastures are inadequate. Livestock herders often sell at times of distress and lack adequate price information. There is little to no insurance provision to support livelihoods during times of drought. Furthermore, the livestock export sector is dominated by a few firms leading to a reduction in the price that pastoralists are able to gain for their livestock.

Raising agricultural productivity and supporting agricultural markets should lead to a rise in incomes and calorie consumption for the poor reducing poverty and malnutrition. An increase in agricultural productivity will lead to an increase in the quantity and quality of agricultural products for households to sell and consume. The provision of better market infrastructure will make it easier for agricultural producers to buy inputs for the production process and sell their products for a higher price. As poverty and malnutrition tends to be higher for those households engaged in these activities, these are targeted and effective poverty reduction strategies.

2.4.2 Action Area II: Higher Productivity Sectors

Encouraging higher productivity sectors to expand will increase reduce economic instability, lead to a rise in economic growth and a fall in unemployment. Somaliland's concentrated economic structure has a damaging effect on macroeconomic stability and a more diversified economy would be more stable. Increasing economic diversification requires improving the business environment, especially for non-agricultural sectors. Non-agricultural sectors tends to have higher productivity levels and their expansion leads to an increase in economic growth and a reduction in unemployment.

Somaliland has a heavily concentrated production and export structure leading to macroeconomic volatility. Somaliland depends on livestock products for the vast majority of its exports and for a large proportion of GDP, which has a deleterious effect on macroeconomic stability. Any shock to livestock production has a damaging impact on the entire economy. Output (and thus growth) falls. The fiscal position worsens as revenues fall from a reduction in both exports and economic activity. The current account balance is likely to deteriorate (as exports fall) and inflation is likely to rise (as the currency depreciates). In addition, Somaliland's exports are concentrated in one sector, livestock, to one major trading partner, Saudi Arabia. Previous Saudi Arabian livestock bans had a deeply damaging effect on the Somaliland economy. The recent introduction of the livestock ban from Saudi Arabia in 2016 is likely to damage economic growth and reduce domestic tax revenue.

Increasing diversification in both output and exports would increase macroeconomic stability and economic growth. A negative external shock to the livestock sector would not have the large negative effect on macroeconomic stability it currently has if the economy was more diversified. Economic diversification in both exports and output is associated with both an increase in growth and macroeconomic stability and the benefits are particularly large for least developed countries.

However, it is difficult to increase economic diversification when the private sector faces such severe constraints to doing business as they do in Somaliland. As noted above in Section 2.2.2 and in the Economic Sector Analysis (Chapter 3), the private sector faces several severe constraints when operating in Somaliland including a lack of access to finance, high-energy costs, poor infrastructure and insecure property rights. These constraints make it difficult for firms in Somaliland to operate, invest and expand. When ranked against other economies in the world in 2012, Hargeisa was ranked as the most difficult places to do business.

These constraints are particularly harmful for the non-livestock and non-agricultural sectors where productivity is highest and where the scope for productivity improvements is largest. In particular, a lack of access to finance is the most binding obstacle for firms attempting to do business in Somaliland. There are indications that addressing this constraint would have the largest growth payoff. Poor infrastructure increases the costs for business, especially for the manufacturing sector.

A poor business environment has led to there being few employment opportunities in Somaliland. Employment rates in Somaliland are low with a large number of Somaliland adults either inactive or unemployed. Only 26% of working age adults are employed in urban areas and 32.7% are employed in rural areas. Around 40% of households in urban and rural areas have no working age adults.

Economic development requires growth in the non-traditional sectors and growth in the manufacturing sector is particularly beneficial. Productivity is higher and the scope for productivity improvements is larger than in traditional sectors. Employment increases in these expanding industries, increasing overall productivity and economic growth. The manufacturing sector has traditionally been the engine of economic development as productivity growth tends to be high in this sector and it is able to absorb large amounts of unskilled workers. Reducing barriers to business and improving the business environment for the non-agricultural sector should lead to a rise in economic growth and a reduction in unemployment.

2.4.3 Action Area III: Economic Resilience

Environmental damage and climate change has left those in rural areas susceptible to large negative income shocks. Around half of rural households have had a negative shock to their household income due to drought (Table 10 above). Range degradation and climatic shocks (i.e. droughts) reduce crop production and leave insufficient water and feed for livestock. This has a deeply damaging effect on households who own livestock as it represents both a loss of their main capital assets and a drastic loss of income. This leads to a fall in calorie consumption that can lead to malnutrition, disease and even death.

Environmental shocks have a damaging effect on livelihoods of the population who do not have the means to plan for and withstand them. There is little provision of Early Warning Systems that could inform communities of sudden environmental changes. They are unable to plan for events such as sudden downpours that leave livestock exposed and could lead to their deaths. Without any means to access financial services, they are unable to save or insure themselves against the risk of not having access to the environmental resources required to sustain their livelihoods.

Helping to effectively manage environmental resources whilst increasing the ability of the rural population to deal with shocks will help to increase resilience. A more effective means of managing natural resources should help to reduce the effects of environmental degradation and ensure that the use of natural resources is sustainable for those engaged in agriculture. Effective risk sharing and insurance mechanisms are crucial to ensure that those who are susceptible to sudden shocks are able to withstand them without a catastrophic effect on their livelihoods.

2.4.4 Action Area IV: Human Development

Even by the standards of LDCs, Somaliland scores poorly on human development indicators. Whilst increasing human development is desirable as it leads to a rise in the well-being of the population, it also helps to set a foundation for steady, sustained economic growth and poverty reduction.

Somaliland scores poorly on human development indicators. As noted above in Sections 2.3.5 and 2.3.6, the majority of the population has poor health and low levels of educational attainment. Somaliland has amongst the highest level of maternal mortality in the world (at around 1% of births) and life expectancy at around 50 years of age is far lower than elsewhere in Sub Saharan Africa. The net primary school attendance rate was around 50% in Somaliland whereas the Sub Saharan average is nearer 80%. And the ill effects of low human development cast a long shadow over future development. Low human capital investments in childhood, with the consequent poor education and health outcomes, cannot be fully overcome by greater investments in adulthood.

Improving the health and education of the Somaliland population is intrinsically valuable but it also leads to an increase in individual income and a reduction in inequality and poverty. Healthier, more educated workers are more productive and earn higher wages as a result. The higher the educational attainment of the household head, the less likely it is that the household will be living in poverty (Table 13). Inequality and poverty would be lower if households did not have to finance health expenditures privately (assuming that the tax burden also fell on wealthier households) as shown in Table 12 above. In addition, as education and healthcare are made widely available, it will lead to a decrease in inequality as those from low-income households are able to take advantage of more economic opportunities.

A minimum level of human development is required for long-term sustained economic growth. Countries with an insufficient level of human development find that they are unable to sustain economic growth and they return to a low growth, low human development position. A lack of human development reduces the productivity of individuals and the potential innovative practices of entrepreneurs and workers.

In Somaliland, firms with better-educated work force also grow faster. Human capital investments lead to physiological and psychological development that allows individuals to create and take advantage of new opportunities. Higher human capital leads to individuals who are more productive, more flexible and able to absorb new ways of working as well as become more innovative themselves.

2.4.5 Action Areas and Sectors

The action areas outline the broad challenges that Somaliland faces in achieving poverty reduction and economic development in future years. Table 18 shows how the various sectors in Somaliland will contribute in these action areas.

Table 18: Alignment of Sectors to Action Areas

Action Area I: Primary Production Sectors	Production, Economy, Infrastructure, Environment
Action Area II: Higher Productivity Sectors	Economy, Infrastructure, Energy & Extractives, Environment
Action Area III: Economic Resilience	Production, Economy, Infrastructure, Environment
Action Area IV: Human Development	Health, Education, WASH

Pillar 1 – Economic Development

A nation whose citizens enjoy sustained economic growth and reduced poverty levels

Sectors

Economy

Energy & Extractives

Production

3.1 Economy Sector

3.1.1 Situation Analysis

According to the Somaliland National Vision 2030, Somaliland should be a **nation whose citizens enjoy a sustained economic growth and reduced poverty levels.**

The Somaliland National Vision 2030 identifies seven priority areas of its economic agenda:

- Agriculture, livestock and fisheries
- Trade and financial services
- Tourism
- Manufacturing
- Mining and extractives
- Private sector and investment
- Diaspora

These areas are critical for unlocking the potential economic growth of the country. As for the first cycle of development in Somaliland, the NDP focused on creating a better environment for businesses.

During the NDP (2012-2016) cycle, the Government of Somaliland produced in partnership with other organisations, several studies focused on private sector, SMEs, informal economy, among others. These studies helped the government institutions working more directly with economic development to have a better understanding of how to improve the conditions for business to thrive. Based on these studies the government targeted key areas of legal reforms as well as other more interventionist activities.

Although, the sector has been relatively successful in pushing forward some key regulatory reforms, its efforts in promoting industrialisation in the country were very timid. Most of the interventions proposed in the NDP related to industrialisation – such as policies, industrial zones and incubators – were never fully supported. However, such performance also raises questions about whether a strong industrial policy is something that the country should envisage or a rather more service-based economy would be a better fit for Somaliland.

More recently the economy has been suffering with high inflation rates. This shows that the Central Bank of the Republic of Somaliland together with the Ministry of Finance are still learning how to adequately use their monetary and fiscal instruments to promote macroeconomic stability, an essential characteristic of a healthy economy.

With regards to tourism, not much was done and tourism is still largely depending on Somaliland Diaspora communities. At one stage, the Ministry of Commerce and Investment (Formerly responsible for tourism) have sponsored potential archaeological sites such as “Las-Geel,” which is historic ancient caves that contains very important global wealth of information about the ancient people that lived in this cave.

Recently, other ancient caves have been discovered in the northern part of Berbera, Sahil region. Other potential tourism sites that need to be developed with adequate investments are in every region. Gacan-Libaax (Arm of the Lion-Mountain) Mountain, DAALO, SURAD and Golis Rangeland Mountains that stretch from Ethiopia to the north-eastern Sanaag region, Somaliland are among them.

Key Stakeholders

The main stakeholders interested in the sector can be grouped into three categories: private sector actors, government institutions and development partners.

The private sector is present across all sectors of Somaliland’s economy. There are number of business associations representing private sector actors, which work as forums for internal dispute resolutions, representation and advocacy and lobbying for common interest. However, some of these associations have very limited capacity to act. Consumer associations do not exist in Somaliland.

The government has been promoting manufacturing and trade as key drivers of economic development in Somaliland, particularly through the Ministry of Industry (MoInd) and the Ministry of Trade and Investment (MoTI). The Central Bank of the Republic of Somaliland and the Ministry of Finance (MoF) are also responsible for ensuring macroeconomic stability in the country. The recently created Ministry of Culture and Tourism has the potential to be important vehicle and tool for economic development.

Development partners are constantly working with the government and business community to improve the business environment in the country. Public Private Dialogue geared by IFC and endorsed by the Somaliland Government is among the initiatives that can support businesses to thrive.

Despite of many great efforts made to improve the dialogue among these groups, there is still scope for improvement in the inter-coordination of these stakeholders. The Economic Sector Coordination Group (ESCOM) provides a platform for dialogue; however, participation is skewed towards government institutions.

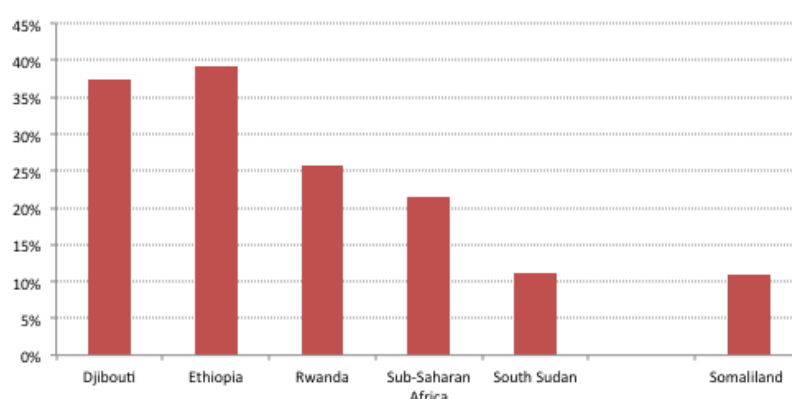
Also, there is a general understanding that the government as well as umbrella organisations are failing to reach out to and to work with micro, small and medium enterprises. (SMEs).

Main Characteristics of Somaliland's Business Landscape

The private sector faces significant constraints when operating in Somaliland. The most serious constraint is the lack of access to finance. Poor infrastructure, limited human capital and insecure land rights also constitute major constraints to private sector growth.

Somaliland's level of investment is low when compared to other Sub Saharan economies (Figure 20). This is likely due to a combination of firms finding it difficult to access finance for investment and not being able to earn high returns whilst operating.

Figure 20: Gross Fixed Capital Formation (% of GDP)



Source: World Development Indicators (latest data used); World Bank, Somaliland Household Survey 2013

Firms in Somaliland are smaller than firms in similar economies around the world. The average firm in Somaliland (excluding micro firms) has just 7 workers compared to 16 or more in Rwanda and 45+ in Ethiopia. Larger firms are more productive, innovative, and more likely to export.

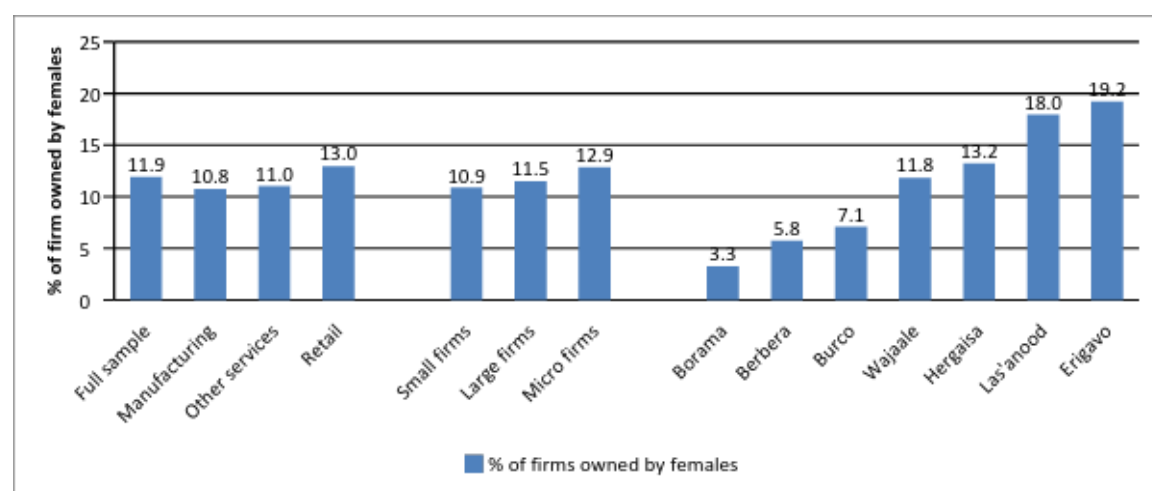
Most firms in Somaliland are newly established and family-owned and operated with family members as workers. To encourage Somaliland firms grow up, they need to transform their sole-proprietorship status into "Partnership or/and Corporate Entities" with a bigger working capital by attracting more sizeable investments (local and foreign).

In the 2012 World Bank's *Doing Business Index*, Hargeisa was ranked as 174 out of 183 on the ease of doing business. This is worse than the Sub Saharan average of 137. Somaliland's ranking may, in fact, be an overestimate of how easy it is to do business if it is easier to do business in the capital than elsewhere in the country.

Although data disaggregated by gender is scarce, findings from the Enterprise Survey 2013 suggest

that female participation in ownership in Somaliland is low and varies significantly across regions within the country.

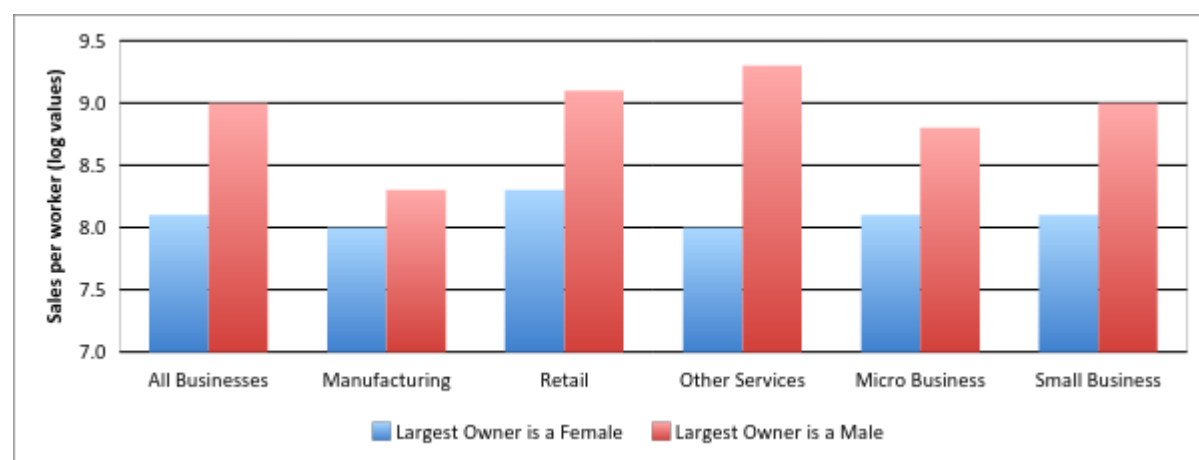
Figure 21: Female Participation in Business Ownership



Source: World Bank, Somaliland Enterprise Survey 2013

Also, businesses with a female largest owner or businesses with a higher percentage owned by women have lower labour productivity.

Figure 22: Labour Productivity in Somaliland's Private Sector by Gender

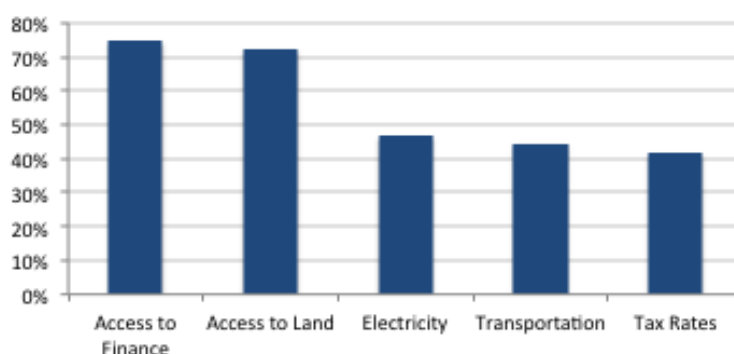


Source: World Bank, Somaliland Enterprise Survey 2013

Main Challenges

Below, Figure 23 outlines the main self-identified obstacles for firms operating in Somaliland. It does not indicate obstacles that have prevented firm creation entirely nor those constraints that are likely prevent private sector growth in the future.

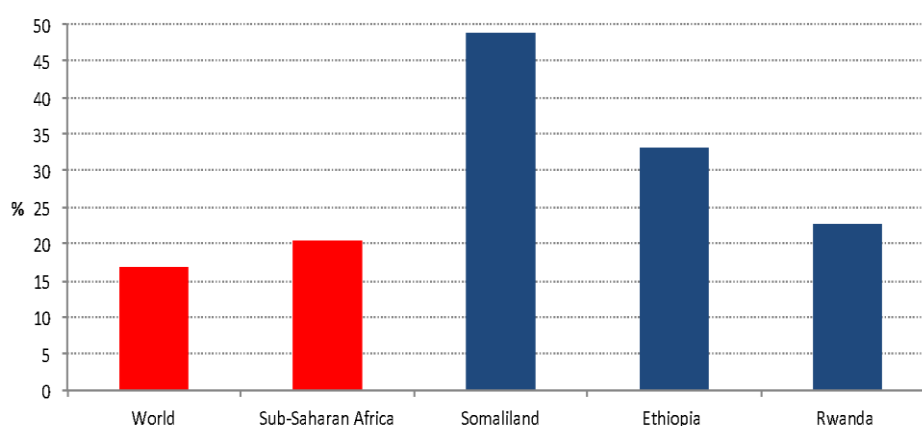
Figure 23: Percentage of Firms that Consider Obstacles as More than a Minor Obstacle



Source: World Bank, Somaliland Enterprise Survey 2013

The most commonly cited obstacle to doing business in Somaliland is accessing finance. In 2012, Hargeisa ranked as last in the world for the cost and ease of getting credit. When compared to Sub Saharan Africa, over twice as many firms identify it as the most important obstacle to their business as can be seen in Figure 24 below.

Figure 24: Percentage of Firms who Identify Access to Finance as the Most Important Obstacle by Firms



Source: World Bank, Somaliland Enterprise Survey 2013

Only 1.4% of firms applied for a loan in 2012 despite only 6.5% of firms reporting that they did not need one. The approval rate for loans (at 43%) is around half of that in Ethiopia and Rwanda. The proportion that reports access to finance as a major constraint is reasonably constant across all sectors of the economy and sizes of firms.

Some financial products are available to firms in Somaliland from remittance companies. However, there is little competition and few products on offer leading to lower levels of finance at higher costs than in countries with a functioning commercial banking system. In addition, such financing is usually only available to well-known clients of remittance companies and requires several years of complete financial records as well as collaterals such as “Title Deeds”.

Due to the dearth of formal financial institutions, many firms depend on remittances from abroad to gain access to finance. This source of finance, crucially, depends on personal connections rather than investment opportunities being evaluated on their merits. Remittances make up between 35 and 70% of GDP. They constitute a major source of finance for most SMEs having received finance from abroad – either directly through remittances or having one or more foreign Diaspora partners.

Larger firms are more likely to have owners that receive remittances from abroad than small firms. 36% of micro firm owners receive remittances compared to 53% of small firms and 60% of large firms.

This suggests that firms (and households) who do well are able to send family members abroad (who send finance back) and/or they are able to expand faster due to this source of finance. Given the large number of firms who report access to finance as a major constraint, it seems likely those managers who receive remittances are also able to grow faster.

Around 72% of firms in Somaliland cite access to land as a major issue. Although over 90% of businesses have some documentation pertaining to the legal status of their land, businesses worry about such documentation being enforceable during a dispute. The Somaliland Diaspora often raised the issue of land security, and are the most likely victims of land disputes. Despite this, land and real estate was still the most common investment for the Diaspora, which indicates a perception of low returns on investment elsewhere in Somaliland.

Somaliland's current infrastructure provision is low. As noted above, over 40% of firms identify electricity and transportation as more than a minor constraint on their business. Manufacturing firms, in particular require a good and affordable source of electricity and transport links for the production and transportation of their goods.

Firm operation and production within Somaliland is heavily dependent on both its port and inland transport infrastructure. Imports constitute a large share of firm inputs with 97% of firms currently importing inputs and 85% of inputs are imports. This is around twice as high when compared to countries such as Ethiopia and Rwanda. Poor transport infrastructure significantly raises production costs for the private sector. Although significant challenges face the private sector in terms of infrastructure facilities and logistics, Somaliland will soon harvest the fruits of the new investments in infrastructure – Berbera Port and Berbera Corridor.

Energy in Somaliland, and particularly electricity power supply, has been described as having extremely high costs, with high wastage, poor quality, unreliability and losses of power supply. There is evidence that firms in Somaliland alter the productive behaviour and investment choices by choosing low electricity activities. Despite public electricity provision being rare in Somaliland only 5% of firms had private generators. Of those firms who have generators, they gain over 60% of their power source from it. The high costs of private electricity generation (both the initial capital outlay and operating costs) coupled with severely limited access to finance may deter firms from purchasing them.¹²

Recently, a process of amalgamation of several small power generating companies formed the largest single power supply company called SOMPOWER. It is expected that the new player will help to improve the quality and reliability as well as reduce the cost of electricity in Hargeisa.

Also, there are other obstacles for the private sector in the short- and long-term that although not ranking high in the self-perceived constraints, they do hold back the Somaliland's businesses.

Firms face challenges in employing a large variety of workers which reflect the low human capital within Somaliland. Many firms choose to employ skilled foreigners to address technical skill gaps and the Diaspora identify the lack of basic and specific technical skills as a major deterrent for investing in Somaliland when compared to other locations.

Surprisingly, given the low level of human capital and large levels of unemployment and inactivity in Somaliland, almost a quarter of firms also identify difficulties in hiring unskilled workers. It may be that the large lack of schooling means that inactive and unemployed individuals lack even the basic cognitive skills that the private sector requires.¹³

With regards to Somaliland's entrepreneurs, evidence from interviews with development partners running projects with the private sector points out that capacity of entrepreneurs to develop sound business plan is weak. Also, managerial skills are necessary when running businesses, especially when they start growing. One of the potential causes for the lack of business skills is the low demand of management and accounting business services by the local firms.

¹²World Bank, Somaliland Enterprise Survey 2013.

¹³ World Bank (2016), Somaliland's Private Sector at a Crossroads: Political Economy and Policy Choices for Prosperity and Job Creation.

Investors and entrepreneurs have little access to reliable information about domestic and international markets. Some businesses carry out informal market in-house studies since there are no organized local service providers. Although some Government institutions, UN agencies and NGOs produce studies that could be used for market purposes, these studies are hardly accessible by the private sector.

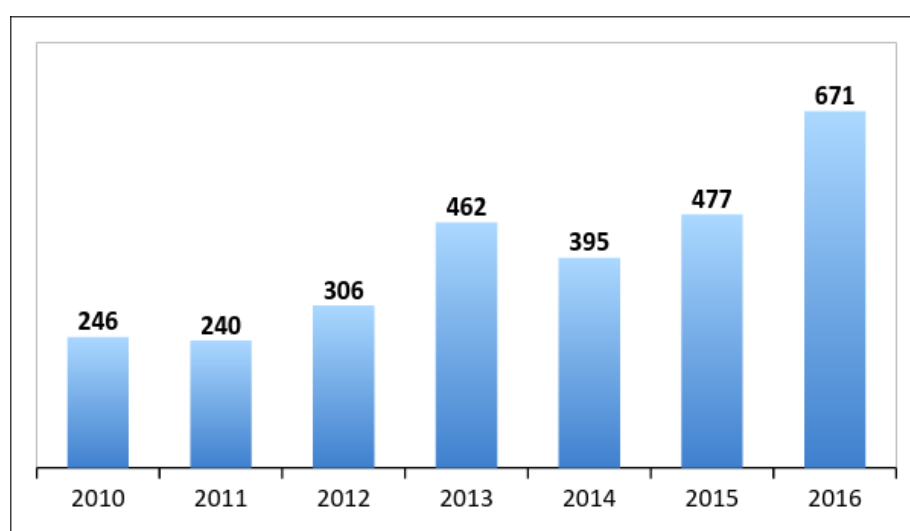
Besides the lack of access of market studies, there is also a lack of demand, since the common practice is to rather imitate a successful entrepreneur rather than look for a business opportunity that has not been explored yet. Information about business performance is far from ideal and investors have difficulties to understand the real potential of the business opportunities in the country. Investments happen on the basis of trust.¹⁴

Businessmen and businesswomen in the informal economy share similar challenges to their counterparts in the formal economy. According to a recent research conducted in Hargeisa,¹⁵ the informal economy workers face five major challenges:

- Lack of literacy and business skills
- Difficulties with infrastructure and operation spaces
- Decrease in the volume of business (over the last five years)
- Lack of inclusion in government policy
- Business challenges (such as competition, exchange rates, lack of access to finance, etc.)

However, despite of the many challenges faced by informal businesses, recently there has been an increase in the number of business registrations with MoTI, as shown in Figure 25 below:

Figure 25: Number of Firms registered with Ministry of Trade and Investment, 2010-2016



Source: Ministry of Trade and Investment

The increase can be partially explained by some institutional improvements in the MoTI, such as simplified procedures and better-trained staff. However, the positive trend in number of registered businesses can also be attributed to external forces such as development partners' loans and grants, which required beneficiary businesses to be formalised. Similarly, many local firms are approaching foreign investors, which in turn require local firms to provide them with legal registration and audited financial statements before agreeing on any business partnership proposal.

¹⁴ Adam Smith International (2012), Improving Investment Flows to Somaliland.

¹⁵ Research conducted by the [Informal Economy Research Observatory](#), Cardiff University, as part of its project *Economic Recovery in post-conflict cities: The role of the urban informal economy*. In Hargeisa, Somaliland, the research was carried out in partnership with Gollis University and SONSAF.

Opportunities

Despite challenges, there are many opportunities for the businesses in Somaliland. As already mentioned, Somaliland has been experiencing a recent new wave of investments that have the potential to produce significant changes in the economy.

Investments in Berbera Port and in Berbera Corridor will boost logistics services in the country creating not only business opportunities but also many jobs. This will be the engine for a deeper change leading to a more diversified economy. These infrastructural investments have the potential linkage to generate demand for national cement production and there are already ongoing efforts to the revival of the Berbera Cement Factory.

With the development of Berbera Port and Berbera corridor, there is increased potential for the development of a competitive free zone, industrial zones and business parks that can set up at the key crossroads along the corridor and close to the port. In addition, the Berbera Free Zone would offer enhanced business environment for emerging Somaliland processing industries (livestock, hides & skins, fish, gums & resins etc).

Also, Diaspora investments continue to grow showing an increasing interest of Somalilanders living abroad to invest in their homeland. The business community is starting to harvest the fruits of the reforms in the first development cycle (NDP) and with these improvements, the positive trend of Diaspora investments will likely increase. The Public Private Dialogue platform, which has been recently inaugurated, will also ensure that improvements continue.

Furthermore, Public-Private Partnership arrangements are a viable alternative for the government to expand services to Somalilanders. Agencies such as Hargeisa Electricity Agency and Borama District Water System have already been completely outsourced following the Build Operate Transfer (BOT) model. These partnerships have been able to improve the quality and outreach of services. However, there is a strong need for formulating policy and regulatory frameworks for the PPP implementation and reviewing current PPP structures and management practices.

Economic Development and Other Sectors

The private sector is relevant for all sectors; therefore, a more conducive environment for businesses is critical for Somaliland's development as a whole. The private sector should be particularly concerned about employment and gender matters, two pressing issues addressed throughout the NDPII.

Also, private sector expansion into less productive activities such as livestock and agriculture can help to modernise the economy and increase the national output. Underdeveloped segments of the economy such as fisheries and services can also benefit from private investments. Unfortunately, the current private sector players seem reluctant to explore and invest in new areas.

On the other hand, as already pointed out above, Somaliland's economic development has been hampered by several constraints that could be tackled with the help of other sectors. With regards to the Energy and Extractives Sector, the energy cost in Somaliland is extremely high and has been a major obstacle for businesses to grow. More affordable energy would increase both the number of new businesses and the number of businesses opportunities for investment.

Transportation is also regarded as one of the major constraints for businesses in Somaliland. Recent initiatives linked to new investments in Berbera Port and potential future investment in Berbera Corridor will dramatically decrease the cost of doing business in Somaliland. However, investments in transports should go beyond the corridor and improve the national road network as a whole.

Governance is another key element for creating an enabling environment for businesses. A transparency tax system, comprehensive framework and strong rule of law can boost confidence among investors. More importantly, there is a dire need for local investors to have a strong political commitment that ensures stable and sustainable environment for investment into the public domain, especially through PPP.

In the short-term, stakeholders of the Education Sector can help improving curriculums to equip

existing as well as potential entrepreneurs with the right skills to open and grow a business. In the long-term, better curriculums – both at basic and higher education – will generate better skilled and unskilled workers. Technical and vocational training programmes are particularly useful in equipping the youth who neither in school nor working.

A healthy labour force is a strong asset for the private sector as well in the long-term. Therefore, investments in the Health Sector are not only a social issue but it is also an economic matter of greatest importance. However, stronger regulation and control in the Health Sector is needed, so that any potential risks of the quality and impact of importing medicine, distribution and retail services are properly addressed by the local and central government agents.

3.1.2 Policies, Reforms and Legal Frameworks

The Constitution of the Republic of Somaliland recognises in its preamble the importance of a strong economic system for achieving the aspirations of the nation. Furthermore, it states that the Constitution was based on, among other things, guarantees of private property rights and the protection of the free market.

However, despite the strong commitment of the Constitution to economic development, the same cannot be apply to the entirety of the legal framework regarding businesses' matters. Perception among Diaspora potential investors suggests that the legal framework needs to be improved to enhance the confidence in investing in Somaliland – only 5% of Diaspora respondents to a survey conducted by MoTI and USAID in 2012 said that the existing legal framework was sufficient to arbitrate business conflicts.

Table 19 below presents the main laws and policies related to economic development in Somaliland.

Table 19: Summary of Main Laws and Policies Related to Economic Development

Laws and policies	Key content
<i>Somaliland Companies Law (Law No: 25/2004)</i>	- It regulates setting up and operation of companies in Somaliland. Second amended version is awaiting ratification by the Parliament
<i>Foreign Investment Law (Law No: 29/2004)</i>	- It deals with the protection and promotion for foreign companies doing business in Somaliland
<i>Somaliland Central Bank Act (Act No: 54/2012)</i>	- It provides the legal basis for establishment and operation of the Bank of Somaliland as supervisor and regulator of the financial system
<i>Somaliland Telecommunication Act (Act No: 50/2011)</i>	- It regulates the telecommunication companies in Somaliland
<i>Islamic Banking Act (Act No: 55/2012)</i>	- It refers to a system of banking activity that is consistent with the Islamic Law (Sharia). It is guided by principles of Islamic Economics.
<i>Trade Classification Act (Act No: 24/2006)</i>	- It provides categories for businesses trading in Somaliland
<i>Industrial Act</i>	- It is a draft and it needs to be finalized
<i>Inland Revenue Act (Law No: 73/2016)</i>	- It establishes revenue authorities (RAs) for tax and customs administration
<i>National Audit Act (Law No: 74/2016)</i>	- It establishes the external auditor of public services
<i>Customs Act (Law No: 72/2016)</i>	- It deals with customs operations and modernization of their services
<i>Weigh and Measurement Act</i>	- Outdated and need to be reviewed. No inspection mechanisms in place
<i>Intellectual Property Act</i>	- Outdated and need to be reviewed. No enforcement
<i>Commercial Bank Bill</i>	- It deals with the undertaking of Banking Finance

	Business, security business and credit fancier business - It has not been approved yet by the House of Representatives
<i>Anti-Money Laundering Draft Bill</i>	- It regulates the activities related to money laundering - It has not been approved yet by the House of Representatives
<i>Petroleum Act</i>	- It regulates de exploration and drilling of oil petroleum to all Somaliland - It has not been approved yet by the House of Representatives
<i>Draft code of Electrical Energy</i>	- It regulates electricity companies - It promotes customer-oriented electricity services and will establish the Energy Regulatory Commission - It is still in its draft form
<i>Domestic Investment Law</i>	- It regulates domestic investors - It is still in its draft form
<i>Draft Mining Code</i>	- It deals with mining activities inside the territory of Somaliland. - It is still in its draft form, but it has already been submitted to the House of Representatives
<i>Microfinance Policy</i>	- It is still in its draft form, but it has already been submitted to the cabinet
<i>PPP Policy</i>	- It is still in its draft form, but it has already been submitted to the cabinet
<i>Cooperatives Policy</i>	- It is still in its draft form - Pending for consultation and validation - It still needs to be submitted to the cabinet
<i>Trade Policy</i>	- It is still in its draft form - Situation analysis is finalized
<i>Investment Policy</i>	- It is still in its draft form - Situation analysis in underway
<i>SMEs Policy</i>	- It is still in its draft form - Situation analysis in underway
<i>Free Zone Law</i>	- It is recommended that a new free zone specific regulatory framework is established and consisting of a free zone law and accompanying decrees & regulations for its execution. - The new law will address the following salient issues pertaining to free zone development, operations and control: <ul style="list-style-type: none"> ✓ Operating structure-defining the operating model ✓ Free Trade Zone Authority-defining the powers & functions ✓ Development-defining the FZ developers role, responsibilities, rights and obligations ✓ Operations and Incentives

The government with its development partners has started a task force to reform some laws that could make it easier doing business in Somaliland. This task force's efforts are based on the IFC-World Bank's *Doing Business* framework and many of the acts, laws and policies, both recently approved and underway, are in line with the framework.

3.1.3 Regional Overview

There is a general understanding in all regions that there is a need for creating a better environment for business in the country, especially targeting creation of SMEs and attracting Foreign Direct Investments (FDI).

In Sahil there are investment opportunities in fisheries. Togdheer and Sool regions' opportunities can be found in businesses related to water, livestock, including hides and skins. Sanaag are prone for investments in gums and resins, livestock, tourism, minerals and fisheries. Awdal is also rich in natural resources and businesses focused on agriculture, minerals and fisheries have good opportunities to grow.

Currently, Maroodijeex region absorbs most of the business investment. The region is home to Somaliland's capital city, Hargeisa, which accounts for almost one third of the whole country's population.

3.1.4 Economy Sector Results Based Management Framework

Economy Sector Vision

A nation whose citizens enjoy sustained economic growth and reduced poverty levels

Economy Sector SDGs

SDG1

End poverty in all its forms

SDG8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SDG9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG10

Reduce inequality within and among countries

SDG17

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

3.1.5 Economy Sector RBM Matrix

Table 20: Economy Sector's RBM Matrix – SDG1

SDG1: End poverty in all its forms				
Outcomes	Indicators	Baseline (2016)¹⁶	Final Target (2021)	Priority interventions
1. By 2021, reduce the proportion of the population of Somaliland in extreme poverty by 20%	1.1. Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)	1.1. 49% Urban 61% Rural 49% Male 52% Female	1.1. 39.2% Urban 48.8% Rural 39.2% Male 41.6% Female	- Promote pro-poor entrepreneurship investment programs - Develop ZAKAAT policies and strategies - Streamline national and local gov't levels intervention strategies and plans for "Poverty Reduction & Risk Mitigation".
2. By 2021, The government of Somaliland will promote pro-poor and vulnerable groups' access to finance by 30%	2.1. Proportion of pro-poor and vulnerable groups' access to finance	2.1. Not available	2.1. 30%	- Promote self-help schemes - Promote pro-poor and vulnerable groups' access to financial grants and social safety nets programs such as income generating activities (Micro-Finance Schemes)

¹⁶ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

Table 21: Economy Sector's RBM Matrix – SDG8

SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all				
Outcomes	Indicators	Baseline (2016)¹⁷	Final Target (2021)	Priority interventions
1. By 2021, Sustain GDP per capita growth rate to 5% per year	1.1.GDP per capita growth rate	1.1. 2.6%	1.1. 5%	- Produce Annual GDP report - Develop growth-oriented policies
2. By 2021, increase productivity per worker levels by 20%	2.1. Productivity level per worker	2.1. Not available	2.1. 20%	- Conduct researches on factors hindering productivity improvement - Establish and promote awareness programs on improving work ethic/attitude - Improve relevant technological innovations and technical know how
3. By 2021, Somaliland will devise development and entrepreneurship-oriented policy framework	3.1. Development and Entrepreneurship-oriented policy framework in place	3.1. Non-existent	3.1. Policy framework in place	- Develop SMEs policy - Develop entrepreneurship policy - Develop trade policy - Develop cooperatives policy - Develop microfinance policy - Develop industrial policy - Develop PPP law, policies & regulations

¹⁷ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

4. By 2021, formalize existing Micro, Small, Medium Enterprises activities by 50%	4.1. Proportion of firms not registered with MoTI	4.1. 45%	4.1. 22.5%	<ul style="list-style-type: none"> - Upgrade informal businesses infrastructure and space - Raise awareness on informal economy transformation into the formal sector - Create conducive, sound and affordable harmonized business registration system
	4.2. Proportion of informal employment rate in non-agriculture activities, by sex	4.2. 56% Male 63% Female	4.2. 28% 31.5%	
5. By 2021, increase the contribution of tourism activities into the GDP by 10%	5.1. Proportion of Tourism in GDP	0%	2%	<ul style="list-style-type: none"> - Develop policy and regulatory framework for promoting tourism - Develop tourism infrastructure - Develop tourism marketing programs
	5.2. Number of jobs in tourism industry as a proportion of total jobs an jobs, by sex	0%	2%	
6. By 2021, increase the share of tax revenue in GDP to 13%	6.1. Volume of tax revenue as percentage of GDP	6.1. 6.4%	6.1. 13%	<ul style="list-style-type: none"> - Develop sound and harmonized tax policies and regulatory Framework - Improve tax administration system
7. By 2021, strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all the businesses.	7.1. Number of financial institutions in the country with number of branches providing credit facilities	7.1. Not available	7.1 TBD	<ul style="list-style-type: none"> - Develop regulatory framework and guidelines for the financial sector - Strengthen financial sector stability and efficacy - Establish and promote credit rating agency; - Raise awareness on promoting saving and banking culture
	7.2. Proportion of adult applicants (15 years and older) with a bank account and/or applied loan/credit at any bank or other financial institution	7.2. Not available	7.2 TBD	
8. By 2021, increase Diaspora role in both the domestic market investment to 10% and their contribution to the public investment	8.1. Proportion of firms owned by diasporas	8.1. 4%	8.1. 10%	<ul style="list-style-type: none"> - Establish Diaspora Trust Fund - Create sound and friendly business environment for the Diaspora
	8.2. Number of public projects			

	financed by diasporas	8.2. 0%	8.2. 10%	investment interventions - Create programs for bringing Diaspora expertise and young generation back to home
9. By 2021, reduce financial illicit flows by 30%	9.1. Total value of inward and outward of illicit financial flows	9.1. Not available	9.1. 30%	- Develop and adapt policies, laws and strategies regarding illicit flows (e.g. funds earned, transferred or utilized illegally) - Establish/Strengthening monitoring mechanisms of financial institutions to prevent illicit financial flows

Table 22: Economy Sector's RBM Matrix – SDG9

SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation				
Outcomes	Indicators	Baseline (2016)¹⁸	Final Target (2021)	Priority interventions
1. By 2021, increase the contribution of the manufacturing industry into the national GDP to 7% and the employment level to 40%	1.1. Share of Manufacturing in GDP 1.2. Manufacturing employment as proportion of total employment	1.1. 1.7% 1.2. 26.6%	1.1. 7% 1.2. 40%	- Develop sound policies and regulatory framework - Promote demand-driven skilled manpower - Establish industrial zones - Provide reliable and affordable energy - Create sound investment climate
2. By 2021, increase access to finance by	2.1. Proportion of small-scale	2.1.	2.1	- Promote increase range of financial

¹⁸ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

Micro, Small and Medium Enterprises to 50%	industries with a loan or line of credit 2.2. Proportion of MSMEs with loan and or line of credit, excluding small scale industries	38.8% 2.2. Not available	50% 2.2. 50%	products available in the financial sector - Improve access to financial market information - Promote competition in the financial market
3. By 2021, increase the number of people engaged in R&D in Somaliland by 10% and research spending as a proportion of the GDP by 1.5%	3.1. Research and development expenditure as a proportion of GDP 3.2. Researchers (in full-time equivalent) per million inhabitants	3.1. Not available 3.2. Not available	3.1. 1.5% 3.2. 10%	- Increase research budget in both public and private sectors - Establish university research and development oriented annual ranking - Promote establish national research centres

Table 23: Economy Sector's RBM Matrix – SDG10

SDG10: Reduce inequality within and among countries				
Outcomes	Indicators	Baseline (2016)¹⁹	Final Target (2021)	Priority interventions
1. By 2021, reduce income inequality in urban and rural areas to 30% and 35% respectively	1.1. Gini coefficient	1.1. 43% Urban 46% Rural	1.1. 30% Urban 35% Rural	- Promote transfers to low income people and pro-poor programs

¹⁹ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

Table 24: Economy Sector's RBM Matrix – SDG17

SDG17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development				
Outcomes	Indicators	Baseline (2016)²⁰	Final Target (2021)	Priority interventions
1. By 2021, increase the overall export share of the GDP to 10%	1.1. Proportion of export to the total GDP 1.2. Trade deficit	1.1. Not available 1.2. \$496 million	1.1 10% 1.2 TBD	- Develop export promotion policy - Diversify export markets - Promote value added in export products
2. By 2021, reduce overall imports' share of the GDP by 20%	2.1. Proportion of import to the GDP 2.2. Trade deficit	2.1. Not available 2.2. \$496 million	2.1 20% 2.2 TBD	- Develop import substitution policy - Promote local production with the aim of reducing import dependency
3. By 2019, develop sound macroeconomic stability policies and regulatory framework	3.1. Number of macroeconomic policies and regulation frameworks in place	3.1. Not available	3.1 TBD	- Develop fiscal and monetary policies - Reform exchange rate regime and stabilize exchange rate - Closely monitor and control inflation
4. Strengthen and promote effective public-private partnerships (PPP) Programs	4.1. Number of conferences/meeting on public-private dialogue 4.2. Number of policies and guidelines for public-private partnership and dialogue	4.1. 0 4.2. Not available 4.3.	4.1 10 4.2 1 4.3	- Strengthen public-private dialogue - Develop PPP policy, regulations and strategies - Promote finance public projects through PPP

²⁰ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

	4.3. Number of projects governed and financed through PPP	Not available	15	- Establish Independent PPP Agency
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3.1.6 Risks

Implementing the priority interventions will be key for achieving the sector's outcomes and therefore the SDGs for the Economy Sector. Risks for successfully completing the interventions include inadequate availability of funds and in some cases even technical expertise in the country. However, political will and strong commitment from all stakeholders are as important as funds and expertise, especially when it comes to initiatives regarding the legal and policy frameworks.

Mobilization of resources from alternative sources can address inadequate funds and public-private partnerships will help both in terms of securing funds and expertise needed for planned interventions. With regards to commitment of stakeholders, strengthening existing coordination mechanisms and creating new platforms of public-private dialogue and engagement of different stakeholders can improve commitment and enhance political will; also, it can minimize conflicts of interest and increase levels of confidences in public institutions to reduce government bureaucracy and red-tapes.

3.1.7 Financial Analysis

Table 25 on the next page gives an estimate of the total cost required to achieve the outcomes in each SDG Outcome Group.

Costs have been calculated by estimating the cost of delivering each intervention and then summing these together to give the cost of achieving each outcome. The outcome costs were then also summed up to give the total cost estimate for each SDG Outcome Group.

The cost estimates below should be viewed as highly imprecise. The cost shown below is also likely to be an underestimate as several interventions do not have cost estimates that are included below. The actual cost of delivering these interventions is likely to differ from the costs estimated below. The yearly profile of costs is also likely to differ from that shown below. Where an outcome has no cost estimate for a single intervention, the outcome is not shown below. Some interventions and outcomes have been costed elsewhere in the NDPII. The below figures should be seen as an early indicative cost estimate and serve as the basis for a full, detailed costing exercise to be completed in the sector strategic level.

Currently, we estimate the total cost for achieving the outcomes chosen in this sector at between **USD 3.0 and USD 7.2 million per year.**

Table 25: Economy Sector Financial Analysis (Current USD)

SDG Outcome Group	2017	2018	2019	2020	2021
SDG1: End poverty in all its forms everywhere	782,000	907,000	907,000	782,000	782,000
SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	4,250,000	5,625,000	5,575,000	3,050,000	2,200,000
SDG17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	0	625,000	625,000	\$0	0
Total Cost	5,032,000	7,157,000	7,107,000	3,832,000	2,982,000

All figures rounded to the nearest thousand.

3.1.8 Data Requirements

Timely, coordinated, quality and representative data is indispensable approach in formulating and designing national development plan. It also functions as a feedback mechanism by assessing and measuring what has been done so far at the end of the plan.

The current data available for the economy sector is very limited and mainly relies on the work of government institutions, development partners, NGOs and the private sector. Usually, government institutions in this sector collect limited administrative data on a regular basis. Development partners with this sector also collected some primary data. Despite that, there are huge data gaps that directly impact the work and plan of the sector. Many indicators in the sector RBM don't have baseline data. In some cases, although data is available the frequency that it is collected is not ideal. Moreover, dissemination and use of the existing data is another obstacle. Oftentimes stakeholders do not share the data they are collecting and valuable information is not used for planning and policymaking. Table 26 below summarizes, economy sector required data, source, current status and the possible interventions.

Table 26: Economy Sector's Data Requirements

No	Required data	Source of data	Status	Required Intervention
1	GDP	Administrative data	Available but not produced in regular basis	Produce GDP in regular basis
2	GDP growth rate	Administrative data	Not available	Produce GDP and all its shades in regular basis
3	Balance of payments	Administrative data		Produce import and export reports on yearly basis
4	Central government Revenue in nominal terms	Administrative data	Available with limited scale	Compilation of data on government revenue
5	Total Taxes on goods and services as a percentage of total revenue	Administrative data	Available with limited scale	Compilation of data on the taxes collectable on goods and services
6	Inflation Rate	CPI report	Available with limited scale	Improve CPI production
7	Foreign trade statistics	Administrative data	Not available	Preparation of foreign trade statistics, which include exports, imports by countries of destination and origin respectively
8	poverty statistics	Household survey	Available with limited scale	Carry out household budget surveys in regular basis

9	Investment statistics	Administrative data	Available with limited scale	Compilation of data on investment
10	Employment statistics	Labour survey	Available with limited scale	Carry out Labour survey in regular basis
11	Manufacturing and industrial statistics	Business and Enterprise surveys	Available with limited scale	Carry out business and enterprise surveys in regular basis
12	Tourism Statistics	Administrative data	Not available	Compilation of tourism statistics

3.2 Energy and Extractives Sector

3.2.1 Situation Analysis

The Energy and Extractives Sector is a critical foundation for Somaliland's current and future socio-economic development and is represented within two pillars of the National Vision 2030 Somaliland Vision. Energy is key component of Pillar 2: Infrastructure Development with a vision to see **a nation with an advanced infrastructure network that facilitates economic and social development**. Extractives (Mining) has a key role in the National Vision 2030 Vision's Pillar 1: Economic Development that envisions **a nation whose citizens enjoy sustained economic growth and reduced poverty levels**.

Identified by both government and international partners as key components for Somaliland's mid-term and long-term development Energy and Extractives was recently approved and established as a Sector within Somaliland's Coordination Architecture (2016). The Ministry of Energy and Minerals (MoEM) and DFID are Sector co-chairs with several Sector Coordination Meetings already conducted involving government, private sector and international development partners. The Energy and Extractives Sector is primarily coordinated as two distinct sub-sectors; Energy (with a significant focus on electricity) and Extractives which includes both Minerals and Petroleum. While the MoEM administratively leads these Sector components particularly through its Directorates, significant investment, growth and activity is driven from both private sector and international development partners.

3.2.1.1 Energy Sub-Sector

Energy generation and utilization, especially when it comes to electricity, is expensive, underdeveloped and underserved across all regions of Somaliland. According to the World Bank's Report on Doing Business in Hargeisa, urban households spend on average 35% of their annual income on energy consumption, while energy costs have been cited as one of the leading reasons for business failure in Somaliland.

Generally, there is a lack of available and reasonable priced electricity in Somaliland with just under 85% of domestic energy needs being derived from biomass (wood, charcoal) while another 15% is generated from petroleum products such as diesel, LPG and kerosene. While Somaliland is one of the less economically developed regions in the world, energy services and resources cost more than would be expected in other similar markets. Despite having GDP per capita of USD 444 per person, Somaliland currently has one of the highest electricity rates in the world of between USD 0.5–USD 1.00kWh depending on the region and the provider. The world average is between USD 0.15 and USD 0.30. Approximately 98% of electricity production in Somaliland relies predominantly on diesel generation, in a region where diesel fuel price is close to USD 230 per barrel.

Currently, almost 100% of all electricity production in Somaliland is generated by various companies within the private sector. These providers usually operate on a small-scale with sometimes only a single diesel generator being utilized to provide clients with electricity generation. While there has been some consolidation in the private sector with some larger electricity providers emerging, the industry is still highly fragmented resulting in unreliable output for both household and industry consumption.

Electricity generated from renewable sources is significantly underexploited in Somaliland, providing for less than 2% of current national electricity generation. Despite this low base, Somaliland has great natural resource potential to increase its renewable energy capacity particularly in the areas of solar and wind generation.

Since the start of NDP, the Government of Somaliland has recognised and begun to explore the potential in solar, wind and biomass technologies; their clean operation and source for reliable electricity generation. As part of this move into renewables, the government has made incentivising this sector a key national priority which has resulted in the recent emergence and use of solar and wind generation as a mode of commercial production in the private sector. In a region where fuel

security may vary considerably, leading to crippling high price variability, renewables are seen as the way forward for providing a reliable source of power generation for the Somaliland population. Further growth in this sector will allow small, medium and large businesses to thrive and will reduce the burden on household incomes, reducing poverty and spurring growth.

Further sustained growth in the renewable energy sector towards 2021 and beyond will require the development and exploitation of 4 key areas:

1. Electricity Transmission and Distribution
2. Wind Energy
3. Solar Power
4. Wave and Tidal Power

Electricity Transmission and Distribution

Because all of Somaliland's power generation is currently produced close to its point of use, there is no national grid or transmission system. Only local level distribution systems operated by private Energy Service Providers (ESPs) exist in Somaliland. While the benefits of a national grid or transmission system are numerous, in the medium-term, due to limits in financial capital and capacity, investments will focus on improving the efficiencies of short-distance distribution networks ensuring that population centres are receiving regular access to electricity. A National Electrical Energy Bill has been developed and while it is still awaiting Parliamentary approval to be in acted into law, will ultimately encourage great investment in power generation, distribution infrastructure and potentially transmission in the long term.

Wind Energy

Somaliland has excellent wind resources. Along its 850km coastline, wind speeds regularly exceed 7-9 meters per second. Recent estimates suggest that 50% of Somaliland's geographical area has regular wind speeds suitable for electricity energy production, over 6 meters per second, at a cost that is competitive with the electricity generated from a diesel power plant. An even larger proportion of area in Somaliland has wind speeds high enough to displace current power sources for water pumping and rural electrification at over 5 meters per second. This provides a huge opportunity for Somaliland to exploit its wind power resources through increased investment in wind turbine infrastructure which can be installed quickly; has no fuel costs; is low in maintenance cost and has a very quick payback period.

Solar Power

The sun exposure as a solar energy resource in Somaliland is almost uniform with only minor seasonal variations. Somaliland has approximately 3,000 hours of reliably clear and consistently sunshine annually, with a minimum of 8 to 8.5 hours of sunshine per day, with specific solar irradiance at ground level of 1 kW per meter square. This translates into a vast solar energy resource to be potentially tapped, estimated by Somaliland's MoEM to be as high as 5.8 to 6.0 kWh meter square per day. As a natural and clean resource, solar energy provides an opportunity, if given the appropriate levels of cost effective and direct investment, to potentially generate ample and sustainable levels of electricity for a number of communities and small businesses across Somaliland.

Wave and Tidal Power

Somaliland's long coastline with regular tidal and wave patterns is another significant natural resource that has the potential to contribute greatly towards this country's energy needs. However, there are limitations in the technologies available to harness this locally abundant energy source. Currently, technological investments internationally are only in their very early stages of development (primarily UK and USA), and because they are relatively new, infrastructure and maintenance costs are high. As a result of these cost limitations it is unlikely that wave and tidal power will be a viable option for Somaliland in the short-term but research and capacity opportunities should be invested in during the NDPII period to lay a foundation for potential future investment.

3.2.1.2 Extractives

Extractives as a sub-sector constitutes two main areas of focus: Petroleum and Minerals. Each is governed by its own directorate within the MoEM. Collectively, there are various economic opportunities available in this sub-sector. A wide range of natural resources are known to exist by which their exploitation would tremendously contribute towards the socio-economic state and the welfare of Somaliland. Resources found in Somaliland include; hydrocarbons, coal, salt, industrial minerals such as cement materials, glass-making quality sand, gypsum and barite, precious and heavy metals and a numerous variety of gemstones. There is also a range of good quality decorative stones of both igneous and sedimentary origin rocks.

The realization of these extractive based opportunities and the subsequent development of this sub-sector will require the interplay of several crucial factors. While significant strides have been made towards strengthening capacity development of local human resources through targeted capacity-building, employment specialization and fit-for-purpose trainings and workshops are necessary. The country's natural resources need to be categorized in terms of abundance, accessibility, the ease of extracting them and their marketability abroad and their local demand. This requires research, resources assessment surveys and mapping projects to be proposed and prospective funders approached.

Petroleum

Oil and petroleum is in its infancy as an exploitable energy and economic export commodity in Somaliland. Somaliland though has numerous basins within its territory that potentially contain commercial hydrocarbons. The oil seepage observed at various locations and the oil extracted from formerly drilled exploratory wells in Somaliland strongly indicates the existence of most of the elements and processes related to exploitable petroleum systems.

Currently there are four international oil companies who have a production sharing agreement (PSA) with the Government of Somaliland. Over the past few years they, in partnership with the Government, have conducted a series of notable exploration activities including a geological survey; geophysical surveys (magnetic and gravity) and an oil seepage analysis. The MoEM's Directorate for Petroleum is also in the process of securing a massive 2D seismic program to explore potential basins. The Ministry plans to sell the seismic data to interested oil companies on a multi-client data purchase agreement in order to invigorate oil exploration efforts in Somaliland. This will potentially define drilling prospects in the future.

Minerals

Numerous geological studies have been conducted across Somaliland in industrial minerals and precious metals. Somaliland has known commercial mineral ore deposits and gemstones; however, no significant commercial exploitation has ever taken place. Currently, local prospectors are primarily engaged in the exploration and excavation of precious minerals. The Ministry's Directorate has encouraged this level of exploitation with a system in place to facilitate and engage the local prospectors through education on safe extraction methods and the proper identification of minerals.

The Ministry has recently commissioned an in house XRF laboratory which will help local prospectors and researchers to properly identify the variety of minerals available for exploitation in Somaliland. A number of government led geological surveys in various regions of Somaliland have been conducted but their scope has been limited due to the available funds and expertise. Further resources are required to survey and generate detailed regional geological mapping.

Only two commercial entities from the private sector, Nobian Gold and African Mining Cooperation (ARC) have shown an interest in investing in the commercial extraction of Somaliland minerals. Nubian Gold after a limited exploration effort for gold suspended their operations with limited results. ARC's exploration efforts discovered a Beryl Ore deposit estimated at around 500,000 tons in the Simodi Hills in the Awdal Region. Based upon this discovery, ARC entered into a mining agreement with the Government of Somaliland in 2014. Currently ARC operates a very small mining operation that has yielded limited results but plans are currently underway to ramp up production in 2017.

3.2.2 Policies, Reforms and Legal Frameworks

3.2.2.1 Energy

Over a four-year formulation process, the MoEM drafted a Somaliland Energy Policy which was approved by the Council of Ministers on March 03, 2010. The policy provides a regulatory framework for the country's Energy Sector that will lay a critical foundation for this sub-sector's future development. It will be critical over the period of the NDPII that all key stakeholders utilize its provisions and comply with its obligations to improve the effectiveness and efficiency of energy generation and provision for all of Somaliland's citizens.

Throughout the period of the first NDP, the MoEM worked closely with different stakeholders to finalize the first ever Somaliland Electricity Act. In 2017, the draft bill of the Somaliland Electrical Energy Act 2016 to regulate the Electricity in Somaliland is currently being presented to the Council of Ministers.

Over the course of NDPII the MoEM will seek to improve and delivery policy and regulations in the following areas:

- Develop Power Master Plan for increasing power generation, transmission and distribution
- Undertake reform in order to strengthen the Sector's institutional and financial positions
- Develop and enforce electricity provision regulations and guidelines
- Strengthen health and safety rules and regulations
- Improve guidelines for customer services and relations
- Unbundle the power sector to power generation, transmission and distribution
- Consolidation of private power generating companies

3.2.2.2 Extractives

The MoEM has drafted number of policies and bills related to oil and petroleum which are currently with the House of Representatives for deliberation. These policies and bills include: the Petroleum Policy, Upstream Petroleum Bill and Petroleum Revenue Bill.

The Petroleum Policy will establish a governance tool for upstream petroleum activity subject to Somaliland's jurisdiction. This policy guides the process for entering into agreements or to enter into dialogue between the entities concerned. It is also a reference point for future policy decisions and adjustment. This policy once approved will encourage private initiative, promote and enhance public awareness and apply the use of necessary regulatory powers.

The Upstream Petroleum Bill governs the exploration and exploitation of potential hydrocarbon investment in Somaliland. This bill determines the nature of a production sharing agreement between the Government and private companies. It will give an unambiguous clarification of the process and necessary steps of obtaining such agreements. When enacted into law, this Bill will promote Government engagement with interested oil and gas companies, hopefully leading to a firm establishment of and future growth in Somaliland's oil and petroleum industry. To ensure that Somaliland receives the maximum benefit from exploiting its petroleum resources, for the good of its people, the Bill also ensures that best practices with respect to environmental protection and occupational health and safety are maintained.

The Petroleum Revenue Bill defines a system of transparency for future petroleum revenues management. This Act will prevent any misuse of the petroleum fund and ensure that relevant authorities have adequate processes and procedures instituted before any petroleum revenue is collected.

Regarding the Mineral sub-sector, the MoEM has developed a Somaliland Mining Code and along with the petroleum bills, is currently with the House of Representatives to be in acted into law. The Mining Act aims to ensure the conservation and development of the mineral sub-sector and associated resources for the benefit of the Somaliland people. It defines different types of licences

required for each category of mining activity. The Act promotes social responsibility in mining activity, and provides an integrated framework for the effective regulation and authorizations for prospecting and mining operations. Once approved the Act will promote government readiness to facilitate viable mining companies to actively invest and engage in Somaliland mining industry.

3.2.3 Regional Overview

The results from regional consultations support the national view that there are significant opportunities that should be further explored and exploited in the Energy and Extractives Sector. The Regions collectively see great potential for solar and wind power generation as a source of electricity for local communities. Many also acknowledged the rich sources of minerals that could be exploited if managed correctly and saw potential in the use of cheap and tax exempted natural gas as an alternative energy source.

The key challenges the regions identified included a clear lack of regional investment in the Energy and Extractives sector. There was a lack of human resources with appropriate skills and expertise to support a growing energy and minerals industry. The shortage and expense of electricity was seen as a significant burden on communities and economic growth.

3.2.4 Energy and Extractives Sector Results Based Management Framework

Energy and Extractives Sector Vision

The Energy and Extractives Sector will contribute to Somaliland's social and economic development through the sustainable utilization of the country's energy, minerals and petroleum resources for the benefit of all in Somaliland.

Energy and Extractives Sector SDGs

SDG4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

SDG7

Ensure access to affordable, reliable, sustainable and modern energy for all

SDG8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SDG9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG13

Take urgent action to combat climate change and its impacts

3.2.5 Energy and Extractives Sector RBM Matrix

Table 27: Energy and Extractives Sector's RBM Matrix – SDG4

SDG4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all				
Outcomes	Indicators	Baseline (2016)²¹	Final Target (2021)	Priority interventions
1. By 2021, 70% of students studying earth sciences will meet minimum competency standards as required by the Sector	1.1. Proportion of students studying earth science who meets minimum standards	1.1. 116 students	1.1. 197 Students	<ul style="list-style-type: none"> - Validation of University and TVET curriculum minimum requirements for Energy and Extractive based courses in relation to their compliance with sustainable development principles more aligned to accreditation and certification towards industry needs - Students (with a priority for female) will be provided a local or international scholarship to study either higher education or TVET in energy and extractive based courses - In-service TVET programs for existing Energy and Extractive workforce
2. By 2021, 70% of students studying energy based courses will meet minimum competency standards as required by the Sector	2.1. Proportion of students studying earth science who meets minimum standards	2.1. Not available	2.1. 50%	
3. By 2021, the number of students studying energy based TVET courses will increase by 70% over 2016 levels	3.1. Proportion of students studying energy based TVET courses	3.1. 0	3.1. 70%	
4. By 2021, 70% of University and TVET Students participating in Energy and Extractive courses will have an understanding of sustainable development principles for the sector	4.1. Number of University and TVET students passing assessment related to sustainable development in the sector	4.1. Not available	4.1. 70%	
5. By 2021, USD5million will be secured and utilized to provide for local and international scholarships, in higher education or TVET energy and extractive based courses	5.1. USD number secured and utilized TVET energy and extractive based courses scholarships	5.1. Not available	5.1. 5 million	

²¹ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

Table 28: Energy and Extractives Sector's RBM Matrix – SDG7

SDG7: Ensure access to affordable, reliable, sustainable and modern energy for all				
Outcomes	Indicators	Baseline (2016)²²	Final Target (2021)	Priority interventions
1. By 2021, 85% of Somaliland urban households and industry will have access to electricity	1.1. % of urban households and industry with access to electricity	1.1. 77%	1.1. 85%	<ul style="list-style-type: none"> - Completion of Energy Master Plan - Renewable energy programs for rural and urban locations - Generation, distribution and interconnection infrastructure investment and opportunities; with emphasis on loss reduction - Energy sector secondary regulations and architecture - Research study into customer class tariffs to define clear baselines on energy costs
2. By 2021, 25% of Somaliland rural households and industry will have access to electricity	2.1. % of rural households and industry will have access to electricity	2.1. 17%	2.1. 25%	
3. By 2021, 10% of national energy generation will be provided by renewable energy sources	3.1. % of national energy generation provided by renewable energy resources	3.1. 2%	3.1. 10%	
4. By 2021, the average tariff for each customer class of the electric service provider in Somaliland will be reduced by 30%	4.1. Average tariff per customer class	4.1. Not available	4.1. 30%	
5. By 2021, international investment in renewable energy technology, infrastructure and research will be increased to USD30million accumulatively	5.1. USD amount invested in Somaliland renewable energy	5.1. Not available	5.1. 30,000,000 Million	
6. By 2021, reduce each ESP system technical energy losses through new infrastructure investment by 7.5% over 2016 levels	6.1. % of ESP system technical energy losses through new infrastructure 6.2. USD amount invested to ESP	6.1. 40% 6.2.	6.1. 32.5% 6.2	

²² Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

	system technical energy losses through new infrastructure	Not available	TBD	
7. By 2021 Increase national electricity system generation capacity supply by 30 megawatts	7.1. National electricity system generation capacity per megawatts	7.1. 80 MWs	7.1. 110MWs	

Table 29: Energy and Extractives Sector's RBM Matrix – SDG8

SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all				
Outcomes	Indicators	Baseline (2016)²³	Final Target (2021)	Priority interventions
1. By 2021, 10% of Somaliland' land-mass will have been explored for oil and gas	1.1. % of Somaliland land mass explored for oil and gas	1.1. 0	1.1. 10%	<ul style="list-style-type: none"> - Electrical workers and contractors Certification and Licensing System Established - 4 exploration blocks across 5 regions of Somaliland will be explored for oil and gas - 4 regions will be explored and 2 regions exploited for minerals across Somaliland - Approval for 2 production/extraction sites for hydrocarbons and minerals - Increased policy technical investment and development
2. By 2021, 5% of Somaliland's land-mass will have been explored for minerals	2.1. % of Somaliland land mass explored for minerals	2.1. 0	2.1. 5%	
3. By 2021, commercial electricity consumption in MWhs will have increased by 25% over 2016 levels	3.1. Commercial electricity Consumption in MWhs	3.1. Not available	3.1. 25%	
4. By 2021, industrial electricity consumption in MWhs will have increased by 10% over 2016 levels	4.1. Industrial electricity consumption in MWhs	4.1. Not available	4.1. 10%	
5. By 2021, a national framework will unbundle Somaliland's vertically integrated	5.1. Number of IPPs established tariff prices business operational	5.1. Not available	5.1. 5,000,000	

²³ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

power industry in urban areas to improve business efficiency	expenses			
6. By 2021, a national framework will have promoted electricity trader business transactions with an annual net worth by USD1million	6.1. Electricity trade business transactions in USD	6.1. Not available	6.1. USD 1,000,000	
7. By 2021, 100% of electrical workers and contractors will be licensed and certified	7.1. % of electrical workers and contractors licensed and certified	7.1. 0	7.1. 100%	
8. By 2021, the approved and endorsed legal and regulatory framework will attract USD100 million business investment and financing commitments for the mineral and petroleum industry	8.1. USD business and financing commitments for the mineral and petroleum industry	10.1. 0	10.1. 100,000,000	

Table 30: Energy and Extractives Sector's RBM Matrix – SDG9

SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation				
Outcomes	Indicators	Baseline (2016)²⁴	Final Target (2021)	Priority interventions
1. By 2018, a master plan will be developed for the Power Sector	1.1. Master Plan Completed	1.1. Not available	1.1 Plan Completed	- Programs that promote the increase number of license gem cutting and polishing companies - Microfinance programs for small scale prospective miners
2. By 2021, the number of licensed prospective small scale miners in Somaliland	2.1. Proportion of licensed prospective small scale miners	2.1. 10	2.1. 15	

²⁴ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

will increase by 50%				<ul style="list-style-type: none"> - Reactive power compensation program - Community mobilization and outreach programs - TVET training programs for small scale miners - Investment Funding Plan - Establishment of Refinery Cooperative
3. By 2021, prospective small scale miners will have increased access to USD3million in micro-financing services	3.1. Number of small scale miners with access to micro-financing USD investment applied through microfinance mechanisms for small scale miners	3.1. Not available	3.1. 3,000,000	
4. By 2021, 10% of industrial power supply will be sourced from renewable energy sources	4.1. % of industrial power provided through renewable sources	4.1. Not available	4.1. 10%	
5. By 2021, all industrial facilities operate to a power factor greater than 80%	5.1. Power factor %	5.1. Not available	5.1. 80%	
6. By 2021, an extractive investment fund of USD 5million will be established to support the technical and financial development of the extractive industry	6.1. USD amount Invested in extractive industry	6.1. 0	6.1. 5,000,000	
7. Increase the legal export of cut and polished Gems by 20%	7.1. Number of gem cutting and Polishing companies	7.1. Not available	7.1. 20%	
	7.2. Proportion of export of cut and polished Gems	7.2. Not available	7.2. TBD	
8. By 2021, increase preliminary Mineral refining (separation) capacity to an accumulative 200,000 metric tonnes	8.1. Mineral refining capacity	8.1. Not available	8.1. 200,000 Metric Tonnes	

Table 31: Energy and Extractives Sector's RBM Matrix – SDG13

SDG13: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all				
Outcomes	Indicators	Baseline (2016)²⁵	Final Target (2021)	Priority interventions
1. By 2021, the National Energy Policy will be reviewed to promote the increase of wind generation, solar generation, geo-thermal exploration, and strategies for incorporating clean coal technology	1.1. Policy Reviewed	1.1. National Energy Policy	1.1. Policy Reviewed	- Technical support provided to review and upgrade the National Energy Policy

²⁵ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

3.2.6 Risks

The Energy and Extractives Sector can benefit for better coordination and collaboration among ministries to implement its proposed interventions. In this regard, political commitment is key and engagement of all key government stakeholders will ensure that outcomes for the sector will be achieved. The community also needs to be reached out to clarify any potential misunderstanding about the sector's outcomes and activities. Particularly in relation to extractives activities, there are still gaps in data for better understanding the subsector. Also, inadequate technical skills can generate all sorts of misconceptions, including poor feasibility studies. Therefore, investments are much needed in data as well as in technical knowledge to improve the government institutional capacity to act in this field.

3.2.7 Financial Analysis

Table 32 on the next page gives an estimate of the total cost required to achieve the outcomes in each SDG Outcome Group. Costs have been calculated by estimating the cost of delivering each intervention and then summing these together to give the total cost estimate for each SDG Outcome Group.

These are early indicative estimates received from the Sector Technical Team on the cost of delivering each intervention. The actual cost of delivering these interventions is likely to differ from the costs estimated below. The yearly profile of costs is also likely to differ from below depending on when interventions begin to be implemented and the time taken to complete each intervention, which may not be as indicated below.

Cost estimates were not available for some interventions. Therefore, the cost of delivering some outcomes below are likely to be underestimated. The cost for the interventions that are not included below are expected to be met by the private sector. Specifically, interventions regarding the extraction and exploitation of oil, gas and minerals as well as the intervention on establishing a refinery co-operative were not included in the below cost estimates.

The below figures should be seen as early indicative cost estimates and serve as the basis for a full, detailed costing exercise to be completed in the sector strategic plan level.

Currently, we estimate the total cost for achieving the outcomes chosen in the Energy sector to be between **USD 8.3 and USD 25.0 million per year in 2017-21.**

Table 32: Energy and Extractives Sector Financial Analysis (Current USD)

Outcome	2017	2018	2019	2020	2021
SDG4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	200,000	2,200,000	2,450,000	2,450,000	1,700,000
SDG7:Ensure access to affordable, reliable, sustainable and modern energy for all	9,300,000	19,750,000	9,850,000	9,800,000	4,400,000
SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	0	250,000	550,000	300,000	400,000
SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	1,520,000	2,730,000	2,400,000	2,100,000	1,800,000
SDG13:Take urgent action to combat climate change and its impacts	40,000	60,000	0	0	0
Total Cost	11,060,000	24,990,000	15,250,000	14,650,000	8,300,000

All figures rounded to the nearest thousand.

3.2.8 Data Requirements

3.2.8.1 Energy

Data management in the Energy sub-sector is very weak and irregular with no standardized and centralized system in place for collecting data. Data related to Energy Industry related equipment, standards used, operational data, usage and customer information are completely missing or currently invalid due to the length of time since the last data sources were collected.

There have been some attempts to address the limited availability of data in the past. In 2009, ADRA conducted a study on the Status of Somaliland Energy Supply and Demand, with the purpose of reviewing the Energy Sector in Somaliland. It attempted to identify current trends in energy demand and supply, establish energy end use trends, sources, applications, cost implications, constraints and other key issues on the delivery of infrastructure. In 2011, Development Alternatives International as part of the PEG program also conducted a survey called the Alternative Energy Assessment; Energy Value Chain And Maps. This study was the first energy value chain study applied to Somaliland. Recently in 2016, the organization Shuraako attempted to draft a workforce survey but this was limited to a small scope and was applicable to awareness purposes only. Unfortunately, the information these studies provide is not current and limited in relation to applicability. There are no current comprehensive studies planned for the foreseeable future.

At the project level, the Sector lacks a standardized database system that is able to capture the data generated from the various energy projects that are ongoing throughout Somaliland. While there are numerous projects funded by DFID, ADRA, World Bank, EU, USAID and other global development partners the formalized sharing and collection of data information into a centralized system is lacking and currently not supported. An annual government reporting mechanism on focusing on specific Energy data and indicators is currently not functioning in Somaliland.

Increased infrastructure support is required to enable data collection related specifically to supporting the effective and efficient growth of renewable energy exploitation such as the weather monitoring devices and equipment. There are currently only four weather spate stations established in Somaliland: Berbera, Hargeisa, Borama and Burao. Unfortunately, the data also provided from these sources is not efficiently collected or processed. Data collection that has been attempted at these weather monitoring stations has been implemented by operating staff lacking the appropriate skill sets required to ensure appropriate levels of validity. Further capacity building is required in this area of data management.

To enable the Energy component of the NDP II to be efficiently monitored, data management and reporting mechanisms for the electricity and renewable energy sector need to be reviewed with significant investment in capacity being applied.

3.2.8.2 Extractives

As with Energy, data management in the Extractives sub-sector is very weak and irregular with no standardized and centralized system in place for collecting data. A majority of the data available in this sub-sector is linked to private enterprise with only very limited research and data management capacity available within government.

Petroleum

Predominant areas of data collection in the petroleum sub-sector have been led by private operating oil and gas companies. A number of geological and geophysical surveys in particular have been conducted. The first was Genel Energy who conducted a geological survey, geophysical studies and oil seepage analysis. Genel commenced a 2D seismic acquisition in 2013 but suspended it soon after. Further seismic acquisition studies will resume by the end of 2016. DNO have commissioned geological studies and geophysical surveys (magnetic and gravity).

The pitfall of this privately led research is that each study or survey focuses only on localised areas. Detailed regional petroleum studies, geological mapping and geophysical survey are required to

develop a reliable data set that can be presentable to interested international companies or international oil and gas forums.

There are significant baseline gaps in the petroleum linked outcomes within the NDPII. The lack of data in this sub-sector will be one of the major constraints for Sector stakeholders being able to measure future progress against these outcomes and targets over the next 5-years MoEM staff will need mapping training and equipment to perform regional petroleum surveys and improve their general data management capacity.

Minerals

Data collection and management related to the Minerals in Somaliland has received some technical support and is primarily privately led. Dr. Mohamed Mattash has conducted a geological survey and basic minerals deposit estimation analysis. Similarly, African Resources Corporation (ARC) has made a resource assessment study in some parts of Somaliland particularly in Awdal region. ARC has also conducted geological, and geophysical investigations; field observations on geological, geomorphologic and structural features, verification of existing data and findings, combined with geophysical measurements (resistivity, EM profiling, vertical electrical soundings) at selected locations. ARC has also made stream sedimentary and rock sampling, and henceforth, drilled around 100 Test Wells for vein and deposit checking. These surveys have proved Somaliland is characterized by a considerable number of metallic and non-metallic raw materials including base metals, precious metals, gemstones as well as dimensional stones.

Data collection in related to minerals has though been limited to explorative activity with very little data currently available and collected in relation to extraction. As with other parts of the Sector further capacity is required to improve data management capacity.

The Government in cooperation with the private sector has begun to address these data gaps. The process to jointly collect and assess various data in relation to extractives prospecting operations has begin initiation in the following areas:

- Environmental impact assessment and related issues
- Safety and security
- Corporate social responsibilities options
- Community structure and potential employment allocation
- Water and road access availability
- Practicality of the landscape and clearing activities with regard of the pending seismic survey
- Parameters, timeframe and equipment being used for the exploration activities
- Interpretation and analysing of the previous and recently acquired data
- Data sharing procedures between international companies (IOC) and the ministry of Energy and Extractives technical staff and the means in which IOC's will support the Ministry in storing and making use of such a data.

3.3 Production Sector

3.3.1 Situation Analysis

The Production Sector covers all issues related to Agriculture, Fisheries and Livestock in Somaliland. The Somaliland National Vision 2030 acknowledges the importance of the sector for the economic development of the country and the first NDP set some ambitious priorities for these areas, most of them relying on government efforts.

Agriculture's NDP priorities:

- Build the institutional capacity of Ministry of Agriculture
- Establish research centres
- Develop training and extension programmes
- Improve agricultural support services
- Promote sustainable agricultural and land use management methods
- Promote commercial farming
- Improve the coordination of the sector programs and activities

Fisheries' NDP priorities:

- Build the institutional capacity of the Ministry of Fisheries
- Develop appropriate fisheries policies and regulations for the industry
- Establish cold chain facilities from producing ports to consuming markets
- Build fish markets in the main urban centres to promote consumption
- Set up training and research facilities
- Promote fish exports to key importing markets
- Support and promoting the fish processing and canning industry

Livestock's NDP priorities:

- Strengthen institutional capacity of the Ministry of Livestock
- Establish research and training centres
- Introduce extension programs
- Improve veterinary service delivery systems
- Develop livestock export infrastructure
- Strengthen monitoring and evaluation of programmes

Despite of great efforts made in pursuing these priorities during the period 2012-2016, the sector was not able to make significant progress according to the outputs selected for this development cycle. In fact, according to the Ministry of Fisheries and Marine Resources (MoFMR), out of the 16 outputs in line with the priorities for the NDP, the MoFMR was only able to successfully accomplished 6 outputs. With regards to agriculture, out of the 19 outputs stipulated to pursue the NDP priorities, the Ministry of Agriculture (MoA) was only able to deliver 4 outputs.²⁶ Lack of funding coupled with the need to address pressing urgent matters related to the impact of climate hazards are the main reasons for the low rate of completion of these outputs, and consequently of achieving NDP priorities in the sector.

Key Stakeholders

The main key stakeholders of the sector are line ministries –Ministry of Agriculture (MoA,) Ministry of Fisheries and Maritime Resources (MoFMR) and Ministry of Livestock (MoL)–, development partners and private sector actors.

There are various development partners working in the sector. Examples of some of the these actors are BMZ and GIZ, DANIDA, DFID, USAID, World Bank, FAO, IFAD, local and international organizations working with livelihoods.

Although the private sector actors are the most relevant ones in the Production Sector, there has not been a clear dialogue between them and the government – also to some extent between them and

²⁶Assessment report conducted by MoNPD in 2016. Ministry of Livestock did not provide numbers

the development partners. Associations such as Livestock Export Association, Meat and Milk Association, Somaliland Veterinary Association, United Livestock Professionals Association, Gums and Resins Association and the Agriculture Association should be used as instruments for better interaction between the businesses community and government.

Production Sector's Main Characteristics

The Production Sector is the most important sector for Somaliland's economy. In 2012, the sector was responsible for more than 40% of the country's GDP – Livestock with 29.5%, Agriculture with 13.4%, including crops and forestry, and Fisheries with 0.2%. It is also a major contributor for employment, livestock activities alone hiring around 27% of women and 20% of men in the labour force.

Somalilanders have traditionally been nomadic pastoralists. However, there has been an increasing shift to the adoption of agro-pastoralism at the expense of nomadic pastoralism in most regions of the country. Agro-pastoralism involves the integration of crop cultivation and pastoral livestock production. The agro-pastoral production system allows the farmer to reduce risks and improve food security for the household through generating household food and income needs from both crop and livestock production, unlike nomadic pastoralists whose livelihood is predominantly reliant on livestock production.

Moreover, Somaliland has also gone through an intense process of population growth in urban areas, mainly impacted by economic migration trends consisting of individuals and families moving to cities and towns looking for better life. The urban population in Somaliland already accounts for more than half of the country's total population. Also, more frequent and disastrous climate hazards, especially droughts, are displacing individuals and pushing them to urban centres – estimates suggest that IDPs represent 2% of Somaliland's population. These trends and changes in the demographics of the country have a direct impact on the sector since households in urban areas are less engaged in growing crops and rearing livestock than other segments of the population, such as settled agro-pastoralists and nomadic pastoralists (see Chapter 2 for more details).

Internal and external factors have contributed to keep productive low among livestock-, agriculture- and fishing-related activities. Lack of appropriate investments has not allowed the sector to move away from rudimentary techniques, inadequate equipment and poor infrastructure for more value-added products. Natural and human made environment disasters have been constantly playing a toll on the sector, especially livestock and agriculture.

Livestock

Livestock is critical for Somalilanders in many ways, for instance meat and milk domestic consumption, household savings and trade, including livestock exports and hide and skins. The main animals raised in Somaliland are goats, sheep, camels and cattle.

Deeply rooted in Somaliland's history and tradition, livestock has always been the most important segment of Somaliland's economy; however, the subsector has not been able to mobilise enough investments to further develop and is losing strength. Internal and external factors have contributed to the slowdown of the subsector. Internally, pastoralists are facing challenges in accessing viable land for grazing mostly due to an increase in land enclosures, charcoal harvesting and general environmental degradation. In addition, Somaliland's inadequate veterinary services lead to livestock that is of poorer quality than sold elsewhere.

Externally, Somaliland exporters have not been able to diversify its target market and 80% of its exports still find its final destination in the Saudi market – other markets for Somaliland's livestock are also in the Gulf. However, consumption behaviour in the Gulf has changed with a lower demand for live animals and an increase in the demand for prepared chilled meat. Somaliland also faces greater competition from other livestock exporters such as Australia and the Sudan.²⁷ Recurrent droughts and the new Saudi Arabian livestock ban will likely cause further deterioration of the subsector's situation (see Chapter 2 for more details).

²⁷ World Bank (2016), Somaliland's Private Sector at a Crossroads: Political Economy and Policy Choices for Prosperity and Job Creation.

There is no reliable data on number of livestock in the country. The most recent livestock census was conducted in 1975. Since then Somaliland has already experienced civil war followed by its break away from Somalia, faced an intense process of urbanisation, suffered the effects of several droughts and imposed livestock bans from its most important international market, Saudi Arabia.

Although increasing in numbers from 2009 to 2015, livestock exports have been severely impacted by the 2016 drought and recent 2016 Saudi Arabian ban on Somaliland's livestock – number of animals exported are expected to decrease significantly. Moreover, prices fetched by Somaliland's livestock have been decreasing (see Chapter 2 for more details). Domestic consumption stood at around half a million units of livestock in 2016, as shown in Table 33.

Table 33: Livestock Consumption in Somaliland

Year	Total number of animals consumed in Somaliland
2014	460,309
2015	545,934
2016	536,791

Source: MoL

With regards to milk production, the vast majority of milk produced in the country comes from camels, which is estimated between 50-60% of the total production; cattle milk contributes between 30-40% and lastly goats and sheep milk with the remaining 10%.

Production of camel milk has been estimated approximately 900-1100 kilograms per lactation. Dairy cattle have a milk production per lactation estimated at 500-600 kilograms for indigenous cattle herds in semi-intensive regimes and at 200-250 kilograms for indigenous cattle in pastoral areas – European-indigenous hybrid breed cattle can produce up to 1,500-1,800 kilograms per lactation. In the case of small ruminants, milk production per lactation is estimated at 80-100 kilograms and 35-40 kilograms for goats and sheep respectively.²⁸

Nomadic groups rear mixed camel herd for milk production, continually migrating in search for water and pasture. Semi-sedentary agro-pastoralists, mostly found in the western regions of the country are responsible for rearing dairy cattle. There are also pockets of more specialised dairy products, increasingly located in peri-urban areas.²⁹ With increased urbanization, the demand for milk and other dairy products is likely to increase. Despite of the domestic production of milk and other dairy products, the country still imports fresh and powder milk. In 2013 it is estimated around 3.4 million litres and 4.6 million kilograms respectively.³⁰

Fodder production contributes directly to increased body weight and finishing of livestock, thus creating a value-added final product. Currently, fodder availability is unreliable, which drastically affects the finishing of the livestock. This, in turn, affects the final price of the livestock for export-oriented markets. Demand for fodder consumption at domestic as well as for export-oriented markets is usually sourced from Ethiopia.

Most of the pastoral cattle graze on free-range low quality forage and no supplementary feeding is provided. However, with the increasing number of livestock in peri-urban and urban areas as well as with the implementation of quarantine facilities for export animals and feeding systems during shipment, the fodder supply value chain is becoming an increasingly important investment opportunity.

Fodder scarcity is understood to have had direct impact on livestock production in the last droughts. According to assessments made with households affected by the 2016 drought, 88% of the respondents who reported livestock as their main source of income also reported that the body

²⁸ ICIPE project report (2013)

²⁹ ICIPE project report (2013)

³⁰ Ministry of Finance (2013)

condition of their animals was “thin”, with 82% reporting the body condition of their animals as “very thin”. The most affected regions where body condition of animals was reported as “very thin” were Sanaag (36% of households reported body condition of animals as “very thin”), Togdheer (25%), and Sool (20%). Of those households who reported the body condition of their animals as being “very thin”, 96% of these households also reported that they have no stock of fodder.³¹

There are several options of modern fodders available for testing as an investment opportunity for local communities. An example of such fodder is the “Hybrid Sudanese Grass” with high protein and nutrition additives that are affordable for ordinary herders.

The main challenges for livestock activities in Somaliland are:

- Scarcity of pastures and fodder;
- Land and water degradation, due to climate change and human activities;
- Animal health problems;
- Inadequacy of support services;
- Low phytogenic standards or process to obtain quality milk and meat and with acceptable quantity such as ISO 9000 and similar international code that are integral part of world trading system; and
- Poor state of infrastructure, including processing and storage facilities as well as transportation.

Poultry

Poultry production in Somaliland is relatively new. There are 12 small-scale poultry farms in the country located in peri-urban areas. These farms are focused on egg production and range in size from 300 to 60,000 chickens. The main challenges faced by the poultry industry are:

- High costs of poultry feed;
- High costs of vaccines to control endemic diseases;
- Low expertise and limited experience among farmers; and
- The indigenous poultry breed is characterized by low productivity.
- Higher productivity breeds, indigenous-European hybrid breed and Europeans breed, face difficulties in adapting to the local weather and coping with existing endemic diseases.

Agriculture

Somaliland consists of 10 agro-ecological zones of which eight are arid or desert with significant limitation to agricultural production. The total arable land of the country is estimated to be around 350,000 hectares and is concentrated largely on the North-western plateau – Southern Awadal, Gabiley and Maaroodijeex.

Crop production in Somaliland is constrained by a multitude of interacting socioeconomic, biophysical, and technical factors, of which water scarcity is the most important biophysical factor. Climate related stresses, particularly amount of rainfall precipitations and distribution impact on crop production and productivity. Figures on food imports suggest that crop production and food aid assistance provided by the international community are not keeping up with the domestic demand for food items (see Chapter 2 for more details).

Droughts are the main obstacle for agriculture in Somaliland; however, there are other contributing factors to the poor agricultural performance in the country, such as:

- Poor land use techniques leading to degradation of agricultural land;
- Inadequate equipment such as tillage, irrigation, pumps, spraying, fertilizers;
- Inadequate support service such as extension, input support and credits services;
- Inadequate agricultural infrastructure such as irrigation and feeder roads for production;

³¹ Inter-agency and NERAD Assessment Report, November 2016

- Poor distribution arrangements of appropriate technologies for perishable horticultural produce; and
- Inadequate investment capital to build agricultural infrastructure

Despite of these obstacles, there are also opportunities in agriculture that have not been paid enough attention to. There are potential untapped agricultural lands for improvement and increase of crop biodiversity – in fact, MoA has identified field crops, oil crops, grains legumes, vegetables and fruits that could be produced in Somaliland.³²

There are also agricultural lands already degraded by water and wind erosions that can be recovered through appropriate soil and water conservation practices already tested in similar agro-ecological environments. Moreover, training farmers on improved techniques to increase productivity is key to generate a higher domestic agriculture output.

Forestry

Sanaag and Sool regions have been known for a long time as producers of gums and resins – which are exported and can be used as thickeners, in fragrances, in chewing gum and for aromatics. Estimates point out that the total output of gums and resins is around USD 3 million year. Poorer pastoralists harvest the gums and resins; however, they earn so little that many leave the business. Although there is an increasing demand for such export products in international markets, the volume of gums and resins exported has not been meeting expectations (see Chapter 2 for more details).

The main challenges facing the subsector are:

- Disputes over tree ownership, reflecting a broader problem of tenure and claims in rangeland areas;
- Tree over-tapping;
- Labour shortage worsened by low prices offered to collectors;
- Poor transport infrastructure in the areas where gums and resins are tapped;
- Tensions between wholesalers and collectors over prices offered for gums and resins;
- Lack of organization in the value chain structure;
- Lack of storage and processing facilities in gums and resins tapped areas
- Lack of international market information such as pricing, quality and quantity standards
- Lack of uniform quality standards

Fisheries

Somaliland borders in the north the warm waters of the Gulf of Aden with a coastline spanning 850 kilometres on its Southern fringes and extending from Lowya-Addo in the West to Elayo in the East and is characterized by sandy beaches broken at intervals by rocky cliffs that often penetrate into the shallow fisheries and marine. The continental shelf is relatively narrow, rarely exceeding 15 kilometres, except in the west near the Djibouti border, where it averages 100 kilometres. Some 600 species are present in the Somaliland marine fisheries and marine of which 400 are of direct commercial importance.

According to various reports published by international organisations, fisheries in Somaliland remain untapped. FAO estimates this abundance of fish in the national marine fisheries at 180,000-200,000 tons and maintains that a maximum sustainable yield of 40,000 tons could be harvested without endangering the stocks. At present the current exploitation of the potential is less than 10%.³³

Findings from feasibility studies undertaken in the coastal fishing areas and on fish value chain revealed that Somaliland's marketing and distribution of fish is still very poorly developed state apart from a few fishing locations where cooling facilities exist and where marketing is done in more formalised way.³⁴

³² Field crops: sorghum, maize, pearl millet, wheat, barley, oats and teff. Oil crops: sesame, sunflower, safflower, linseed and groundnut. Grain legumes: pigeon pea, cowpea, mung bean and lentils. Vegetables: onion, green pepper. Fruits: types and suitable fruit trees for each region.

³³ FAO 2015

³⁴ Ministry of Fisheries

Some of the challenges facing fisheries now are similar to the ones during the NPD cycle. There are:

- Foreign illegal, unregulated, and unreported fishing;
- Lack of protection of the declared Marine Protected Areas (MPAs) which are five in total and which are key habitats of mangroves, coral reefs and sea grass;
- Lack of reliable information collection systems that could give stakeholders a better understating related to size of fish stocks, sustainable yields rate and characteristics of coastal habitats and communities;
- Disorganised fishing communities and lack of functioning cooperatives;
- Lack of adequate skills and equipment among fishing communities, including inefficient fishing fleet; and
- Deficit of appropriate fish landing structures and jetties.

Nonetheless, fisheries have always been seen and remain an area of high growth potential. On the supply side, although precise estimates remain a challenge, fish stocks are unarguably abundant and an increasing number of business people willing to invest in fishing-related activities. On the demand side, the demand for fish in world markets continues to be high and in Somaliland recently there has been an increasing acceptance of fish in the diet of urban households.

Production and Other Sectors

The sector is affected and affects many other sectors. Examples are:

- **Economy** – Improvements in the business environment should lead to increase in investment in the sector. Strategic investments can increase productivity of subsectors such as livestock, poultry, agriculture and forestry as well as unlock the growth potential of fishing and marine resource activities;
- **Infrastructure** – A better road network would benefit all fronts of the sector and cold storage warehouses would address one of the drags on fishing and marine resources production;
- **Education** – There is a great demand for professionals working in veterinary and agriculture that could be met by local universities;
- **Environment** – Better land and water management techniques could slow down – and potentially even reverse – the process of environmental degradation in Somaliland. Improved Disaster Preparedness and Risk Management strategies should prepare agro-pastoralists to better mitigate the effects of drought and other climate hazards; and
- **Employment** – Being one of the sectors employing more individuals, increased productivity should lead to more investments in the sector, which in turn should increase the demand of labour force.

3.3.2 Policies, Reforms and Legal Frameworks

According to the Constitution of the Republic of Somaliland, agriculture, livestock, fisheries, myrrh and gum are all indigenous economic production activities of the country, and therefore, the state should encourage them. However, despite of the high importance given to the sector in the Constitution, there are many components of the existing concerned legal framework that are in their draft forms and have not been enacted or implemented, as presented in Table 34.

Table 34: Summary of Laws and Policies Related to the Production Sector

Laws and policies	Current status
<i>The National Veterinary Code</i>	<ul style="list-style-type: none"> - Revised in 2015 - In draft form

<i>The National Livestock Policy</i>	- Revised in 2015 - In draft form
<i>Animal Welfare Code</i>	- Passed by Ministerial decree in 2015
<i>Dairy Act</i>	- In draft form
<i>Meat Inspection and Control Act</i>	- Passed in 2012
<i>Institutional Procedures and Regulations of the Ministry of Livestock, 2008</i>	- Passed in 2008 by Ministerial decree
<i>Six Diseases Contingency Plans</i>	- Revised in 2015 - In draft form
<i>Standard Operating Procedures (SOPs) for Nine Priority Diseases and Quarantine</i>	- Formulated and approved in 2015 by Ministerial decree
<i>Somaliland Food and Water Security Strategy</i>	- Passed in 2014
<i>Land Resources Tenure and Agricultural Land Use</i>	- In draft form
<i>National Agricultural Policy</i>	- In draft form
<i>Master Plan for Reconstruction and Development of Somaliland Agriculture</i>	- In draft form
<i>Agriculture Rule and Regulation</i>	- In draft form
<i>Somaliland Fisheries Law</i>	- Approved by the Parliament in 1995
<i>Somaliland Fisheries Policy</i>	- It has already been submitted to and approved by the cabinet
<i>Fisheries Quality Assurance Policy</i>	- It is still in its draft form, but it has already been submitted to the cabinet

Furthermore, there are also gaps in the existing framework. There are already plans to start drafting a Veterinary Drug Act and a Somaliland Dairy Development Policy, which would complement the existing legal framework of Livestock-related activities. With regards to Agriculture, there is a need for developing policies focused on promoting investments in the subsector.

3.3.3 Regional Overview

The Production Sector has been hit greatly by the effects of climate change, especially agriculture and livestock. Livestock, in particular, has also suffered with the current ban imposed by Saudi Arabia on Somaliland's livestock exports. However, there are also some peculiarities of each region that pose challenges for the sector. Sahil has an inadequate supply of veterinary services and also no meat processing businesses, which poses challenges for having a greater share of more added value livestock products. In some places like Togdheer, Sanaag and Sool regions, water management is a major obstacle for agriculture as well as livestock activities. Illegal land enclosures are predominantly a constant challenge in Togdheer, Maroodijeex and Sanaag. Despite the existence of such challenges, opportunities are many as well. Regions such as Togdheer, Sool and Awdal in normal conditions have abundant water resources and fertile land. Sahil and Awdal are prone of fishing activities.

3.3.4 Production Sector Results Based Management Framework

Production Sector Vision

Aspire for an efficient, expanded and advanced production sector (including agriculture, livestock and fisheries) that enhances food security in a sustainable manner and is a prime driver of economic development

Production Sector SDGs

SDG2

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

SDG12

Ensure sustainable consumption and production patterns

SDG14

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

3.3.5 Production Sector RBM Matrix

Table 35: Production Sector's RBM Matrix – SDG2

SDG2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture				
Outcomes	Indicators	Baseline (2016)³⁵	Final Target (2021)	Priority interventions
1. By 2021, 65% in urban and 60% in rural of the Somaliland population will have access to and be able to afford their daily basic food requirement	1.1. Percentage of people have access to and can afford daily basic food requirements	1.1. 40.1% Urban 37.1% Rural	1.1. 65% Urban 60% Rural	<ul style="list-style-type: none"> - Improve and encourage both subsistent and commercial small scale farms producing essential food items - Upgrade farmers' skills and embark on attitudinal change - Improve and promote dairy, meat and fisheries cooperatives/farmers - Provide subsidized inputs for farmers, dairy, meat and fisheries cooperatives - Promote access to market for farm (including dairy and meat) and fisheries produce
2. By 2021, agriculture production yield per hectare will increase by 20%	2.1. Crop production yield per hectare (Yield per hectare)	2.1. 1.2 tons per hectare	2.1. 1.44 tons per hectare	<ul style="list-style-type: none"> - Introduce high yielding and drought tolerant crop varieties - Apply appropriate agricultural good practices - Apply soil and water conservation techniques

³⁵ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

3. By 2021, the area of land under agricultural cultivation will increase by 30%	3.1. Proportion of land under cultivation	3.1. 3%	3.1. 3.9%	<ul style="list-style-type: none"> - Map potential and utilized national arable land - Promote both local and foreign investment interventions on agricultural production - Capacitate farmers for increasing cultivated area - Create conducive environment for agricultural production and provide subsidized farm implements - Establish formal TVET and farmer field schools - Promote microfinance and microcredit schemes for farmers
4. By 2021, the tonnage of fish harvested from Somaliland waters will increase to 20%	4.1. Tons of harvested fish per year	4.1. 10%	4.1. 20%	<ul style="list-style-type: none"> - Build appropriate onshore facilities (storage and cold chain facilities and jetties) and off-road refrigerator trucks - Invest efficient sea worthy crafts and vessels - Encourage private enterprises and fishing associations for commercial fishing levels (including industrial fishing) - Capacitate fishing communities through providing efficient fishing gears and devise tailor made training programs

				- Promote access to microfinance, micro-credit and small grants for the fishing communities
5. By 2021, the weight in kgs per average animal head will increase by 25%	<p>5.1 Average weight of sheep and goats (kg/animal)</p> <p>5.2. Average weight of cattle (kg/animal)</p> <p>5.3. Average weight of camels (kg/animal)</p>	<p>5.1. 25 kg</p> <p>5.2. 250 kg</p> <p>5.3. 450 kg</p>	<p>5.1. 31.25 kg</p> <p>5.2. 312.5 kg</p> <p>5.3. 562.5 kg</p>	<p>- Establish and rehabilitate grazing reserves and livestock holding grounds; animal fattening farms/feedlots</p> <p>- Promote fodder production and fodder banks</p> <p>- Establish and support fodder producing cooperatives</p> <p>- Establish strategic sustainable mega dams</p> <p>- Promote research and development programs focusing on livestock genetic improvement</p> <p>- Devise awareness and training programs on livestock finishing programs</p>
6. By 2021, livestock export will increase by 25% each type ³⁶	<p>6.1. Number of goats and sheep exported</p> <p>6.2. Number of cattle exported</p> <p>6.3. Number of camels exported</p>	<p>6.1. 3,270,386</p> <p>6.2. 160,395</p> <p>6.3. 61,475</p>	<p>6.1. 4,087,982</p> <p>6.2. 200,493</p> <p>6.3. 76,844</p>	<p>- Develop and implement livestock trade policy and proper livestock marketing strategy</p> <p>- Establish/rehabilitate livestock marketing infrastructure</p> <p>- Explore Market Diversification</p>

³⁶Livestock export including national livestock as well as livestock from neighboring countries.

				<ul style="list-style-type: none"> - Apply and comply to SPS measures - Devise and implement proper animal health services - Awareness raising on good livestock marketing systems and welfare - Establish functioning livestock information management system
7. By 2021, the percentage of GDP related to livestock, agriculture and fisheries of added value production will reach to 2%	<p>7.1. Percentage of GDP of added value by livestock</p> <p>7.2. Percentage of GDP of added value by agriculture</p> <p>7.3. Percentage of GDP of added value by fisheries</p> <p>7.4 Total Percentage of GDP of added value by livestock, agriculture and fisheries</p>	<p>7.1. Not available</p> <p>7.2. Not available</p> <p>7.3. Not available</p> <p>7.4 Not available</p>	<p>7.1 TBD</p> <p>7.2 TBD</p> <p>7.3 TBD</p> <p>7.4 2%</p>	<ul style="list-style-type: none"> - Improve value added provision through capacity building for livestock, farmers, fishermen cooperatives/groups; - Create enabling environment for entrepreneurs in promoting value added products - Establish demonstration farms/centres in adding value for local produce
8. By 2021, farmers' and pastoralist average incomes will increase by 20% directly through cooperatives and micro-financing initiatives	<p>8.1. Number of households have access to finance through registered cooperatives</p> <p>8.2. Number of cooperatives formally registered by region and by gender</p> <p>8.3. Number of policies, strategies and acts</p>	<p>8.1. Not available</p> <p>8.2. Not available</p> <p>8.3. Not available</p>	<p>8.1 20%</p> <p>8.2 20%</p> <p>8.3 20%</p>	<ul style="list-style-type: none"> - Establish and promote effective cooperatives and associations - Promote self-help schemes - Enhance pro-poor income generating activities - Enhance restocking programs in drought prone areas
9. By 2021, 30% of farmers and pastoralist will apply drought resilient agricultural	9.1. Number of farmers and pastoralists applied drought resilient	9.1. Not available	9.1 30%	<ul style="list-style-type: none"> - Introduce drought tolerant crop varieties

practices	practices and techniques 9.2. Number of farmers and pastoralists capacitated on climate resilient sustainable good practices	9.2. Not available	9.2 30%	<ul style="list-style-type: none"> - Adopt integrated watershed management approaches - Rehabilitate rangelands, grazing reserves and livestock holding grounds
10. By 2021, 15% of local seeds landraces of food crops and fodder grasses will be collected and purified through government and community seed banks	10.1. Number of established national and community seed banks 10.2. Number of landraces and fodder species collected and purified	10.1. Not available 10.2. Not available	10.1 6 (one per region) 10.2 15%	<ul style="list-style-type: none"> - Promote dry land agricultural research and extension centres (e.g. Abu Riin) - Collect germplasm of local landraces - Establish national and community seed banks
11. By 2021, allocate 15% of government budget for agriculture, livestock and fisheries and increase international development aid by 20% each	11.1. Percentage of government budget allocated to livestock, agriculture and fisheries 11.2. Percentage of external aid allocated to livestock, agriculture and fisheries	11.1. 1.32% 11.2. 23.3%	11.1. 15% 11.2. 27.96%	<ul style="list-style-type: none"> - Increase government capital budget allocation for the production sector - Increase development aid support on production sector
12. By 2021, annual food inflation (CPI prices) will not move outside a 4 and 6% annual range per year	12.1 Percentage of food price increase	12.1 8.3%	6% highest 4% lowest	<ul style="list-style-type: none"> - Closely monitor food prices - Devise food inflation control measures

Table 36: Production Sector's RBM Matrix – SDG12

SDG12: Ensure sustainable consumption and production patterns				
Outcomes	Indicators	Baseline (2016)³⁷	Final Target (2021)	Priority interventions
1. By 2018, the Government of Somaliland will review and integrate sustainable consumption and production pattern frameworks into its agriculture, fisheries and livestock policies	1.1. Sustainable consumption patterns framework	1.1. Not available	1.1. 1	- Develop national sustainable consumption and production pattern frameworks and integrate into the national policies
	1.2. Sustainable production patterns framework	1.2. Not available	1.1 1	
2. By 2018, an integrated and cross-sectorial watershed management policy will be developed; enabling sustainable agriculture and livestock production systems	2.1. Integrated watershed management policy and strategic plans	2.1. Not available	2.1 Policy completed	- Develop integrated national watershed management policy and strategies
	2.2. Common approach and guideline for watershed management	2.2. Not available	2.2 Guideline completed	
3. By 2021, increase grazing reserves to 6 and holding grounds to 5 for sustainable livestock grazing	3.1. Number of grazing reserves and animal holding grounds established/rehabilitated	3.1. Not available	3.1 5	- Establish and rehabilitate grazing reserves, livestock holding ground feed and fodder banks
	3.2. Number of rangelands rehabilitated	3.2. Not available	3.2 6	

³⁷ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

Table 37: Production Sector's RBM Matrix – SDG14

SDG14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development				
Outcomes	Indicators	Baseline (2016)³⁸	Final Target (2021)	Priority interventions
1. By 2021, Somaliland will increase the utilization of pelagic fish of its manageable eastern EEZ by 20% through ecosystem-based approach.	1.1. Area of managed EEZ marine resources through ecosystem-based approach 1.2. Production volume of underutilized species	1.1. 0 1.2. Not available	1.1 20% 1.2 20%	- Encourage fishery stakeholders to invest deep-sea fishing by buying or chartering purse-seiners. - Promote joint ventures, public-private partnership and create conducive environment for foreign investment
2. By 2020, Somaliland fish stock assessment will determine the sustainable level of fish stocks	2.1. *Indicator still need to be determined	2.1. Not available	2.1 Assessment completed	- Conduct national marine survey with the aim of determining maximum sustainable yield of marine resources and varieties
3. By 2021, number of Somaliland's protected coastline areas will increase to 10 areas	3.1. Number of Somaliland's protected coastline areas	3.1. 5 areas	3.1. 10 areas	- Establish and protect seasonal reserves and closures
4. By 2021, secure at least USD 2 million external research funding support for improving scientific knowledge of local fish stocks and fishery information systems	4.1. External funds secured for improving scientific knowledge of local fish stocks and fishery information systems	4.1. \$0	4.1. \$2 million	- Advocate funding allocation for marine scientific research - Establish fisheries information management system
5. By 2018, develop fisheries regulatory framework enabling protect access rights for small-scale fisheries	5.1. Develop fisheries regulatory framework	5.1. No adequate fisheries regulatory framework	5.1. Fisheries regulatory framework developed	- Review the regulatory framework for securing access rights of the small-scale fisheries; - Devise fisheries master plan

³⁸ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

3.3.6 Risks

The Production Sector remains the largest contributor to Somaliland's economy; however, the sector has been greatly affected by various elements, especially the recurrent droughts. The success of the priorities interventions will be key for putting the sector on the right track and mitigation strategies will help to ensure the success.

The main risks posing a challenge to successfully implementing the interventions are related to the recurrent droughts, land demarcations, limited infrastructure, and particularly for livestock the market concentration of its exports. Also, coordination in the sector and political will might raise obstacles. The local community if not well aware and with a good understanding about the interventions could potentially create obstacles.

Risks can be mitigated through strengthening coping mechanisms and adapting communities and businesses for recurrent droughts. Investments in infrastructure are needed as well as improvement and enforcement of concerned legal framework. With a better infrastructure and appropriate legal framework and the level of confidence of investors will improve leading to an increase in investments in the sector.

Strengthening coordination mechanisms are also needed in order to improve the work of stakeholders within and with other sectors. Awareness raising strategies will guarantee that all relevant stakeholders, particularly communities, will understand the importance of these interventions to accomplish the sectors' outcomes and chosen SDGs.

3.3.7 Financial Analysis

Table 38 on the next page gives an estimate of the total cost required to achieve the outcomes in each SDG Outcome Group. Costs have been calculated by estimating the cost of delivering each intervention and then summing these together to give the cost of achieving each outcome. The outcome costs were then also summed up to give the total cost estimate for each SDG Outcome Group.

These are early indicative estimates received from the Sector Technical Team on the cost of delivering each intervention. The actual cost of delivering these interventions is likely to differ from the costs estimated below. The yearly profile of costs is also likely to differ from below depending on when interventions begin to be implemented and the time taken to complete each intervention, which may not be as indicated below. The below figures should be seen as early indicative cost estimates and serve as the basis for a full, detailed costing exercise to be completed in the sector strategic plan level.

Currently, we estimate the total cost for achieving the outcomes chosen in the Production Sector at between **USD 49.6 and USD 60.1 million per year in 2017-21.**

Table 38: Production Sector Financial Analysis (Current USD)

SDG Outcome Group	2017	2018	2019	2020	2021
SDG2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	47,070,000	57,350,000	49,157,000	49,020,000	48,730,000
SDG12: Ensure sustainable consumption and production patterns	2,370,000	2,370,000	2,370,000	2,370,000	2,370,000
SDG14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	145,600	940,800	3,440,800	940,800	440,800
Total Cost	49,585,600	60,660,800	54,967,800	52,330,800	51,540,800

All figures rounded to the nearest thousand.

3.3.8 Data Requirements

Timely, coordinated, quality and representative data is indispensable approach in formulating and designing national development plan. It also functions as a feedback mechanism by assessing and measuring what has been done so far at the end of the plan.

The current data available for the Production Sector is very limited and mainly relies on the work of government institutions, development partners, NGOs and the private sector. Usually, government institutions in this sector collect limited administrative data on a regular basis. Development partners with this sector also collected some primary data. Despite that, there are huge data gaps that directly impact the work and plan of the sector. Many indicators in the sector RBM do not have baseline data. In some cases, although data is available the frequency that it is collected is not ideal. Moreover, dissemination and use of the existing data is another obstacle. Oftentimes stakeholders do not share the data they are collecting and valuable information is not used for planning and policymaking. The bellow table summarizes, Production Sector required data, source, current status and the possible intervention.

Table 39: Production Sector's Data Requirements

No.	Required data	Data Source	Status	Required Intervention
1	Crop Area Planted	Administrative data/Agriculture survey	Not available	Compilation of data crop areas/Conduct agricultural survey
2	Crop Area Harvested	Administrative data/Agriculture survey	Not available	Compilation of data crop areas harvested/Conduct agricultural survey
3	Crop Yield per hectare	Administrative data/Agriculture survey	Available with limited scale	Compilation of data crop yield /Conduct agricultural survey
4	Crop Production	Administrative data/Agriculture survey	Not available	Compilation of data on crop production /Conduct agriculture survey
5	Producer Price Index (PPI)	Administrative data/Agriculture survey	Not available	Compilation of data on crop production /Conduct agriculture survey
6	Area under irrigation	Administrative data	Not available	Compilation of data on area under irrigation
7	Quantity of Fish by type and by location	Administrative data	Not available	Compilation of data on quantity of fish by location
8	Fish species with consumption restricted	Administrative data	Not available	Compilation of data on fish species
9	Proportion of Production of fish	Administrative data	Not available	Compilation of data on fish production
10	Number of	Administrative data	Available with	Compilation of data on

	operational fishing vessels		limited scale	fishing vessels
11	Total number of livestock kept by type	Administrative data/Agriculture survey	Available with limited scale	Compilation of data on livestock kept /Conduct agriculture survey
12	Dairy farms with capacity estimates	Administrative data/Agriculture survey	Not available	Compilation of data on dairy farms/Conduct agricultural survey
13	poultry firms with capacity estimates	Administrative data/Agriculture survey	Not available	Compilation of data on poultry farms /Conduct agricultural survey
14	Slaughtering houses and capacity estimates	Administrative data	Available with limited scale	Compilation of data on slaughtering houses
15	Livestock export by type	Administrative data	Available with limited scale	Compilation of data on livestock export by type
16	Livestock by product and their exports	Administrative data/Agriculture survey	Not available	Compilation of data on livestock by product/ conduct agricultural survey
17	Level of food security	Administrative data/Agriculture survey	Not available	Compilation of data on food security /Conduct agricultural survey
18	Level of nutrition	Administrative data/Agriculture survey	Not available	Compilation of data on nutrition /Conduct agricultural survey
19	Level of Food quality	Administrative data/Agriculture survey	Not available	Compilation of data on food quality /Conduct agricultural survey
20	Domestic product consumption rate	Administrative data/Agriculture survey	Not available	Compilation of data on domestic product consumption /Conduct agricultural survey

Pillar 2 – Infrastructure Development

A nation with an advanced infrastructure network that facilitates economic and social development

Sector

Infrastructure

3.4 Infrastructure Sector

3.4.1 Situation Analysis

The Infrastructure Sector is present in the Somaliland National Vision 2030 under Pillar 2 and it owns a specific vision that sees Somaliland as **a nation with an advanced infrastructure network that facilitates economic and social development.**

Most of Somaliland's infrastructure was destroyed after a decade-long civil war but since its independence in 1991 the country has seen significant progress to rebuild it. Currently infrastructure contributes to almost 14% of national GDP, having housing (construction and real estate) as the most important segment of the sector accounting to 9.8% of the GDP (see Chapter 2).

Table 40: Infrastructure Contribution to the GDP

Sub-sector	GDP contribution (%)
Construction and real estate	9.8 ³⁹
Transportation	1.9
Information communication technology (ICT)	2.0
Total	13.7

Source: Somaliland In Figures, 2015

The sector is extremely relevant for Somaliland's economic development. Although infrastructure still remains one of the biggest challenges for businesses in Somaliland, particularly transportation, this sector has been experiencing increased inflows of investments. New investments in the Berbera Port, Berbera Airport and Berbera Corridor are triggering a new cycle of economic growth in the country.

However, urbanization is posing new challenges requiring more proactive measures and planning. Urbanization trends are impacting various dimensions of economic and social life in Somaliland. Food and housing prices have been driving inflation increases. Unemployment is acute particularly in urban areas. Delivery of services such as health, education, water, energy and garbage collection are not successfully meeting the increasing demand.

Efforts during the NDP cycle (2012-2016) in the sector were focused on re-building the pre-civil war infrastructure. During the NDPII, the sector will further work in upgrading the needed infrastructure for economic development expanding the national road network, improving on ports and airports, and will pay special attention to specific challenges posed by the urbanization.

In NDPII the Infrastructure Sector is arranged in three sub-sectors: Housing, Transportation and Information & Communication Technology.

3.4.1.1 Transportation

The Transportation sub-sector covers three key targeted areas for future infrastructure investment: land, sea, and air transportation. Each one of these three areas is crucial for Somaliland's business environment, particularly improving the infrastructure for trade. Also, land transportation in particular facilitates community access to social services (schools and hospitals), link communities together and support national security efforts.

Land Transport

Land transportation is the principal mode of transportation for the movement of goods and people in Somaliland. More than 99% of the movement of goods and people within the country depend on Somaliland's road transport system particularly, as other modes of transportation such as rail network do not exist. The estimated total road network in Somaliland is about 9,035km of which 1,010km are paved roads, 1,225 km is unpaved motorable roads, and approximately 6,800 km of unpaved dirt tracks with difficult motorable status, especially during the rainy seasons.

³⁹ Real estate activities by 7.6% and construction by 2.2%

During the period of the NDP (2012-16), paved roads increased from 770km to 1,010km. The Somaliland Development Fund alone invested in the rehabilitation of 149.5km-paved roads, which included 130.3km of paved road between Hargeisa and Sheikh and the rehabilitation of 19.2km-paved road between Kala-baydh and Dila.

Table 41: Somaliland Road Network in KM and the Current Status

Road Status	KM
Completed Paved roads	1,010
Unpaved, but easily motorable roads ⁴⁰	1,225
Unpaved motorable with difficulties ⁴¹	6,800
Total	9,035

Source: NDP and <https://www.distancesto.com/so>

Paved roads connect seven out of the 23 districts linking the major towns of Borama, Gabiley, Hargeisa, Berbera, Sheikh, Burao, Ainabo, and Las Anod.

A further 20km of paved roads between Kalabaydh and Wajaale of Gabiley district connects Somaliland to Ethiopia, a critical component for the Berbera Corridor. The corridor remains a key flagship road programme for Somaliland and it has been included in the Berbera Airport deal between Somaliland and the UAE. As the Berbera Port begins to handle increased container loads, Berbera Corridor will ensure the movement of goods from and to the port.

There are also plans for the construction of 245km of paved road to connect the headquarters of another 5 districts, Erigavo, ElAfweyn, Garadag, Sallahley, and Baligubadle to the broad national road network.

Table 42: Distance of Completed and Under Construction or Planned Paved Roads in KMs

Paved roads connected places	Completed	Under construction	Total distance
Borama to Yoocada	800	0	800
Wajaale-Kala Baydh	20	0	20
Erigavo-Ina Afmadoobe	150	130	280
Hargeisa-Ina Guuhaa ⁴²	30	50	80
Hargeisa-Baligubadle	15	65	80
Total	1,010	245	1,255

Source: The Infrastructure Consortium for Africa⁴³

Communities-driven fund raising is a key source of finance for constructing paved roads in both rural and urban areas. Examples of such funding model are the roads connecting Borama and Dila (35km), Hargeisa and Ina Guuhaa (about 30km out of 80km), Hargeisa and Baligubadle (about 15km out of 80km), and Erigavo and Ina Af-madobe (About 150km out of 280km). This source of funding will be further exploited during the NDP II period with joint-donor and government financing where local communities make contributions towards prioritized paved road infrastructure.

One of the key indicators to measure the positive impact of improved road infrastructure is to increase the proportion of the rural population who live within 2 km of an all-season road. Although data is not currently available to measure the baseline of this indicator, estimations indicate that only 3% of the rural population live within 2 km of the existing road network.⁴⁴ This implies that most of the rural population are restricted from accessing production markets and social services. The use

⁴⁰ National Development Plan, 2012-2016

⁴¹ National Development Plan, 2012-2016

⁴² Distance of the completed paved roads between Hargeisa, and Qool Caday (to Sallahley) and HabasWetn (to Baligubadle) is based on estimation

⁴³ https://www.icafrica.org/fileadmin/documents/ICA_sponsored_events/IGAD_HoA_Conf_2012/SOMALILAND_ROADS_AUTHORITY_March2012.pdf and <https://www.distancesto.com/so>

⁴⁴ The distance of the 1,010km paved roads multiplied by 4 (2km of both sides of the paved road), which is 4,040km square, and then divide by the total land area of Somaliland, which is 137,600km square

of burden animals—principally camels and donkeys—for transport of goods and people continues to be the only means available to a large segment of the rural population. To improve the economy of the rural population, investments in roads linked to specific production value chains will be addressed.

Transportation in urban centres has increasingly become an issue in Somaliland. Although reliable information on traffic volumes is not available, there is a general perception that traffic is increasing within cities and the existing infrastructure is not able to handle it. Also, there is a need to improve access to public transport for women, youth and persons with disabilities. Currently only the population living within the 7 districts covered by paved road, (Borama, Gabiley, Hargeisa, Berbera, Sheikh, Burao, Ainabo, and Las Anod) have convenient public transportation service available covering approximately 40% of the Somaliland population.

Safety in traffic is also an issue that will be addressed in the NDP II era. In 2016, traffic violation accidents caused 165 deaths on Somaliland roads; more than deaths caused by murder and conflict clashes combined. In addition, traffic accidents caused 2,043 injuries, saw the damage of 1,649 vehicles, and the loss of 5,003 heads of livestock. One of the major causes of these accidents is poor general road knowledge and lack of traffic safety regulations. As the paved road network increases, with greater usage and increased speeds, it will be important that complimentary road signs, rigorous traffic law enforcement and road education programs are invested, developed and implemented.

Table 43: Land Transportation Related Indicators

Indicators		Baseline
Percent of the rural population who live within 2 km of an all-season road		3
Total official international support to infrastructure in USD		12,678,630
Percent of population that has convenient access to public transport ⁴⁵	Male	1.3
	Female	0.4
Number of traffic accident related deaths and injuries per 100,000 residents		3.5

Civil Aviation

There are two main paved airports capable of handling commercial flights in Somaliland: Hargeisa and Berbera. International investment during the NDP (2012-16) period has been channelled into Hargeisa Airport (from Kuwait) which connected Hargeisa to international destinations-daily commercial flights are now available from Hargeisa to the international hubs of Dubai and Addis Ababa connecting Somaliland residents to the entire world. About 188,030 passengers used Hargeisa and Berbera airports in 2015 and this figure is believed to have grown in the following years. Most of visitors to Somaliland are Somalilanders living in Diaspora communities around the world, however, an increased number of foreigner visitors show that Somaliland is becoming a destination for touristic reasons too.

The volume of freights coming to Somaliland through these two airports was 473,306 kg but no freight was embarked and left Somaliland in 2015. There are also four unpaved airstrips at Borama, Burao, Las Anod, and Erigavo which can handle small and light aircraft.

⁴⁵ FHS Survey, UN-Habitat/UNEP

Table 44: Number of Departed and Arrived Passengers in 2015

Passengers	Hargeisa	Berbera	Total
Arrived	94,635	216	94,851
Departed	92,950	229	93,179
Total	187,585	445	188,030
Freights in KG			
Embarked	0	0	0
Disembarked	406,110	67,196	473,306
Total	406,110	67,196	473,306

Source: Somaliland In Figures, 2015

Marine Transportation

Somaliland lies along the strategic southern Red Sea Coast(Gulf of Aden), with a coastline that stretches for about 800km. Berbera Port is the main seaport of Somaliland, and has recently emerged as an important regional port for the Horn of Africa. The Berbera Port Authority plays a major role in the management of international goods arriving and local production leaving the country, being a significant conduit for Somaliland's economy. Recent investment made by Dubai Ports World will soon see Berbera Port handle more than 100,000 containers per year adding significant growth to Somaliland's economy(see Chapter 2 for more details).

In addition to Berbera Port, there are traditional ports with various grades of infrastructure at Las Qorei, Mayd, Hees, Karin, Lughaya, and Zeila. While there have been some initial investment and attempts to improve the basic infrastructure of some of these small ports (jetties), it has not been enough to maximise their local economic capacities. With increased investment into these regional ports jetties there is great potential to develop an inter-connected marine transportation network which will open up potential markets, promote value chains and improve the local economies of many rural communities.

Table 45: Freights Through Berbera Port in 2015

Export	Volume	Unit
Livestock	3,392,256	Heads
Hides and skins	2,199,660	Pieces
Frankincense	889,729	KG
Imports		
Sugar	148,647	Tons
Rice	106,057	Tons
Flour	128,458	Tons
Fuel	186,162	Metric cubic

Source: Somaliland In Figures, 2015

3.4.1.2 Housing and Construction

The housing sub-sector is a crucial social development component for ensuring that members of Somaliland society have secure homes to live. Increased inflows of people coming to cities from rural areas put pressures on housing prices as well as on basic services that need to be provided in these settings. A recent study though conducted by UN-Habitat/UNEP recorded that 9%of the Somaliland urban population are currently living in slums⁴⁶but contrarily PESS, 2014 indicated 2%. However, this indicates that a significant proportion of Somaliland's population requires basic housing and associated services (electricity, water, etc.).

⁴⁶ Family Ties: Remittances and Livelihoods Support in Somaliland and Puntland

3.4.1.3 Information & Communication Technology

Information & Communications Technology (ICT) encompasses a broad range of communication networks, devices and applications including radio, television, telecommunications, internet networks and satellite systems. In Somaliland, ICT is quite advanced with six private telecom operators, namely, Telesom, Telecom, Somtel, Nationlink, Africa Online and Solteco. Internet and telephone coverage reaches across all regions and districts providing access to approximately 95% of the country. Companies such as Somtel provide wireless internet services to remote areas through the installation of a dedicated antenna that picks up signal from the nearest tower. Fibre optic and cable internet connection is currently being introduced by Somcable which will once completed be a landmark initiative providing businesses and future entrepreneurs with the opportunity to exploit the online economy. Despite these remarkable advances made in the telecommunication sub-sector, inter-connectivity between the various telecom operators has been elusive and customers of different companies cannot communicate with each other.

The extent to which Somaliland has achieved universal and affordable access to the Internet is not quite known but indicative reporting has suggested that the high costs of high speed internet make accessing this service elusive. However, the cost of local telephone calls and text messages are affordable. International telephone calls made from Somaliland are some of the cheapest in Africa (less than \$0.20 per minute).⁴⁷

In relation to public media Somaliland has only one public run radio station, Radio Hargeisa, which can be tuned into in and around Hargeisa on the FM frequencies and regional wide non-FM frequencies. BBC and Voice of America have wider regional coverage. There are no privately owned commercial radio stations in Somaliland. Public television services are provided by the Government's owned National Television Station, Horn cable TV, Bulsho TV, and Star TV, etc. Satellite television is available and DSTV provides a large range fee-based cable channel services. DHL, Aramex and Hilaac services are the only privately owned available postal services in Somaliland.

3.4.2 Policies, Reforms and Legal Frameworks

3.4.2.1 Reforms

Transportation

Formalizing protocols for community-based road construction is one of the necessary reforms required during the NDPII period. Policy and guidelines need to be produced establishing formalized frameworks which can promote government and donor partnerships with communities to build and maintain roads through matching grants.

Fast tracking the ongoing efforts for the establishment of an independent Civil Aviation Authority is crucial to manage the air transportation of Somaliland and will be a key reform area during the NDPII period. This should also coincide with a review of all existing Rules & Regulations to meet FAA and ICAO Standards.

Establishment of a Somaliland Ports Authority to replace the current Berbera Port Authority will also create an opportunity to develop and connect all of Somaliland's ports in the future.

Housing and Construction

Promoting reforms which can initiate affordable housing projects for the poor is a highlighted priority especially for urban areas. Improving regulations which can promote construction of mass housing projects on a rent-to-own basis will contribute greatly towards affordable housing in urban centres.

ICT

Upgrading the level of independency and impartiality of the existing National ICT Commission is considered a key reform area for the next 5 years – streamlining some of the functions currently performed by the Ministry of Telecommunication and Post and Ministry of Information

⁴⁷ <http://www.lonelyplanet.com/somaliland-puntland-and-somalia/somaliland/telephone>

3.4.2.2 Policies and Acts, and Codes

The Traffic Act and Telecommunication Acts are the only available governing laws in this Sector. The following policies, acts, and codes have been identified as being required, in addition to enforcing the existing laws:

- Establish and enforce roads and buildings safety standards
- Develop transport policies and laws covering road-tax, vehicle roadworthiness testing, insurance, etc.
- Develop urban land management law
- Review the financing system for the maintenance of roads
- Create an enabling environment for the participation of the private sector in road investment.
- Development of a strategic policy document to guide road construction and maintenance program
- Revision of the existing policies in order to bring it in line with the current international standards
- Improvement of standards, supervision, design, construction, and maintenance of roads

3.4.3 Regional Overview

The most frequently mentioned infrastructure challenges in all regions are focused on transportation and housing sub-sectors. Regions heavily emphasized the importance of further investment in the transportation sub-sector with a specific focus on roads. Shortages of all-season motorable roads between regional headquarter and district headquarters, lack of feeder roads between villages and district headquarters, the poor quality of new roads; lack of maintenance of the existing roads and narrow dead-end roads in regional towns were reported as key priorities in all regions. Lack of airport and port infrastructure was mentioned as a key priority in Sanaag region.

In the housing sub-sector, lack of proper town planning and public housing projects for the low-income households and government employees are key challenges listed under all regions.

On the contrary, very good telecommunication status was reported in all regions. A privately owned dominated ICT sector is seen as one of the key contributing factors for telecommunications access in regional Somaliland.

3.4.4 Infrastructure Sector Results Based Management Framework

Infrastructure Sector Vision

A Nation with an advanced infrastructure network that facilitates economic and social development

Infrastructure Sector SDGs

SDG9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG11

Make cities and human settlements inclusive, safe, resilient and sustainable

3.4.5 Infrastructure Sector RBM Matrix

Table 46: Infrastructure Sector's RBM Matrix – SDG9

SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation				
Outcomes	Indicators	Baseline (2016)⁴⁸	Final Target (2021)	Priority interventions
1. By 2021, the Government of Somaliland will increase 2% of rural population living within 2km to motorable roads for all seasons (1km Road/ population)	1.1. Proportion of the rural population who live within 2 km of an all-season road	1.1. 3%	1.1. 5%	<p>Full rehabilitation and Construction (Ongoing roads)</p> <ol style="list-style-type: none"> 1. Berbera Corridor (Berbera – Wajaale Road) 2. Ina Afmadobe – Erigavo Road 3. Hargeisa - Baligubadle Road 4. Hargeisa - Salahley-Ina Guha Road 5. Berbera – Burao- Las Anod -Ganbadha Road <p>Expansion of national road network by constructing new roads</p> <ol style="list-style-type: none"> 1. Hargeisa -Eil Sheikh- Lawyo Ado Road 2. Hargeisa – Odweyne-Buroa Road 3. Borama - Zeila Road 4. Burao – Buhodle Road 5. Erigavo – Laas Qorey Road
2. By 2021, the Government of Somaliland will decrease the traffic volume in the urban areas by 25% through developing urban road networks	2.1. Number of vehicles crossing section of road per/day 2.2. Number of Vehicles per KM paved roads in urban centres	2.1. Not available 2.2. Not available	2.1. 25% decrease 2.2 25% decrease	<ul style="list-style-type: none"> - Construction of Key Primary Roads - Construction of Secondary Roads - Clear Feeders Roads - Promote Road Maintenance Programs in urban areas (both full maintenance

⁴⁸ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

				<p>and potholes maintenance)</p> <ul style="list-style-type: none"> - Construction and maintenance of bridges in key strategic areas (e.g. bridges connecting two sides of the cities; access bridges; etc.) - Feasibility Study for the extension of Berbera Corridor <ol style="list-style-type: none"> 1. Feasibility study for Berbera- Addis Ababa railway; 2. Feasibility study for Berbera- Hargeisa-Aware-Shilabo-Railway, Road, and natural Gas Pipeline to export Shilabo natural gas through Berbera
3. By 2021, Somaliland will expand Ports and increase jetties capacity by 33%	<p>3.1 Number of TEUs per year</p> <p>3.2 Number of functioning Jetties</p>	<p>3.1 Not available</p> <p>3.2 Not available</p>	<p>3.1 TBD</p> <p>3.3 TBD</p>	<p>3.1 Expansion and improvement of Berbera Port</p> <p>3.2 Construction of strategic jetties</p> <p>3.3 Provision of ships and boats</p>
4. By 2021, Somaliland will increase the capacity of national air flight transportation services by 50%	<p>4.1. Number of functioning airports</p> <p>4.2. Number of passengers</p> <p>4.3 Total cargo in tonnes</p> <p>4.4 Number of air carrier companies</p>	<p>4.1. 2</p> <p>4.2. Not available</p> <p>4.3 Not available</p> <p>4.4</p>	<p>4.1. 4</p> <p>4.2. TBD</p> <p>4.3 TBD</p> <p>4.4</p>	<p>- Expansion of international airports and regional airports:</p> <ol style="list-style-type: none"> 1. Constriction of runway and terminal of Buroa Airport 2. Construction of runway and terminal of Erigavo Airport 3. Constriction new Terminal in Hargiesa Airport 4. Constriction new Terminal in Berbera Airport 5. Construction of Las-anod runway and

	working in Somaliland	3	TBD	terminal 6. Constriction of runway and terminal of Borama Airport 7. Establishment of Civil Aviation Authority - Establishment Aviation Academy
5. By 2021, the Government of Somaliland will have increased funding into scientific research on technological advancement within the Somaliland context by 10%	5.1 Research and development expenditure as a proportion of official budget	5.1. Not available	5.1 10%	- Increase national budget for research and development - Develop national research strategy - Develop national data management strategy.
6. By 2021, increasing the number of engineers and skilled technical specialists working in the Infrastructure Sector by 20%	6.1. Number of registered Engineers 6.2 Number of TVET graduates working in skilled infrastructure based trades	6.1. Not available 6.2 Not available	6.1 Not available 6.2 TBD	- Promote technical training schools for infrastructure sector - Promote engineering professional associations - License engineers - Support universities to improving standardized curriculum for professional workers in the infrastructure industry - Develop and implement strategy to attract and retain qualified professionals
7. By 2021, the Government of Somaliland will increase the share of national budget and stakeholders funding allocated to the	7.1 Proportion of investment allocated to the infrastructure	7.1. 8 million USD (2016)	7.1. 13 Million	- Increase the government budget allocated for infrastructure - Increase Amount of Community

development of infrastructure sector by 10%	development			<p>Contribution in the Sector</p> <ul style="list-style-type: none"> - Promote and Establish PPP based Infrastructural investment projects - Attract international Investment for Infrastructural development projects; - Develop comprehensive fundraising strategy for infrastructural projects - Develop Infrastructure Development Strategy Plans, Policies and Frameworks
8. By 2021, the Government of Somaliland will increase universal and affordable access to relevant information and communications technology by 15%	8.1. Proportion of population covered by a mobile network	8.1. Not available	8.2 TBD	<ul style="list-style-type: none"> - Improve ICT and telecommunication health standards - Establish spectrum management, telecom industry interconnection, and international gateway. - Develop E-government - Devise institutional capacity building on technology utilization - Develop a national strategy for promoting ICT skills among young people - Establish and implement Postal Service System (ZIP code, address system, street number, etc.)

Table 47: Infrastructure Sector's RBM Matrix – SDG11

SDG11: Make cities and human settlements inclusive, safe, resilient and sustainable				
Outcomes	Indicators	Baseline (2016)⁴⁹	Final Target (2021)	Priority interventions
1. By 2021, increase access for all residence to adequate, safe and affordable housing by 20%	1.1. Average number of people per room 1.2. Average rental cost per room 1.3. Proportion of households living their own house	1.1. Not available 1.2. Not available 1.3. Not available	1.1 TBD 1.2 TBD 1.3 TBD	- Develop/improve and implement master plans for all major cities - Establish government employee housing schemes - Improve and enforce building codes and specifications for building constructions - Develop and implement land policy for reducing land financial cost and violence including urban regulatory framework
2. By 2021, the Government of Somaliland will decrease the proportion of the population living in slums by 30%	2.1. Proportion of urban population living in slums/IDPs	2.1. 2%	2.1 TBD	- Build permanent houses and upgrade existing slums - Promote competition in the real estate sector to push prices down
3. By 2021, improve access to safe, affordable, accessible and sustainable terrestrial transport systems by 20%, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	3.1. Number of cities with central public transport terminals/stations 3.2. Number of bus lines 3.3. Proportion of women, children,	3.1. Not available 3.2. Not available	3.1 TBD 3.2 TBD	- Improve road safety standards; prepare competent public transport drivers test and examination guidelines. - Expand bus-lines and establish central bus terminal in major cities. - Incorporate public transport with convenient seats for disabled and

⁴⁹ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

	<p>persons with disabilities and the elderly with access to transport services (disaggregated)</p> <p>3.4. Average bus fare price per Km</p>	<p>3.3. Not available</p> <p>3.4. Not available</p>	<p>3.3 TBD</p> <p>3.4 TBD</p>	elderly people
4. By 2021, the Government of Somaliland will ensure that at least 30% of the cities that has inclusive and sustainable urban planning and management in 23 main (electoral) districts	4.1. Number of cities with master plans	4.1. Not available	4.1 30%	<ul style="list-style-type: none"> - Implement Urban Regulatory Framework - Develop/improve and implement master plans for all major cities
5. By 2021, 30% of the urban population will have universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, elderly and persons with disabilities	<p>5.1 Number of green and public places per city (green sq metres/city area)</p> <p>5.2 % of urban population who have access to green space within 1km of their residence</p>	<p>5.1. Not available</p> <p>5.2 Not available</p>	<p>5.2 TBD</p> <p>5.2 TBD</p>	<ul style="list-style-type: none"> - Incorporate public and green spaces to existing and to-be-developed master plans - Develop public and green spaces through PPP and community-led initiatives
6. By 2021, 20% of construction sites will be monitored using quality control mechanisms	<p>6.1. Number of skilled quality control engineers</p> <p>6.3 Number of construction sites visited by qualified quality control inspectors</p>	<p>6.1. Not available</p> <p>6.2 0</p>	<p>6.1 TBD</p> <p>6.2 20%</p>	<ul style="list-style-type: none"> - Quality Control Engineering capacity building programs - Policies and regulations for contractors enforced through a regular monitoring

3.4.6 Risks

The implementation of priority interventions to achieve the target outcomes currently have limited financial and skilled human resources allocated towards them and will require significant business development and PPP arrangements to be achieved.

Coordination within the Sector is weak and requires greater investment to ensure that Government, private sector, international development partners and communities are aligned to and cooperate towards infrastructure needs.

There is low awareness and engagement with local communities in relation to the need for certain infrastructure programming and many conflicts of interest observed amongst stakeholders.

Statistical data and information is extremely weak in this Sector. The majority of outcomes do not have baselines and therefore achievement of targets at this point in time will be difficult to measure. Greater investment is required into generating NDPII Infrastructure indicators and reporting during the NDPII period.

3.4.7 Financial Analysis and Projections

Table 48 on the next page gives an estimate of the total cost required to achieve the outcomes in each SDG area. Costs have been calculated by estimating the cost of delivering each intervention and then summing these together to give the cost of achieving each outcome. The outcome costs were then also summed up to give the total cost estimate for each SDG Outcome Group.

These are early indicative estimates received from the Sector Technical Team on the cost of delivering each intervention. The actual cost of delivering these interventions is likely to differ from the costs estimated below. The yearly profile of costs is also likely to differ from below depending on when interventions begin to be implemented and the time taken to complete each intervention, which may not be as indicated below.

Cost estimates were not available for some interventions. Therefore, the cost of delivering all outcomes is likely to be higher than indicated below. Where outcomes have no costed intervention, they are not shown below. The below figures should be seen as early indicative cost estimates and serve as the basis for a full, detailed costing exercise to be completed in the sector strategic plan level.

Currently, we estimate the total cost for achieving the outcomes chosen in this sector at between **USD 151 and USD 82million per year in 2017-21.**

Table 48: Infrastructure Sector Financial Analysis (Current USD)

SDG Outcome Group	2017	2018	2019	2020	2021
SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	126,102,000	122,370,000	173,310,000	160,680,000	152,450,000
SDG11: Make cities and human settlements inclusive, safe, resilient and sustainable	25,200,000	28,700,000	31,380,000	31,800,000	30,000,000
Total Cost	151,302,000	151,070,000	204,690,000	192,480,000	182,450,000

All figures rounded to the nearest thousand.

3.4.8 Data Requirements

There is currently no integrated national information management system focusing on infrastructure in Somaliland. Due to infrastructure, not being a formal part of the humanitarian sector; and that humanitarian assistance received the majority of public resources available for Somaliland between 1991 and 2011; very little historical data was collected to monitor national improvements in infrastructure. Since the implementation of the NDP (2012-2016) Somaliland In Figures published by the Ministry of National Planning and Development annually is the only useful and accessible secondary data available on infrastructure in Somaliland. Urgent data generation efforts are required for regular road assessments, housing survey, internet access and costs and generating more data related to the cause of traffic accidents. In addition, the sharing of ICT data from telecom companies is crucial for monitoring future access and usability.

Pillar 3 – Good Governance

A society where the rights of citizens are protected by democratic, transparent, accountable and efficient public institutions

Sector
Governance

3.5 Governance Sector

3.5.1 Situational Analysis

Somaliland regained its sovereignty in 1991, after a decade long fierce fighting (1981-1990) by the Somali National Movement (SNM), an armed opposition front which forced the former Somalia government out of the Somaliland territories. However, after two years of administration, the SNM based government transferred power to a new President, who was selected by traditional elders through the consensus of clan-based electoral colleges in May 1993. This clan-based governance system has been gradually transformed to multi-party democratic governance system.

Somaliland's governance structure consists of a bicameral legislative branch, an executive branch, and a judicial branch, from a horizontal point of view; and national, regional, district, and village level governments from a the vertical standpoint. In this democratic governance system, three political parties compete for the executive and legislative branches at the national and local levels; and the ruling party nominates the highest positions of the formal judiciary structure, which consists of a three-tiered system of Supreme, District and Regional Courts.

The Somaliland governance is also based on the integration of Islamic jurisprudence (Sharia), the principal ambient governance system as prescribed by the Somaliland constitution and the traditional clan-based system. The bicameral **legislative branch** consists of a clan-based electoral college called the *Guurti* House and an elected House of Representatives. In the judicial branch, the customary law (*xeer*) – a set of rules and obligations developed by traditional elders, is the main reconciliation vehicle, which also plays an important role in dispute resolution. Hence, the Governance Sector component in NDPII reflects on this hybrid governance system.

The Somaliland National Vision 2030, "*a stable, democratic and prosperous country where people enjoy a high quality of life*" is the overarching guiding policy. Within the National Vision 2030 Governance Sector's vision is "a society where the rights of citizens are protected by democratic, transparent, accountable, and efficient public institutions". Based on the Vision terms of "stability", "democratic", and "prosperous", the development of the Governance Sector will emphasize and focus on the following four sub-sectors:

1. The Security and Rule of Law sub-sector, covering security, justice and human rights is responsible to administer, manage and ensure fair access to justice in an equitable manner
2. The Democratization and Decentralization sub-sector, is responsible for participatory and inclusive governance and service delivery,
3. The Public Resource sub-sector, is responsible for creating enabling environment for economic development
4. The Foreign Relations and International Cooperation sub-sector, is responsible for enhancing foreign relations and development cooperation

3.5.2 Security and Rule of Law

Security and Rule of Law are necessary preconditions for the stability and sustainable development of any country. The term stability, which is interpreted as "peace and/or security" is addressed in this subsector. There are three dimensions to be considered from analysis point of view. First, the level of crime, such as intentional homicide (Murder, internal clash related deaths, and extrajudicial killings), injury, physical assaults, and sexual violence which can serve as an indicator for the existence of violence and can demonstrate the prevailing security status. Secondly, the level of deprivation of rights and privileges. Finally, the root causes of both the existing and likelihood violence, and the plans, strategies and the level of political commitment in place. On the other hand, justice and human rights which is the foundation of stability is also addressed in here. The Somaliland Constitution provides that all citizens will enjoy equal rights and obligations before the law and shall not be accorded precedence on grounds of colour, clan, birth, language, gender, property, status and

opinion.⁵⁰Therefore, the following two sub-sections assessed the status of rule of law in Somaliland.

3.5.2.1 Security

To demonstrate whether Somaliland is on the right path in achieving its National Vision 2030 in general and stability in particular, levels of violence should be assessed. Homicide as the killing of human being by another human being and the worst ultimate outcome of violence, which can be proved both legally and in the common sense; is a good indicator, i.e. the number of homicides per 100,000 population within 12 months (SDG indicator 16.1.1), for the level of security and stability. Homicide⁵¹ can be divided into intentional and unintentional homicide. Inexcusable intentional homicide and unjustifiable unintentional homicide are addressed in this analysis.

According to the Somaliland annual police report, 306 homicides took place in 2016, including 77 murders⁵², 64 skirmish related deaths, and 165 vehicle accident related deaths.

Somaliland murder rate has slightly decreased from 1.8 per 100,000 residents in 2012 to 1.6 in 2016; which equivalent to 12.5% decrease (SDG indicator 16.1.1). However, the number of murders attempts increased from 38 cases in 2015 to 59 cases in 2016, according to the records of the Ministry of Justice, which equivalent to 55% increase in that year.

Conflict related death as the result of the intentional use of power can be measured by the "number of conflict-related deaths per 100,000 population (SDGs indicator 16.1.2). According to the 2016 police report of 100 skirmishes occurred in Somaliland in 2016, mostly in the eastern regions, caused 64 deaths and 75 injuries⁵³ which is equivalent to conflict related death rate of 1.3 per 100,000 residents. The murder and the conflict related deaths can be partly attributed to the unregistered small arms in the public hands.

In 2016, traffic violation accidents caused 165 deaths, 2043 injuries, 1,649 vehicles, 180 building structures; and loss of 5,003 heads of livestock. The road accident death rate slightly increased from 3.4 per 100,000 residents in 2012 to 3.5 in 2016. In number, the road accident related deaths increased from 150 victims in 2012 to 165 deaths in 2016⁵⁴ which is equivalent to 10% increase during the last five years. This rate is almost three times higher than the population growth rate. Police reports pointed out that the poor situation of roads, reckless driving, shortage of traffic signs, low level of traffic law abiding, overloaded vehicles, and one to two lane roads for automobiles, animals, pedestrians, etc. are the primary causes of traffic accidents.

In the aggregate crime level, Somaliland police reported 18,959 cases which is equivalent to crime rate of 5 cases per 1,000 residents. It is a very low crime level. However, this crime level might be underestimated due to the fact significant percentage of the population prefers traditional adjudication over authorities.

Land dispute is one of the key factors which causes conflict related deaths. This is because land is becoming both urbanized, privatized and commercialized. Land dispute partly arises due to lack of harmonized regulatory framework, where formal laws enacted by the parliament, customary law (Xeer) and religious jurisdictions co-exist. To get solution to the pervasive land disputes in Somaliland, Land Dispute Tribunals (LDTs) were established in some of the cities but limited to urban and peri-urban land disputes. In NDPII era, LDTs should be fully-fledged and cover both urban and rural lands disputes.

⁵⁰ Article 8 of the Somaliland Constitution

⁵¹ Homicide can be divided into intentional and unintentional homicides; and each category is sub-divided into excusable and inexcusable homicides. Intentional homicide as the result of the intentional use of physical force or power is legally classified into excusable and inexcusable (Murder); whilst, unintentional homicide is classified into justifiable and unjustifiable (Manslaughter).

⁵² Although, police report stated 71 murders; and the Ministry of Justice record showed 77 murders

⁵³ <http://www.somalilandsun.com/44-government/government/9708-somaliland-national-crime-rate-up-2-in-2016-police-report>;

⁵⁴ <http://www.somalilandsun.com/44-government/government/9708-somaliland-national-crime-rate-up-2-in-2016-police-report>;

In the gender based violence, 16% of the young females (Age 15-30) experience at least one rape violence in their lifetime; as per the Somaliland youth violence baseline.

Table 49: Somaliland Violence Rates

Type of homicide Incidents Reported	2012 (%)	2016 (%)
Number of murders per 100,000)	1.8	1.5
Number of conflict related deaths per 100,000	1.3	1.3
Number of traffic violation related deaths per 100,000	3.4	3.5
Percent of females 15-30 years experienced sexual violence		16

These evidences demonstrated that the physical violence rates is high enough, regardless the low level of murder rate. Therefore, the "primary root causes" and the "intermediate grounds" of this high level of violence, which is a threat to the security and stability need to be addressed.

Kat addiction, low budget appropriation (not aligning budget allocation with the national development priorities) and skyrocketed unemployment and corruption as a result of the existing underpaid public employees could be the root causes of high level violence. On the other hand, according to the Somaliland Youth Violence Baseline Survey conducted by SONYO in 2015, organized crime and high level of physical violence can be attributed to the organized youth violence which recently appeared as an increasing crime and threat to Somaliland's stability and security. This survey demonstrated that 32% of the surveyed youth (Age 15 to 30) committed violence crime. According survey, the key driver towards organized violent youth group membership, 48% ranked "unemployment" as the key motive, followed by 28% as weak family structure⁵⁵. Most likely, the weak family structure is the result of a poor parenting based on the reality of that significant number of fathers spent chewing Kat about 6 hours per day. 45% of the interviewed respondents perceived drug abuse as the major rape trigger, 41% as violent media consumption, and 14% as unaffordable marriage (Dowry) cost as the key rape trigger.

Violent organized youth groups is an increasing trend which post security threat to the country. Worst case scenario is the possibility of transforming these "unemployment and Kat addiction" rooted violent youth groups into uncontrollable global phenomena by the potentiality of connection between these youth gangs and the international violent groups, including terrorist entities, drug dealing rings and other violent groups. Clan-based armed clashes usually sparked by land-based and political dispute is another type of organized crime in Somaliland. For instance, one in 4 of the 1,500 Somaliland settlements experienced at least community-based stability threatening dispute within 12 months; and 75% of these disputes are caused by land dispute⁵⁶, which equivalent to one stability threatening dispute per day due to the fact that land is highly commercialized. As supporting evidence, Somaliland police reported 100 armed communities (Clan-based) clashes in 2016, which took the lives of 64 victims. Similarly, the findings of participatory action research conducted by the Academy for Peace and Development in 2013 labelled the land dispute as one of the major peace challenges in Somaliland.

Table 50: Youth Violence Level, Violence Motives, and Positive Preventive Measures

Youth Violence Indicator	Percent
Violence Prevalence	
Proportion of youth who committed a violence	32
Rape prevalence among young females	16
Major driver towards youth gang membership	
Unemployment	48
Weak family structure	28

⁵⁵ Somaliland Youth Violence Baseline Survey, SONYO and Interpeace, 2015

⁵⁶ Diriye, Ahmed: M&E Consultant at Ministry of Planning: Vision Based Implementation Criteria- research paper presented at the Midterm Review Somaliland Reconstruction and Development Program (RDP), February, 2010,

All other motives	24
Positive Violence Measures	
Job creation for youth	38
Conflict resolution and life skills programs in school	28
After school activities and facilities	17
Other measures	17
Triggers of rape	
Drug abuse (Kat addiction)	45
Violent media consumption	41
Unaffordable marriage (dowry) cost	14

Unemployment is a key criminal motive as can be proved by the observed unemployed offender proportion, which is 3.1 times more than the unemployed victim proportion. In percentage terms, 23.5% of the offenders were unemployed comparing to 7.8% among the victims. Obviously; unemployed person is 3 times more likely to commit a crime than employed and self-employed. On the contrary, crime victims among students are less than half of the offender students as per the index of table. Unemployed persons are the most likely criminals; whilst students are the most likely victims.

Table 51: Employment Status of the Criminal Offenders and Victims in Percent

Employment status	Victims	Offender	Index
Employee	16.4	15.8	1.0
Self-Employed	21.6	25.7	1.2
Unemployed	7.8	23.8	3.1
Student	20.7	8.9	0.4
Total	100	100	

Source: Hargeisa Pilot Criminal Study conducted by Ministry of Interior and DARS, 2011

Obviously, there is no doubt that security is the country's top priority due to the fact of being in a chaotic and insecure region and allocating almost 36%⁵⁷ of the annual budget is grounded to this rationale. As Somaliland devoted the biggest portion of the government budget to security, there is a dire need to raising significant capital budget to economic and social development themes which have direct and indirect impact on security such as unemployment, youth crime, Kat addiction and fight against corruption. Here is where Somaliland needs external development assistance to be up scaled with the aim of avoiding peace and stability to evaporate.

In addition, being in a troubled region poses external security threats to the country. Somaliland's Gulf of Aden Maritime Waters is the forth busiest marine route in the world with a chokepoint at Babel Mandeb, which is not far from Somaliland Coast. With no significant assistance, Somaliland hardly worked and invested much of its resources to ensuring that criminal organizations receive no safe haven at sea or on land. This is aimed at allowing maritime trade, fishing, exploration, transit and other lawful acts can take place within Somaliland's waters in a safe and secure manner and uphold international maritime norms. However, the unstable regional situation triggers Somaliland's Maritime Waters to be threatened by Maritime organized crimes that may include piracy, arms smuggling, human trafficking and terrorist groups. Furthermore, there are potential security threats from the border with Somalia where Al-shabab and likely other organized terrorist groups have still strong hold areas. This is coupled with border conflicts and the efforts of lifting the UN arms embargo on Somalia by the government of Somalia. To continue play its role in the regional stability and achieve its development destination, these factors will take Somaliland to further invest and strengthen its national forces.

⁵⁷Somaliland In Figures, 2015

3.5.2.2 Justice and Human Rights

Somaliland aspires to build a state where all citizens including those in power are equal before the law, and where the rights of every citizen are protected by the law and the law enforcement agents, without discrimination based on ethnicity, clan, color, region, gender, age, political affiliation or belief.

In addition to the security, the level of access to justice and human rights status is an indicator for the prevailing rule of law as stipulated by the SDGs (SDG 16.3) which can lead towards achieving a peace and promote the rule of law. Somaliland's rule of law vision under the Somaliland National Vision 2030, i.e. " build a nation where justice and the rule of law prevails" is also in line with the SDGs targets and the global practice of keeping equal access to justice and defending human rights intact.

Somaliland judicial management has embarked on significant improvement during the recent years. Specifically, public trust has improved where the number of political disputes solved through the courts has increased.

Proportion of victims of violence in the previous 12 months who reported their victimization to competent authorities or other officially recognized conflict resolution mechanisms is an indicator for measuring the level of trust of the judicial system. In this regard, public trust on the formal justice system improved from 32%⁵⁸ in 2006 to 49% in 2016. Furthermore, 71% of the interviewed people were satisfied with the courts services⁵⁹. Although further significant improvement is required on the formal justice system, the evidence shows that reliance on traditional justice system decreased and the formal justice authorities reputation is getting better.

This improvement can be attributed to the recent justice reform in general and introduction of the mobile courts initiative and the legal aid services in particular. The mobile courts initiative is aimed at enhancing equal access to justice for all citizens as enshrined in the constitution. It is particularly designed for those residents who are living beyond the reach of courts services in the districts and rural areas. Courts' services have been provided to all the six regions over the recent past by all different levels of courts ranging from the high court to the district courts through the mobile courts initiative. Legal aid services provided by the local universities and lawyers associations through the coordination of the Ministry of Justice has also significantly enhanced access to justice for the vulnerable groups and the poor.

However there is still a need to further improve the overall public institutions transparency and accountability measures and the government is committed to take these measures in NDPII era.

3.5.3 Democratization and Decentralization

This sub-section envelops the democratization and the decentralization governance, including the equality of high level policy and decision making balance of powers. The clan-based governance system which Somaliland adapted in 1991 has been gradually transformed into democratic governance system. Wider constitutional referendum has been held in 2001 which Somaliland people approved with overwhelming majority. Article 9(1) of the constitution prescribes that *the political system of the Republic of Somaliland shall be based on peace, co-operation, democracy and plurality of political parties*. Since the inception of the Somaliland democratic governance system, two election cycles took place, including two local governments elections in 2002 and 2012, two presidential elections in 2003 and 2010, and House of Representatives election in 2005.

Therefore, assessing the extent on which Somaliland achieved its democratic governance system aspirations, which envisions "*building a democratic, politically stable nation that adheres to the principles of good governance and ensures that all citizens are empowered to choose their leaders and hold them accountable*" is critically important.

⁵⁸Based on the data of Somali Settlement Survey, UNDP in 2006; which analyzed by the Ministry of Planning , 2010

⁵⁹Rule of Perception Baseline Survey, UNDP and MoJ, 2016

According to the findings of participatory action research (PAR) conducted by the Academy for Peace and Development in 2013, gaps and overlap of the election acts, election delays, stunt political parties, clan-based voting attitude, and absence of reliable voter registration are among the major challenges faced Somaliland democracy. Currently, reliable voting registration is in place. The absence of election sustainability measures due to reliance on external assistance and election fatigue are among the other visible challenges on Somaliland's democratization process.

3.5.3.1 Elections and The Political Parties

Political Associations and Parties Law (No 14/2000) states that the three political associations, which harvested the largest proportion of the votes during the local governments election will be promoted as the official national political parties in line with the Somaliland constitution, *article 9(2), which stated that the number of political parties in the Republic of Somaliland shall not exceed three*. Re-opening the formation of the political associations in every decade was incorporated in the recent amendment of law no 14/2000. However, such re-opening the political parties could be a risk to the stability in general, as Somaliland experienced in 2012 due to the violent public demonstrations. According to a public polling survey, more than 60% of the respondents perceived that re-opening political associations in every decade can deteriorate the democratic process in Somaliland as it threatens to the desired cumulative democratic system, because a well-established political party could be out of the political scene at the expense of a new party with no prior experience and capacity. On the other hand, it is widely believed by the public that Somaliland political parties are not democratic in party level which will not also contribute to the development of the democratic governance. Therefore, in achieving its National Vision 2030 Somaliland needs to re-engineer its political parties system.

The Somaliland electoral process is currently facing a number of significant challenges. Election delays area threatening factor for the country's stability and have negatively affected Somaliland's democratic governance credibility in the eyes of the public and the international community. Other challenges include the absence of House of Representatives' Election Act and lack of proper ratio of the House of Representatives regional seat allocation; the absence of long awaited Guurti Election Act; low representation of women and minority groups in the national councils; scattered elections' calendar which creates election fatigue in the public; and clan-based voting attitude; and the external dependence in elections funding, which started 25%:75% contributions from the national budget and international assistance respectively.

However, the Government of Somaliland has already started taking steps to address these challenges. For instance, the incumbent government's contribution to the electoral process increased from 25% to 80% due to the shrinking external support. Other measures will be taken during the NDPII cycle in order to deepen peace, maintain stability and improve democratic governance.

Somaliland became part of the world's annual freedom report produced by the Washington based Freedom House Organization for the first time in 2006⁶⁰; where it scored 4 in the political rights freedom index, a scale of 1 to 7, 1 being the best and 7 being the worst. However, the quality of the local democratic governance has been fluctuating during the last decade in Somaliland due to mainly election delays. In the raw score, Somaliland scored 48% in the political rights, in which the 10 states of Barbados, Canada, Denmark, Finland, Iceland, Netherlands, Norway, San Mario, Sweden, and Uruguay scored 100%; and the 6 states of Eritrea, North Korea, Somalia, Syria, Tibet, and Uzbekistan scored 0%. Even though, its political rights score of 48% (Sum of the actual scores) fell under the half-way of achieving full political rights respect, Somaliland proved better democratic governance system than many countries:

- Scored 76th out of the world's 210 states (195 countries and 15 *defacto* states) in 2017⁶¹,

⁶⁰ Freedom House Organization incorporated Somaliland in the annual world's freedom report in 2007 based on research paper produced by Ahmed M. Diriye and Professor Trevor Brown of Ohio State University; in which they presented at the Somaliland Development Conference held in Washington, DC in September, 2006

⁶¹ <https://freedomhouse.org/report/freedom-world/2017>

- Outsmarted all IGAD member states, except Kenya;
- Outsmarted all Arab League member States, except Tunisia and Comoros;
- Scored 31st out of the 55 members states of the African Union (AU), and
- Outsmarted two of the five super powers, China and Russia.

Table 52: Somaliland Political Rights Freedom Score, 2007 to 2017

Score (1 to 7, 1 being the best and 7 being the worst)	Year
4	2007
4	2008
5	2009
5	2010
4	2011
4	2012
4	2013
4	2014
4	2015
5	2016
5	2017

Freedom index score of 1 to 2 is labelled as FREE, 3 to 5 as PARTIALLY FREE, and 6 to 7 as NOT FREE⁶²

The media sector (Radios and TVs; Printed and Unprinted) plays a vital role and has a catalytic effect in the country's overall development in general and governance in particular. Somaliland's constitution and the media law clearly guarantees the freedom of expression by recognizing that the establishment, advancement and development of an effective and free media is necessary for the realization of the exercise of freedom of expression and democracy. The freedom of the press not only provides a venue for citizens to express their opinions but also plays a permanent role in the protection of the rights of all persons, and in the advancement of democratic traditions; whilst at the same time providing citizens opportunities to express informed views about the various significant issues and to state their opinions about how the affairs of the nation are conducted. Press outlets play a critical role in state-society relations and citizen engagement in national matters. Media promotes good governance and the democratization process.

Somaliland has good reputation in press freedom and the freedom of expression. Media coverage and access to information by the public can be ranked as one of the highest in Africa. All types of media outlets such as Radios, TVs, Newspapers, Magazines, Websites, Social Media, etc. operate in Somaliland.

However, there are significant challenges to be addressed in NDPII era. There is a frequent frictions arise between the government and the private media operators which can be attributed to the existing weak policies and regulatory framework, low professionalism and ethical standards and lack of proper remuneration in the media sector. Commercialization of the press is also a critical challenge which sometimes compromises neutrality of the media and the professional quality. Media outlets sometimes propagate news items which threaten the national security and the political stability. These frictions sometimes end up with arbitrary detentions. Therefore, the current situation demands urgent reform and large scale capacity building schemes for the media sector.

3.5.3.2 Decentralization

As enshrined in the constitution, Somaliland has decentralized governance system. Districts are given the primary responsibility of service delivery where local communities and the civil society have a role to play in the decision making process of setting out the development priorities. The National Vision 2030 aspires achieving country's development goals through decentralized manner.

⁶² <https://freedomhouse.org/report/freedom-world>

Several decentralization and local government improvement initiatives have been established and implemented during the last decade. Among them is the decentralization champion office led by the Vice President and the UN Joint Program on Local Governance and Decentralization Service Delivery (JPLG), which aims to strengthen local governance and enhance decentralized services. The overall objective was to promote improvements in local governance quality that can contribute to peace consolidation, development and equitable service delivery. These initiatives help local governments address the fundamental challenges of weak institutional capacity and improve service delivery to the public. It is meant to be a comprehensive approach to rendering local governments as credible and professional service providers, increasing public investment in basic services, and strengthening civic awareness and participation in local decision-making and development.

Decentralization of service delivery, i.e. primary education, health, and water and sanitation has been piloted in Borama, Berbera, Burao, Gabiley and Odweyne districts. Natural resource management has also been decentralized to community level in some of these districts. This pilot could serve as the foundation of a fully fledged and country-wide decentralization.

In line with the national decentralization policy, these decentralization programs improved the local governments institutional and infrastructural capacity as well as the public awareness raising. However, the implementation process was weak and yet to fully materialize. This can be attributed to the weak political commitment and the existing bureaucratic inertia, both of which got in the way of full devolution⁶³.

Furthermore, the working relations and the coordination mechanisms among the key stakeholders involved in the decentralization process is weak. Ministry of Interior in collaboration with the champion office under Vice President and the Inter-Ministerial committee for local governments and Decentralization of service delivery leads the decentralization process and coordinates the formulation of district development frameworks and plans. On the other hand, Ministry of National Planning and development leads the national and regional planning processes. These two planning levels are currently almost disconnected which jeopardizes the optimal utilization of the available meager resources. Internal Affairs Committees of the two legislative houses, the National Election Commission (NEC) and the three political parties are also key players in decentralizing democratic governance. These key stakeholders are required to coordinate their efforts in this plan period (2017-2021) so that the decentralization policy could be effectively implemented.

3.5.4 Public Resource Governance

Public resource governance system can be classified into resource generation, public resource appropriation and overseeing perspective; and therefore, each of the following three sub-sections has reviewed one of these areas.

3.5.4.1 Public Resource Generation

Public resource generation covers both domestic revenue, community fund raising and international aid (in-cash and in-kind). Domestic revenue generation through tax is the primary source of income for both the central and local governments. The tax revenue is only 6% of the GDP, which is 3.3 times less than the 20% in Djibouti and 2 times less than Ethiopia's 12%. This low tax revenue can be attributed to prevailing low and flat tax rate (only 6%) which is very low to the higher income earners; weak tax collection capacity; and corruption in the tax regime. In the tax collection capacity, the payroll tax on the government employees and the road tax on the vehicles are mainly the only tax items collected in full scale but sales tax and value-added tax is almost absent. The depth of the corruption of the existing tax collection system is proved by the facts of that 35% of those who seek services from the taxation authorities paid bribe. In addition, there is no functional tax compliance overseeing system currently in place.

The estimated international aid that Somaliland receives is roughly about USD 120m to USD 135m per annum but aid coordination and management capacity is very limited. Aid information management

⁶³ Academy of Peace and Development, Decentralization Pillar Participatory Action Research in 2013

system which is critically important for resource distribution and allocation is almost absent. This situation makes difficult to measure effectiveness of aid. Governing the community based fund raising activities for implementing community development projects which end up to have cost implication on the government is also absent.

3.5.4.2 Public Resource Appropriation

As a universal culture, national resource allocation should be based on the national priorities which keep changing over time. Proper public resource governance enables nations to utilize their resource in an optimal manner. In Somaliland, Ministry of Finance has the primary and the complete discretion of the national budget appropriation through the approval of the cabinet and the House of Representatives. Revenue generation and budget appropriation (aligning national budget to national priorities) decision making under one institution (Ministry of Finance) could be a major challenge to the required check and balance function of the state in resource utilization. Principally, the National Development Plan, which is the important guiding framework over the economic development strategy of the nation should be the foundation of the budget appropriation. Currently, absence of this linkage is a key challenge.

One of the main challenges is that the current Somaliland budgeting is "**incremental based budget model**", in which the share of budget for each governmental institution in a given depends on its budget share in the preceding year as a baseline; which can be increased or decreased annually proportional to the total revenue increase or decrease. In an "**incremental based budget model**" is to allocate these institutions a budget share equal to their budget shares in early periods; while taking neither institution's contribution to the national development priorities, nor its performance into account.

Currently, the important sectors of the economy which generate the biggest share of the GDP receive minimum share of the annual budget, which poses a concern on the appropriation of government's budget. For example, livestock, trade, farming, and forest production are the four-major county's economic sources, which contributed to GDP by 63%. Specifically, the livestock alone contributed to GDP by 30%; followed by the trade sector by 20%, farming by 8%, and forest by 5%. These sectors are the major sources of income for the Somaliland population as well⁶⁴ but receive only 2% out of the total budget.

Table 53: GDP Contribution and Budget Shares of the Priority Sectors (%)

Key economic sectors	GDP Contribution	Major source of income	Budget share
Livestock	30	57	0.6
Trade	20	16	0.5
Crop	8	25	0.4
Forest	5	-	0.5
Total	63	98	2

Source: GDP data is based on World Bank estimate (2014) and budget figures are based on SLIF, 2015

The 30.6% of the national budget allocated to the 8 public institutions responsible for the public resource management (see table below) is very expensive delivery cost. In addition, Ministry of Finance receives 27% of the national budget (including 5% directly allocated to the Ministry of Finance and 21.9% to the General Treasury Fund managed by the Ministry of Finance).

⁶⁴ Based on the UNDP's 2006 Settlement Survey Data, which was analyzed by the Ministry of Planning in 2010

Table 54: Management Delivery Cost in Percent

Public Resource Governance	Budget share (%)
1. Ministry of Finance	5.0
General Treasury Fund managed by Ministry of Finance	21.9
2. Accounting General's Office	0.37
3. Ministry of National Planning and Development	0.32
4. Civil Service Commission	0.79
5. Quality Control Commission	0.17
6. Good Governance and Anti-Corruption Commission	0.19
7. Auditing General's Office	0.37
8. Ministry of Foreign Affairs and International Cooperation	1.5
Total	30.6

Source: Somaliland In Figures, No 13, 2015

On the other hand, there is a weak frameworks and systems for strategic management and appropriation of the public sector workforce. The public sector wage bill has gradually increased in recent years and limited the fiscal space for capital investments. The total wage bill increased from USD 46 million in 2012 to USD 65 million in 2014. Somaliland's wage bill represents 3.6⁶⁵ percent of the total estimated gross domestic product (GDP) and more than 50 percent of total government expenditure. Weak establishment controls permit new employee hires without first securing approval for the creation of new posts. Without a functioning HR database, the government is forced to take decisions based on incomplete or dated employee census numbers and profiles of its civil servants. As a result, strategic management and deployment of staff across government institutions is largely nonexistent and the risk of ghost workers is high. The absence of reliable records for its public service also limits the government's ability to analyse and implement reform options, notably on pension policy design. The absence of a functioning pension scheme has limited the government's capacity to retire staff and thus create the space for recruiting fresh talent into the civil service.

HRM capacity across the government is inadequate and policy regulations and procedures are largely nonexistent. Recruitment and appointments are characterized by nepotism and influenced by political or personal considerations. The CSC currently has limited capacity to ensure a competitive and transparent selection process and line ministries are able to hire temporary workers outside the formal recruitment process. Written procedures and mechanisms for HRM such as recruitment, promotion, disciplinary action, and termination are inadequate.

⁶⁵While Somaliland's wage bill/GDP ratio is lower than the Sub-Saharan Africa average of 7–8 percent its wage bill/expenditure ratio of 50 percent is substantially higher than the SSA average of 26 percent.

3.5.4.3 Public Resource Performance Oversight

Auditing General's Office is responsible for overseeing and investigating all the governmental budget execution. Although Auditor General's Office conducts some auditing activities, usually these auditing process relies on the paper work compliance procedure. While there is a need of tracing the actual public budget expenditure and its outcome. In addition, there is no policy, procedure and processes for public asset registration system (Public Inventory System), and there are no public records to know and trace public assets generated by the governmental budget expenditure. The capital investment made by the international aid and local community development and humanitarian contributions are not also audited.

Civil Servants are the life blood of any functioning government and its performance is tied up to their capacities and competencies. There is a wide spread perception by the public of which the government recruitment process is not formal and merit based but based on kinship relations and clan affiliations which kills meritocracy and competency in the public sector. There is also gender inequality in the public sector as only 19% of the civil service force is female.

There is a wide perception and believe that political affiliation influences are strong on the public resource governance decision making. In addition, systematic oversight system on all the public resource distribution by region, district, gender, clan, etc. is weak. Such weakly regulated public resource distribution is inequality prone, which can lead towards certain population segments benefiting the public resource and consequently towards a resource-based violent conflicts.

3.5.5 Foreign Relations and International Cooperation

Somaliland has a long history that goes back thousands of years. 10,000 year old Neolithic paintings in Las Geel, near Hargeisa, the capital, show that Somaliland was home to the earliest civilizations in the world. Somaliland, as part of the Land of Punt was a major trading partner with ancient Egyptians as records during the reign of Sahura of the Fifth Dynasty around 2250 BCE indicate. The coastal cities of Zeila, Berbera and Maydh were deeply involved in spice trade with the Romans. In the 7th century, Islam was introduced to Somaliland, and by the 13th century had a thriving Islamic sultanate, Adal, whose main port was Zeila. But the modern history of Somaliland started in the 19th century.

1870 - The Egyptian flag was hoisted at Bulhar and Berbera, and Egyptian authority over Somaliland was recognized. Feb, 1884 - Britain occupied the former Egyptian Somaliland, where Egyptians were forced to withdraw from Somaliland due to the Mahdi Rebellion in the Egyptian Sudan. July, 1887 – The British Somaliland Protectorate was established. Major A. Hunt of Great Britain, representing his government, drew up protection treaties with several Somaliland clans guaranteeing them military support, in case of attack from other neighbouring territories, which were occupied by other Europeans. As a result of these treaties, Great Britain sent its Consuls to the Somaliland coastal towns of Berbera, Bulahar and Zeila. Aug, 1940- Mar, 1941 – Italy occupied British Somaliland.

April, 1960 - The Legislative Council of British Somaliland passed a resolution requesting independence. May, 1960-the British Government stated that it would be prepared to grant independence to the protectorate of British Somaliland. June 26, 1960 - British Somaliland protectorate obtained independence as the State of Somaliland with its own governance system.

July 1st, 1960 – the State of Somaliland united with the Trust Territory of Somalia on its independence day to form Somali Republic. June, 23, 1961- The majority (63%) of the people of the State of Somaliland voted against the unitary constitution in a referendum. Dec, 1961 – A group of army officers staged a rebellion against the government to reinstate Somaliland independence. April, 1981 – Somali National Movement (SNM) formed. After long struggle, Jan, 1991 – Somalia government collapsed.

April-May, 1991 – Burao conference was held in which Somaliland reclaimed its Sovereignty. Jan-May, 1993 – Borama national Reconciliation Conference was held and the National Charter was adopted. Oct, 1996-Feb, 1997 –Somaliland Communities Conference was held in Hargeisa and an interim constitution was adopted. May, 2001 – The Constitution of Somaliland was overwhelmingly (97%)

approved in a referendum. Since multi-party system and democratic governance is adapted in the constitution, Dec, 2002 – Local municipal elections were held. April, 2003 – First presidential election was held. Sep, 2005 – First parliamentary elections was held. June, 2010 – Second presidential elections was held.

Somaliland has an indisputable legal case to be recognized. It fulfils all the requirements of statehood in international law including permanent population, defined territory, stable system of Government and the capacity to enter into relations with Sovereign States.

Somaliland comprises the territory, boundaries and people of the former British Somaliland Protectorate defined and delimited by the provisions of the following international treaties:

- The Anglo-French Treaty of 1888
- The Anglo-Italian Protocol of 1894
- The Anglo-Ethiopian Treaty of 1897

Somaliland's declaration of independence is predicated upon these well defined boundaries at independence, which is consistent with the Constitutive Act of the African Union (Article 4.b.), which affirms the Union's "respect of borders existing upon achievement of independence". Somaliland's borders upon achievement of independence were those of the British Somaliland Protectorate, not the Somali Republic. Somaliland's independent status therefore represents the dissolution of a voluntary union between sovereign states, not an act of secession.

Currently, Somaliland enjoys a de facto recognition as it entered bilateral and multilateral agreements with sovereign states, inter-governmental organizations, international organizations and foreign companies. It has 25 (19 nominees and 6 honorary) representatives and maintains many offices that carry out consular functions in significant number of countries. There are also considerable number of countries who have consulates in Somaliland. Currently, not less than 15 countries accept Somaliland's Passport. Since 1991, Somaliland has continued to pursue a foreign policy that is based on universal principles such as promotion of peaceful coexistence, adherence to the Charters of the United Nations and the African Union, and other international laws and protocols. As a result, Somaliland has entered into formal and informal cooperative arrangements with significant number of states and various intergovernmental organizations. The cooperation has covered a wide range of issues, including security such as terrorism and piracy, trade, immigration and development assistance. In line with its new status, Somaliland is invited to attend international and regional conferences and forums, a sign of its de facto recognition as a member of the international community.

Over quarter of a century, Somaliland has been seeking an international de jure recognition. In the NDP II era, achieving recognition, strengthening bilateral and multilateral cooperation on cultural, economic, security, diplomatic and political spheres is a top priority to pursue.

3.5.6 Polices, Reforms and Legal Framework

Since the current government came in power, it has either initiated or strengthened several key reforms in the Governance Sector for the realization of the Somaliland National Vision 2030 by aspiring achieve good governance in all spheres. Judiciary sector reform, security sector reform, civil service reform and the public financial management reform are the major ones which are currently underway.

Judiciary sector reform has significantly taken effect. One of the major initiatives instigated by the incumbent government is the establishment of the Law Reform Commission(LRC) in August 2009. The main task of Somaliland's Law Reform Commission is to carry out a process for improving continuously the laws of the land. This task entails the enactment of rigorous and continuous assessment, updating, and modernization of national statutes. The process of statutory review generally involves identifying and weeding out laws or statutory provisions that have become obsolete or redundant, i.e. laws or statutory provisions that are no longer in use or have been superseded by new legal provisions. The LRC coordinate its activities with those of law reform bodies

and institutions in other countries of the region and beyond by way of consultation and interaction. This collaborative effort is to facilitate the exchange of consultation papers, reports, and other relevant information.

Recently, Somaliland people witnessed the outcome of the judiciary reform. As an evidence, several political disputes were solved through the Supreme Court, in which the verdict was in favor to the opposition parties for the first time since 1991. This means, public confidence on country's justice system is significantly restored. However, long way is ahead to achieve the intended impartial, accountable, and transparent justice in Somaliland; where police misconduct, poor investigation and proceeding, and corruption are yet to address in full scale.

Security sector reform has also been devised by the current government with the aim of deepening peace and stability for achieving the Somaliland National Vision 2030. Reforming and/or developing critical security sector laws and regulations; addressing institutional weaknesses of the national security establishment through focused capacity building initiatives, including building security infrastructures, enhancing professional skills, and providing essential equipment; strengthening border controls of illegal immigrants; Improving good governance, enhancing transparency in financial management, service delivery, and combating corruption in the security sector; promoting effective demobilization and reintegration initiatives for ex-combatants, clearing remaining land mine fields and deterring external security threats posed by insurgents, extremists, piracy, illegal fishing by foreign fleets, immigration, etc. are among the priority areas the security sector is addressing.

Regulatory framework has been developed and ratified to regulate small arms. Over 15000 light arms is currently registered and functioning district level community safety and security committees have been established. These initiatives are among the achievements made. However, there is still long way to go in modernizing the institutions in the sector to enhance their performance for deepening peace and stability.

Civil Service and PFM Reform: Improving public service delivery and macroeconomic management in Somaliland requires the support of an effective civil service, alongside a well functioning PFM system. As the government increases its domestic revenue, it will not only need to establish a functioning PFM system but also improve the capacity of its civil service for managing resources effectively and transparently for service delivery. Weak management and poor capacity in Somaliland's civil service have become bottlenecks for the delivery of public services and improved macroeconomic management.

Responding to the inadequate capacity for managing workforce and human resources more effectively is the ultimate objective of the civil service reform. This reform is particularly addressing the weak establishment controls and the absence of a pension system, the inability of Ministries, Departments, and Agencies (MDAs) to perform core functions, and weak systems for policy formulation and monitoring. With the help of the World Bank and the donor countries, this reform has just started to be fully fledged to deliver the intended results in NDP II era. On the other hand, in order to improve public resource management, the government is currently undertaking a PFM reform program which aims to increase domestic revenues and enhance transparency and accountability. The program has already seen notable successes as most of the PFM acts have been approved by the parliament and FMIS for automating government financial system has been launched. The success of this reform will increase the ability of the Somaliland revenue authorities to increase tax revenue and implement revenue reform policy changes. There are signs that this reform program is beginning to bear fruit with a rise in revenue from sources other than international trade taxation.

Table 55: Summary of Laws and Policies Related to Governance

No	Policies	Existing	Requiring Amendment	Under Process	Missing
1	Child diversion policy	X			
2	Legal Aid Policy	X			
3	Children's justice policy			X	
4	Legislative drafting policy			X	
5	Marriage policy			X	
6	National Justice policy				X
7	Public notary policy				X
	Mine policy				
	Acts				
1	Anti-corruption Act	X			
2	Anti-piracy Act	X			
3	Demobilization and rehabilitation act	X			
4	Family Act	X			
5	Good Governance Commission Act	x			
6	Human Rights Commission Act,	x			
7	Judiciary Organization Act	X			
8	Juvenile Justice Act	X			
9	Lawyer's act	X			
10	Mine Act	X			
11	National Intelligence Act	X			
12	NGOs Act	X			
13	Prisoner extradition Act	X			
14	Public Notaries act	X			
15	Public Order Act	X			
16	Quality Control Commission Act	X			
17	Small arms restriction act	X			
18	Statistical Act	X			
19	Voter Registration Act	X			
20	Election Commission Act		X		
21	Ma'dum act		X		
22	Political parties act		X		
23	Presidential and Local Governance Election Act		X		
14	Public Financial Management Act	X			
25	Labour Act		X		
26	Auditing Act	X			
27	FGM Act			X	
28	Human trafficking and smuggling act			X	

29	Law Reform Commission Establishment Act			X	
30	Legal Aid Act.			X	
31	Ministry of Justice Establishment Act			X	
32	Police Act			X	
34	Sexual Offense Act			X	
35	Tax Reform Act			X	
36	Planning Act				X
37	Decentralization Act				X
38	Guurti-Elders House Election/selection act				X
39	High judicial commission establishment act				X
40	Intellectual property act				X
41	Legislative drafting act				X
42	Marriage act				X
43	National Child Act				X
44	Property Act				X
45	Term Extension Act (Elected Positions)				X
	Codes and Regulations				
1	Judges and prosecutors Code of Conduct.	X			
2	Lawyers Code of Conduct	X			
3	Legal aid code of conduct	X			
4	Community diversion guideline	X			
5	Civil Code		X		
6	Civil Procedures Code		X		
7	Criminal Procedures Code		X		
8	The Penal Code		X		
9	Parole regulation			X	
10	Qadi code of conduct			X	
11	Lawyer's Regulations				x

3.5.7 Regional Overview

As per the participatory and the bottom-up process of the NDPII, a town hall meetings were held in all 6 regions for representatives from the public and private institutions, traditional leaders, women's and youth organizations.

The objective was to gather qualitative data on the regional specific challenges and opportunities in all the development sectors as well as seeking their respective inputs for prioritization. Poorly trained and underpaid government employees was the major governance challenges listed by all the regions. As a result, deprived justice system and human rights were prevailing in all the regions of Somaliland. Absence of decentralized governance system was also mentioned.

Also, high level of illegal immigrants from the neighbouring countries were another listed challenge due to the long international border, which is not easy to control with the current limited capacity of

immigration and security forces capacity. Good security status in all the regions and the existence of a functional government institutions were the two opportunities listed in all regions except for Sool region, where insecurity was among the challenges.

There is a wide spread public concern over the prevailing skyrocketed unemployment, specifically among the youth, which is a threat to the local security throughout the regions. Vehicular accident was listed as a major safety challenge.

3.5.8 Governance Sector Results Based Management

Governance Sector Vision

A State Where the Rights of Citizens are protected by Democratic, Transparent, Accountable, Effective and Efficient Public Institutions

Governance Sector SDGs

SDG1

End poverty in all its forms, everywhere

SDG5

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SDG10

Reduce inequality within and among countries

SDG16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

SDG17

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

3.5.9 Governance Sector RBM Matrix

Table 56: Governance Sector's RBM Matrix – SDG1

SDG1: End poverty in all its forms, everywhere				
Outcomes	Indicators	Baseline (2016)⁶⁶	Final Target (2021)	Priority interventions
1. By 2021, Government of Somaliland will ensure that all men and women in particular, the poor and the vulnerable, have equal rights to economic resources	1.1. Percentage of population believes employment opportunities are fair and equal by characteristics	1.1. 10%	1.1. 50%	- Devise income generation programs- Enhance labour market relevant skill trainings for susceptible groups - Develop and adapt effectively non-discriminatory laws, policies and strategies (e.g. labor law, tender policies)
	1.2. Percentage of people got job with merit based approach	1.2. 5%	1.2. 100%	

Table 57: Governance Sector's RBM Matrix – SDG5

SDG5: Achieve gender equality and empower all women and girls				
Outcomes	Indicators	Baseline (2016)⁶⁷	Final Target (2021)	Priority interventions
1. By 2021, significantly reduce all forms of discrimination against all women	1.1. Legal framework in place	1.1. Non existent	100%	- Develop/ implement legal frameworks to promote, enforce and monitor equality and none-discrimination basis of sex and economic status
	1.2 Number of violations against women reported			
	1.3 Number of corrective actions			

⁶⁶ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

⁶⁷ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

	devised for protecting women rights			
2. By 2021, increase and promote the number of female workers in leadership positions in the public sector to 20%	<p>2.1. Proportion of seats held by women in national parliaments and local governments</p> <p>2.2. Proportion of women in managerial positions in the public sector</p>	<p>2.1. 0.6% house of elders, 3.5% local</p> <p>2.2. 3 female ministers, 1 DGs, 5 Female Prosecutors, the Head of Somaliland Human Rights Commission</p>		<ul style="list-style-type: none"> - Empower and encourage women's participation of political parties and sufficient representation in the candidates - Increase women managerial positions in public institutions - Enhance public awareness on women's participation in decision making processes - Establish and promote tailored trainings for women - Promote scholarship opportunities for women - Mainstream gender issues into all policies and in the public sector

Table 58: Governance Sector's RBM Matrix – SDG10

SDG10: Reduce inequality within and among countries				
Outcomes	Indicators	Baseline (2016)⁶⁸	Final Target (2021)	Priority interventions
1. By 2021, achieve equal rights for all regardless of clan affiliation	1.1. Proportion of population reported they have met discrimination in work, judicial system, elections and decision	1.1. Not available	1.1. TBD	<ul style="list-style-type: none"> - Establish and institutionalize anti tribalism initiatives - Build public confidence on the official

⁶⁸ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

	making due to clan affiliation			<p>governance through civic education and protecting and promoting individual rights/ integrity</p> <ul style="list-style-type: none"> - Dis-encourage and dis-incentivise clan based politics - Minimize negative influence of traditional elders in politics
2. By 2021, Government of Somaliland will ensure orderly, safe, regular and responsible migration and mobility of people for both inflows and outflows	2.1. Policies, laws and Strategies passed and ratified in regard to migration	2.1. Not available	2.1. Policies, laws and strategies completed	<ul style="list-style-type: none"> - Develop/ implement and strengthen immigration policy and legal frameworks - Develop and adapt anti human trafficking and smuggling policy and act - Reduce all forms of human trafficking and smuggling - Strengthen mix migration task force - Build the capacity of the immigration institutions

Table 59: Governance Sector's RBM Matrix – SDG16

SDG16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels				
Outcomes	Indicators	Baseline (2016)⁶⁹	Final Target (2021)	Priority interventions
1. By 2021, reduce 50% of all forms of violence and related death rates everywhere	1.1. Victims of intentional homicide per 100,000 by sex and age 1.2. Clan conflict related deaths per 100,000 by sex and age 1.3. Proportion of population subjected to physical, psychological, or sexual violence in the previous 12 months	1.1. 1.5 1.2. 1.3. 60%	1.1. 0.75 1.2. 0.65 1.3. 30%	- Devise cooperation and collaboration of all justice and human rights institutions - Devise land dispute measures - Build the capacity of police forces and custodial corps - Strength and improve the capacity of justice system - Adapt modern technology to detect violence appropriately
2. By 2021, increase effectiveness and efficiency of rule of law at the national level and ensure equal access to justice for all by 70%	2.1. Proportion of victims reported experienced violence to the authorities in the past 12 months 2.2. Proportion of un-sentenced detainees as overall prisoners 2.3. Proportion of population satisfied with their last experience of public services	2.1. 32% 2.2. Not available 2.3. Not available	70%	- Strengthening internal justice and judiciary affairs - Improving other monitoring mechanisms of related institutions (e.g. Human Rights Commission, High Judiciary Commission, Ministry of Justice, etc) - Develop the working relations of the Ministry of Justice and the judicial organs act - Capacitate the legal professionals

⁶⁹ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

				<p>Promote community legal awareness and access to justice (legal aid services)</p> <ul style="list-style-type: none"> - Capacitate the parliamentary functions and oversight and application for the ratified acts and law enforcement - Improve the coordination and supervision of all public institutions in justice and judiciary system
3. By 2021, reduce the level of homicide and injuries emanating from illegal possession of small arms and light weapons by 50%	<p>3.1. Number of small arms and light weapons in the hands of people with no legal documents</p> <p>3.2 Number of deaths and injuries caused by illegal small and light weapons possession.</p>	<p>3.1. Not available</p> <p>3.2. Not available</p>	<p>3.1. TBD</p> <p>3.2. TBD</p>	<ul style="list-style-type: none"> - Reduce the possession of illegal small arms and light weapons through improving and strengthening a robust arms registration system - Raise awareness and educate the public to the existing laws and policies related to small arms and light weapons - Review/amend the existing applicable laws - Control the sources of small arms supply and distribution system - Capacitate the police, immigration, coastal guards and national army forces to protect and control illicit small arms and light weapons
4. By 2021, reduce of all forms of organized crime by 50%	4.1. Number of deaths caused by organised crime	4.1. Not available	4.1. 50%	<ul style="list-style-type: none"> - Strengthening crime prevention institutions capacities

	4.2. Number of people experienced organised criminal attempts (robbery, assassination, etc)	4.2. Not available	4.2. 50%	<ul style="list-style-type: none"> - Raise public awareness about organised crimes - Initiate and implement policies, laws and strategies to combat organised crimes - Develop cross border partnership cooperation
5. By 2021, Somaliland will have maritime security policies, laws and institutions in place and can assert control and sovereignty over its maritime domain	5.1 Number of maritime security policies, laws and Institutions in place	5.1 Number of policy and regulatory framework in place	5.1 Policy and regulatory framework completed	<ul style="list-style-type: none"> - Devise a comprehensive National Maritime Policy and prepare strategic plan to implement policy - Establish National Maritime Security Coordination Committee - Establish Somaliland Maritime Authority - Pass and enforce new Maritime code and appropriate maritime legislation to deal with maritime security threats - Strengthen cooperation and collaboration with international and multilateral maritime forums - Ensure adequate security for all Somaliland ports (Berbera Port in particular)

				<ul style="list-style-type: none"> - Improve and develop Maritime Domain-related Infrastructure and facilities (including Maritime University), - Recruit and train suitably qualified maritime sector staff
6. By 2021, achieve zero tolerance of corruption and bribery	6.1. Number of officials prosecuted and sentenced for corruption 6.2. Proportion of persons who had at least one contact with a public official and who paid a bribe in the past 12 months	6.1. 5 persons ⁷⁰ 6.2 17% ⁷¹	6.1. TBD 6.2. TBD	<ul style="list-style-type: none"> - Formulate strong policies, laws and strategies for zero tolerance against corruption - Enhancing the oversight capacity of public institutions (e.g. auditing, anti corruption, good governance, and parliamentary committees, etc.) - Building the capacity of the judiciary and police for convicts - Ensure respect the independence and the legal checks and balances of the state organs Introduce and strengthen Ombudsman
7. By 2021, Develop effective, accountable and transparent public institutions at all levels	7.1. Proportion of the population satisfied with their last experience of public services	7.1. 71% ⁷²	7.1. 80%	<ul style="list-style-type: none"> - Establish and promote performance audit and evaluation systems

⁷⁰This data is only for the Judiciary Sector

⁷¹This data is only for the Judiciary Sector

⁷² Ibid

				<ul style="list-style-type: none"> - Devise programs on public attitudinal change on corruption issues/incidences - Promote coordination and collaboration of public institutions on promoting accountability and transparency
8. By 2021, the Government of Somaliland will ensure that 100% of public workers are recruited through the formal and merit based process	8.1. % of public employees recruited through the formal and merit-based approach	8.1. Not available	8.1. 100%	<ul style="list-style-type: none"> - Review civil service law and the recruitment procedures in the public sector - Develop human resource policy and manpower planning strategies for the public sector - Raise awareness for the public sector decision makers focusing on merit based recruitment processes
9. By 2021, review the structure and the functions of public institutions by 100%	9.1. Number of institutions undertaken functional review	9.1. Not available	9.1.100%	<ul style="list-style-type: none"> - Review the functions and structures of all government institutions - Ensure the enforcement of the new functions and structures
10. By 2021, Somaliland will reform country's budget model and budgeting processes	10.1. Reformed budget modality and budgetary processes	10.1. Not available	10.1. Budgetary modality reformed	<ul style="list-style-type: none"> - Review and devise appropriate national budget modality and budgetary processes - Ensure that the PFM reform is implemented in fully-fledged manner to improve budget management, financial control and financial

				<p>reporting mechanisms of the Government of Somaliland</p> <ul style="list-style-type: none"> - Amalgamate National Budgetary Committee and National Planning Committee - Review the national budgeting policy and processes (Fiscal transfer) - Harmonize national planning and budgeting processes - Devise community engagement and public hearing of the budgetary process
11. By 2021, enhance public/community participation in decision making process of all national matters	11.1. Percentage of people consulted regarding public service provisions	11.1. Not available	10.1. TBD	<ul style="list-style-type: none"> - Decentralize service delivery and devise proper community engagement in decision making - Develop community engagement policies and strategies in all levels(service delivery) - Strengthen and improve the communications channels/mechanisms for informing public awareness on community participation in decision making

12. By 2021, develop national communication policies and strategies for promoting access to information and community engagement	12.1. Number of policies and strategies developed and ratified	12.1. Not available	12.1. Policies and strategies completed	<ul style="list-style-type: none"> - Develop national communication policies and strategies - Amend/develop and enforce regulatory framework for national communication issues - Devise public awareness programs on national priorities
13. By 2020, amend and develop media sector regulations and develop media quality Standards	13.1. Number of regulations amended or developed and quality standards developed	13.1. Not available	13.1. Regulations and standards developed	<ul style="list-style-type: none"> - Review and strengthen media regulatory framework - Develop national media quality standards and certification programs - Devise reform and capacity building programs for the media sector - Establish independent national press commission - Protection of Journalists' legal rights
14. By 2019, increase the percentage of citizens with national ID (i.e. regions, districts, rural and urban, gender, and ages) to 50%	14.1. Proportion of citizens hold national ID	14.1. 0.615 million	14.1. 50%	<ul style="list-style-type: none"> - Amend and develop citizenship and registration legal framework - Establish and strengthen national civil registration system including (national ID, birth, marriage, divorce and death certificates) - Establish independent national citizenship and civil registration commission

15. By 2021, Government of Somaliland will reduce human rights violations through devising robust human rights violations monitoring systems and mechanisms	15.1. Human rights violations disaggregated by number of people kidnapped, tortured, enforced disappearance, killed, suffered arbitrary detention per 100,000	15.1. Not available	15.1. TBD	<ul style="list-style-type: none"> - Reduce arbitrary detention cases and other human right violations in accordance with national legislation and international agreements. - Strengthen human rights protection mechanisms and law enforcement - Amend and harmonise human rights protection regulatory frameworks - Develop power separation regulatory frameworks - Develop Constitutional and Supreme Courts acts - Upgrade the certification systems of law professionals and recruit merit students into law schools - Strengthen the human right commission capacity to monitor the fundamental freedoms of citizens in accordance of national legislatives - Promote public awareness on fundamental rights and responsibilities
16. By 2021, eliminate all forms of terrorism and piracy crimes to zero	16.1. Number of terror attempts protected and recorded 16.2. Number of people detained and sentenced for terror	16.1. 0% 16.2. Not available	16.1. 0% 16.2. 0%	<ul style="list-style-type: none"> - Strength border control infrastructure - Capacitate national army for border control - Strengthen coastal guards, immigration department, intelligence

				apparatus and counter terrorism units
17. By 2021, significantly reduce all forms of discrimination against all women	17.1. Legal framework in place 17.2 Number of right violations against women reported 17.3 Number of corrective actions devised for protecting women rights	17.1. Non existent 17.2. Not available 17.3 Not available	17.1. 100% 17.2. TBD 17.3 TBD	- Develop/ implement legal frameworks to promote, enforce and monitor equality and non discrimination basis of sex and economic status
18. Eliminate national and local election delays to zero	18.1. Term extension duration in months by elected body and total	18.1. Guurti: 200 HoR: 96 President: 23 Local: 11	18.1. Guurti: 0 HoR: 0 President: 0 Local: 0	- Review, harmonise, and amend election acts to be combined into one election law (NEC, HoR, Guurti, and local election acts) and adapt in full terms

Table 60: Governance Sector's RBM Matrix – SDG17

SDG17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development				
Outcomes	Indicators	Baseline (2016)⁷³	Final Target (2021)	Priority interventions
1. By 2021, develop civil service quality standards and certifications for competence measurement	1.1. Number of quality standards and certifications developed	1.1. Not Available	1.1. 100%	- Develop national civil service quality standards and certification - Devise periodic country-wide exams for incumbent civil servants and certify

⁷³ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

				<p>qualified civil servants</p> <ul style="list-style-type: none"> - Devise civil service tailor-made training programs and promotions - Strengthen partnership and cooperation with international partners in civil service development
2. By 2019, attract international support for implementing effective and targeted statistical efforts	<p>2.1. National Budget allocated to the NSS system</p> <p>2.2. International flows/funds supported for the effectiveness of the statistics system</p>	<p>2.1. Not available</p> <p>2.2. Not available</p>	<p>2.1. TBD</p> <p>2.2. TBD</p>	<ul style="list-style-type: none"> - Develop memorandum s of understanding of statistical capacity building programs between donors and the Government of Somaliland - Promote regional cooperation for statistical developments - Develop culture of professionalisms in regard to statistical development
3. By 2020, enhance capacity-building support to Somaliland National Statistical system, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, migratory status, disability, geographic location and other characteristics relevant in national contexts	<p>3.1. Proportion of indicators produced at the national level adheres to the fundamental principles of official statistics</p> <p>3.2. Number of statistical plans developed and adapted</p>	<p>3.1. Not available</p> <p>3.2. Not available</p>	<p>3.1. TBD</p> <p>3.2. TBD</p>	<ul style="list-style-type: none"> - Strengthening the capacity development of national statistics system to ensure availability of very rich disaggregated data - Amend statistics act (law N0.60/2013) and reinforce, adapt policies and strategies regarding statistical development - Develop and improve mutual agreement between CSD and Statistics department in universities.
4. By 2021, build on existing initiatives to develop measurements of progress on Somaliland sustainable development that complement gross domestic product, and support statistical capacity	<p>4.1. Number of censuses and surveys conducted</p> <p>4.2. Registered births and death rates</p>	<p>4.1. Not available</p> <p>4.2. Births 5%</p>	<p>4.1. TBD</p> <p>4.2. TBD</p>	<ul style="list-style-type: none"> - Develop and adapt national statistical strategy - Establish and strength integrated national statistical system

building in national and local levels.	4.3. Number of staff trained for statistical purposes	4.3. Not available	4.3. TBD	- Build National Statistical Capacity
5. By 2021, promote and significantly improve national planning processes and institutional capacities	5.1. Harmonization of planning processes	5.1. Not Available	5.1. TBD	<ul style="list-style-type: none"> - Strengthen the planning and statistics departments - Develop national planning policy and national planning Act - Review and strengthen national planning architecture - Strengthen national monitoring and evaluation systems
6. By 2021, Develop national quality control standards, testing and quality assurance in Somaliland	6.1. Number of quality control standards developed 6.2. Number of testing and inspections interventions conducted 6.3. Proportion of public safe guarded	6.1. Not available 6.2. Not available 6.3. Not available	6.1. 10% 6.2. 20% 6.3. TBD	<ul style="list-style-type: none"> - Establish national quality control laboratory and metrology - Develop national quality control assurance framework - Establishment of Somaliland quality Standards
7. By 2021, Somaliland will make strides in promoting its case for international recognition	7.1 Number of documents for Somaliland's legal case developed 7.2 Number of organizations/forums presented to Somaliland's legal case	6.1. 3 7.2 1 organization	7.1. 5 7.2 TBD	<ul style="list-style-type: none"> - Devise and strengthen diplomatic missions to targeted countries - Devise a recognition strategy - Seek membership or associate membership from international organisations such as IGAD, AU and the Commonwealth

		2 forums		<ul style="list-style-type: none"> - Promote Somaliland's legal case for recognition, develop legal documents and take case to relevant international legal bodies - Develop historical documents for enabling achieve international recognition - Strengthen recognition committees, establish lobby groups/organizations and organize Diaspora communities to support efforts to achieve recognition
8. By 2021 Increase the number of countries, in which Somaliland signed with bilateral and multilateral agreements to 4 and 14	8.1. Number of countries, in which Somaliland signed with bilateral and multilateral agreements 8.2. International and regional non-governmental organizations, in which Somaliland is member of	8.1. 7 8.2. 4	8.1. 20 8.2. 14	<ul style="list-style-type: none"> - Increasing Diaspora involvement - Setting global and regional relation improvement strategy with proactive initiatives, instead of retroactive responses - Revitalization and strengthening Negotiation Commission
9. Increasing bilateral and multilateral development funds by 100%	9.1. Amount of development funds received through bilateral and multilateral channels	9.1. Not available	9.1. 100%	<ul style="list-style-type: none"> - Strengthening the relationship between Somaliland and the other countries with the aim of attracting more countries to contribute to financing the development priorities - Strengthen special arrangements and regional cooperation
10. By 2021, increase the political inclusion of all citizens through political parties reform and	10.1. Number of reforms in political parties	10.1. Not available	10.1. Political parties reformed	<ul style="list-style-type: none"> - Amending political parties law and reform political parties

devising public hearings	10.2 Number of public hearings held per annum	10.2. Not available	10.2 TBD	<ul style="list-style-type: none"> - Ensure and enforce equal access to political rights within the political parties by law - Devise capacity building programs for the political parties - Devise public hearings on the important national and local issues
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3.5.10 Risks

Identified risks to achieving Governance Sector outcomes include: limited financial resources to institute government reforms; weak level of political commitment; continuous reshuffling of Cabinet and other appointees political positions; poorly trained and under-paid civil servants; weak cooperation and coordination among governmental institutions.

3.5.11 Financial Analysis

Table 62 on the next page gives an estimate of the total cost required to achieve the outcomes in each SDG Outcome Group. Costs have been calculated by estimating the cost of delivering each intervention and then summing these together to give the cost of achieving each outcome. The outcome costs were then also summed up to give the total cost estimate for each SDG Outcome Group.

These are early indicative estimates received from the Sector Technical Team on the cost of delivering each intervention. The actual cost of delivering these interventions is likely to differ from the costs estimated below. The yearly profile of costs is also likely to differ from that shown below. Where an outcome has no cost estimate for a single intervention, the outcome is not shown below. Some interventions and outcomes have been costed elsewhere in the NDPII.

The below figures should be seen as an early indicative cost estimate and serve as the basis for a full, detailed costing exercise to be completed at the strategic plans level.

Currently, we estimate the total cost for achieving the outcomes chosen in this sector at between **USD 11.1 and USD 19.4 million per year.**

Table 61: Governance Sector Financial Analysis (Current USD)

SDG Outcome Group	2017	2018	2019	2020	2021
SDG1: End poverty in all its forms everywhere	75,000	125,000	125,000	100,000	100,000
SDG 5: Achieve gender equality and empower all women and girls	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000
SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	1,550,000	1,800,000	1,800,000	1,800,000	1,800,000
SDG10: Reduce inequality within and among countries	3,400,000	6,750,000	1,800,000	1,925,000	2,050,000
SDG16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	4,950,000	8,725,000	10,675,000	8,700,000	8,700,000
SDG 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	150,000	450,000	450,000	450,000	450,000

All figures rounded to the nearest thousand.

3.5.12 Data Requirements

The development of the least developed counties is hindered by the lack of evidence based planning, and policy and decision making due to shortage of the necessary data, let alone Somaliland, where the statistical capacity is limited and there is no integrated national statistical system. Although, number of international organizations working in Somaliland produce statistical data; such efforts focuses on the organizational needs and they are not coordinated.

In addition, because of the political, legal, and institutional sensitivity nature of the information related to the governance sector; generating accessible data for this sector is more difficult than the other sectors. Therefore, the Government of Somaliland, specifically, Central Statistics Department in collaboration with the relevant stakeholders should generate accessible, sufficient, representative, reliable, and timely data for the national development plan's prioritization and measuring the progress. Somaliland In Figures published by the Ministry of National Planning and Development annually, is the only useful and accessible secondary data available in Somaliland, which compiles the administrative data. The combination of collecting primary data; coordinating the data generation efforts, and gathering and harmonising the available secondary data is one of the methods, which will facilitate the compilation of the development indicators. Another method is conduct to sample survey on the gap areas.

Numerous useful administrative data sources exist in Somaliland, which needs to be harmonized and coordinated. Among those major administrative data sources relevant to the governance sector is the voter registration data generated by NEC periodically. In 2016, NEC registered 873,331 voter registrants, which is more enough in estimating Somaliland population, and compiling large number of development indicators. However, NEC collects meagre information from the voter registrants, including name, age, sex, and clan affiliation assuring registrant's Somaliland citizenship. However, gathering additional data through the voter registration operation is plausible, such as registrants' marital status and household size, habitual residence (Urban, rural, nomad, etc), education, income and employment status, etc. Conducting post-voter registration sample survey to estimate Somaliland population, and collect additional data for the development indicators for both baseline and target levels.

Justice Case Management Sample Survey is also vital, which is to cover both the criminal and civil cases managed both by the authorities and the traditional civil adjudication system. Other major sources of available administrative data are the police stations, Attorney General's Office, courts, immigration authorities, local governments, etc.

Pillar 4 – Social Development

**A caring society meeting the basic social needs of its
members**

Sectors

Education

Health

WASH

3.6 Education Sector

Somaliland is striving forward on a path towards universal education that enables all citizens to have access to basic education irrespective of their gender, ability, ethnicity and social status. Education is the key to building a modern knowledge based economy and will be a cornerstone Sector for Somaliland's development over the next 5 years. The Education Sector is well established within Somaliland's Coordination Architecture and is supported closely by a number of international agencies and civil society. While significant progress has been made during the period of the first NDP, Somaliland's education system is still significantly under resourced and requires further investment and capacity built within its systems to achieve its goal of quality universal education.

3.6.1 Situation Analysis

The Education Sector is a critical part of the 2030 Somaliland Vision's Social Pillar. The 2030 Vision Social Pillar seeks to promote **a caring society meeting the basic social needs of its members** which includes addressing the challenges of inadequate social services that directly impact the living standards of the Somaliland people.

The educational system in Somaliland can be divided into Formal Education and Non-formal. Alternative Basic Education (ABE) and Qur'anic schools form the main component of Non-formal education. ABE provides vulnerable population groups with an alternative provision of basic education and adult literacy while Qur'anic schools function as religious education centres for children normally in the 3-7 age bracket. Early Childhood Education is a new component within the Formal Education segment which is in early development as a new education institutional layer acting as the first feeder stage of primary education.

The Formal educational system of Somaliland comprises of early childhood education, primary, secondary, TVET and higher education. Primary education consists of eight years of formal schooling (four years of lower primary and four years of upper primary) and is followed by four years of Secondary education. TVET is not properly standardized under formal qualification standards and can include short term courses to more comprehensive longer term programming. Higher education is comprised of Bachelors and Master Degree programs that are provided through both public and private University institutions. PhD or Doctorate programs are currently not accessible in any of Somaliland's Universities.

Somali language is the official medium of instruction for Primary education (1-8). English is introduced as a subject from Grade 2 and is the medium of instruction for Secondary education (9-12). Arabic is taught as a language subject from 1st to the 12th grade. There are also many private schools where Arabic is the main medium of instruction. English is the primary medium of Instruction within Universities.

The Somaliland Ministry of Education recognizes private and not for profit sector (NGOs) providers as integral parts of the education system and its provision in both the Non-Formal and Formal at all education levels.

In meeting its obligation to provide basic social needs through the NDPII the Government of Somaliland is further committed to providing universal basic education for all, strengthening technical education and investing in higher education, research and development over the 2017-2021 period. The Education Sector within the NDPII will comprises six distinct levels of educational provision:

1. Early childhood
2. Primary
3. Alternative Basic Education
4. Secondary
5. TVET
6. Higher education.

Each of these educational levels is managed by a Directorate within the Ministry of Education and Higher Studies (MoEHS) and are coordinated broadly with various international and local stakeholders

through the Education Sector Coordination Group. The Somaliland Education Act 2007 is the legal foundation for organising and delivering these inter-related phases of education.

3.6.1.1 Early Childhood Education (ECE)

Early childhood education (ECE) is any type of educational program that serves children in their preschool years. It includes a range of activities designed to aid in the cognitive and social development of pre-schoolers. Within the Somaliland context this extends to their early moral and spiritual development. ECE plays a critical role in preparing children for school readiness and reducing school attrition (especially in the first two years) and improving a student's future learning outcomes.

ECE is in its early stages of development in Somaliland. Virtually all existing ECE facilities are managed either by NGOs or through the Private Sector. However, MoEHS has initiated classes of early childhood Education in 14 schools in Hargeisa. It can also be argued that part of the functions attributed to ECE are delivered through a widespread network of Qur'anic schools managed under the Ministry of Religion but a clear distinction of the full functions and roles of Qur'anic schools has not been thoroughly analysed.

The MoEHS currently has a limited role in the support of ECE. The policy related to ECE is yet to be formalized and there is no standardized curriculum for ECE or teacher training available for ECE teachers and caregivers. Minimal government funding is allocated to support this sub-sector. The ESSP 2012-16 envisions that funding support for ECE should be sourced directly from local communities and parents. There is no formal data collected on ECE and it is not represented in the government's Annual Education Statistics Yearbook.

Somaliland communities are generally unaware of the benefits of ECE with no real demand directed from them for being able to access this service. The lack of community understanding regarding the scope of ECE has resulted in the assumption that attending Qur'anic School fulfils the requirement for early childhood development. ECE is limited by not having any identifiable service delivery channels and this is partly because the Sector has had difficulty in quantifying the number of home-based care programmes that are functioning; the services which are providing indirectly (not coordinated with the MoEHS); and caregivers and project implementers not necessarily seeing themselves as ECE providers.

Despite these challenges the Education Sector does see the importance of ECE as being a first step in the student learning value chain that requires more institutional development and support. If the Education Sector wishes to see greater improvements in student learning outcomes in the later years; improvements in terms of equity (supporting children from lower social strata), better transition, higher enrolments and attritions, further investment is required in ECE.

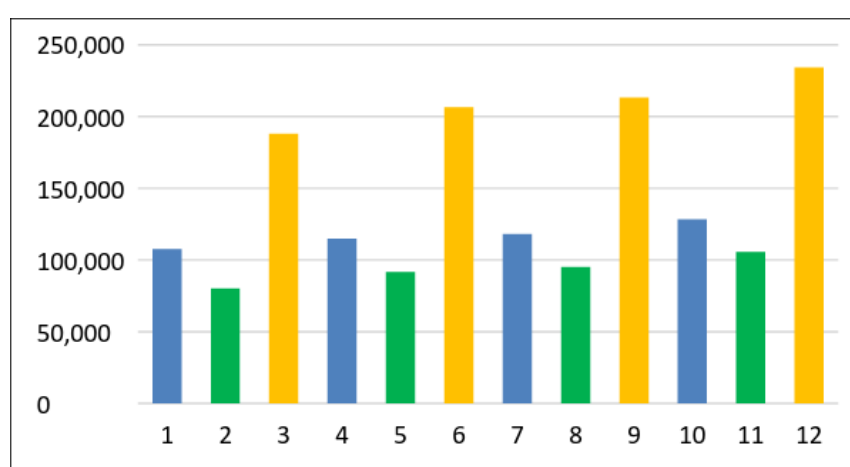
While Policy and ECE Action Plan is required, sensitivities will be applied in its development to ensure a smooth transition and increasing responsibility of the MoEHS over ECE institutions such as kindergartens. As many ECE centres are currently managed by private foundations that fall outside of government regulation, an inclusive and participatory process will be applied. Policy frameworks for ECE will create an overall coherence for the sector and ensure government oversight and quality assurance, paying particular attention to address supply-side barriers to ECE services. If ECE is to provide value for money and contribute to achieving equity, then policies must be found that will ensure that it becomes available to a much wider range of children, including rural and urban poor children. Rather than only accessible to those who are in a stronger economic position to pay for enrolment. This will include the establishment of child friendly learning spaces in rural communities and placing particular attention to strengthening parental and community involvement in the management of community-run ECE centres. UNICEF's experiences in integrating key aspects of ECE curriculum with Qur'anic education will be examined to see if there is as a possible way of extending key pre-school competencies to a wider range of children who attend Qur'anic institutions.

3.6.1.2 Primary Education

In Somaliland, Primary education takes eight years (grades/classes) to complete and is divided into Lower Primary (Years One to Four) and Upper Primary (Years Five to Eight) levels. Primary education is provided through Integrated Qur'anic Schools (IQS), Formal Primary Education (FPE) schools and Alternative Basic Education (ABE) centers. Whilst the same syllabus is taught in both IQS and FPE schools (with additional Qur'anic subjects taught in IQS), ABE is complementary to formal primary education and consists of separate syllabi, teaching materials, non-formal staff and processes.

According to the 2011/12 *Primary School Census Statistics Year Book*⁷⁴, the primary school-age population (6 to 13 years) was 479,868 (UNDP projection, rising by 3% annually from 2005). At the beginning of NDP the total number of students attending primary schools in 2011/12 was estimated to be at 187,960 (male 107,742/female 80,218) increasing to 234,128 (male 128,471/female 105,657) by the end of the 2014/15 school year.

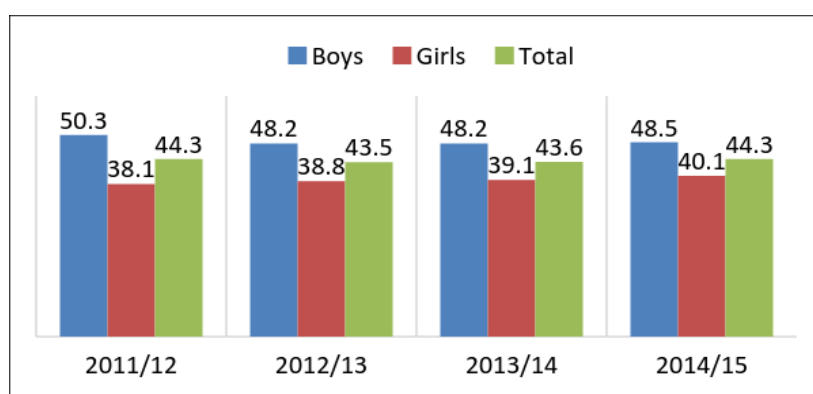
Figure 26: Primary Enrolment including IQS



The Primary Education (including IQS) Gross Enrolment Ratio (GER) has remained virtually unchanged since 2012 and is currently standing at 43% in 2014-15. Stagnation in GER has been attributed to difficulty in access; quality of education and teaching; lack of facilities and learning materials and cost. These figures also hide a decreasing trend in the GER of boys but an increase in the GER for girls. Disaggregated by region, GER in 2014-15 was 60.8% in urban areas and 25.8% in rural areas. In relation to primary completion rates, enrolled students who remained in school and completed five grades of primary schooling in 2014-15 was 63%. Within the school-going population, 42.6% are girls, which fall short of the Ministry equity ratio target of a 1:1 in Primary schooling by the year 2015.

⁷⁴ MOEHS: 2013. *Somaliland Primary School Census Statistics Year Book 2011/12*. Education statistics may not present accurate figures.

Figure 27: Primary Education GER Trends



The Education Sector has placed a specific focus on four key areas required to see improvements and growth in Primary education:

1. Equity in Primary School Access
2. Efficiency in Primary School Education Provision
3. Teacher Qualification and Distribution
4. Student Learning Outcomes

Equity in Primary School Access

Out of all the significant challenges faced by the Somaliland primary education system, access inequity continues to prevail highly, especially for girls, pastoralists, rural communities, urban poor, and those with special needs. While roughly half of children in total still remain out-of-school, these specific sections of Somaliland society remain the most excluded of all from primary education services.

In relation to gender it is however positive to note that the GPI for primary education has indeed increased over the last four years from 0.76 to 0.83. This shows that previous strategies and campaigns have had some success towards achieving Primary education gender equity and should be extended until the planned parity of 1:1 has been achieved. Access to Primary education by children with physical disabilities continues to be a challenge although no reliable statistics exist. The lack of statistics is in itself indicative of existing attitudes to disability as a low priority issue that requires to be addressed.

Equity initiatives such as school student feeding programs have been instrumental in facilitating children from extremely low socio-economic backgrounds to attend school. To address socio-economic exclusion additional measures will be applied such as targeted distribution of schools (close to underserved population areas) and targeted cash transfers (offsetting the cost of student learning supplies) to offset the barriers to educational access for vulnerable population groups.

School facilities have a significant impact on gender equity and physical disability access in the Primary education system. One of the key provisions to enable girls staying in schools is the availability of water (drinking but especially washing) and latrines. However, only half (46%) of the Somaliland primary schools, including IQS centres have access to water and even fewer (32.9%) of the schools have drinkable water. Greater focus on modifying school infrastructure that enables disabled access (ramps) will be considered during NDPII.

Efficiency in Primary School Education Provision

Obtaining desired results through the least costly of means is critical in Somaliland's fiscally restricted environment. Financial and resource inputs will need to be cost-effective against access enabling conditions, teaching / learning processes and student learning outcomes. Efficiency issues in the provision of primary schooling will need to become overarching, with finances linked directly to

desired outcomes.

While delivering necessary interventions is critical, they also need to be sustainable and measured against other alternative interventions in relation to impact. As decentralization of government services in Somaliland is further promoted, capacity will be developed across all levels of primary school provision (district governance, schools, administrators, students and teachers) so that all stakeholders can understand how to meet desired Primary education standards both effectively and efficiently. Transparency and accountability measures especially in regards to Primary school and district financial management and governance will be prioritized.

Unfortunately, the collection of financial and resource data inputs related to primary school development initiatives are limited, particularly as a large part of education development is funded by international agencies who do not report financials directly to the Government of Somaliland. Financial data from the private sector, a large contributor to primary education schooling is also not available. Further technical support to address this issue will be prioritized during the course of NDPII.

Teacher Ratios, Qualification and Distribution

The Pupil Teacher Ratio (PTR) for formal Primary education has slightly improved from 32:1 in 2011/12 to 31:1 in 2014/15. However, the percentage of qualified teachers has steadily declined between 2011 and 2015. There are also significant regional, district distribution and qualification disparities in relation to teachers recruited into primary schools. Central regional centres and private institutions attract the most qualified and experienced teachers. Rural areas struggle to keep schools open due to an undersupply of teachers willing to work in these regions. There is a plethora of potential solutions to address the shortages of well-qualified teachers in rural areas. One to be considered during NDPII is to provide financial benefits, for example, providing a “hardship allowance” for teachers to work in geographically remote areas. Another is providing alternative certification strategies to recruit and train local teachers, in high need areas, so as to avoid forced relocation. Measures will also be taken to address the gaps in working conditions for teachers in rural areas, which includes improving school infrastructure and on-site living conditions, which will not only assist in attaining teachers but in turn encourage more students to attend school.

Student Learning Outcomes

Student performance is a key indicator to assess the progress made in relation to the quality of education being provided in Primary education schools. Student learning outcomes should be regularly measured at key developmental stages using standardized testing, particularly in the areas of literacy and numeracy. In 2012, an effort to test performance scores based on a cross sampling of students at Grade 4 level revealed an alarming low 23% pass rate for mathematics⁷⁵. Equivalent scores for literacy at Grade 4 were a little better with approximately 45% able to operate at the simple sentence level in terms of understanding and responding appropriately. According to a joint Africa Education Trust-MoEHS Measuring Learning Achievements (MLA) Report for Grade 7 (2013), students generally performed reasonably well in Somali language with only 11.5% scoring less than 20% or failing to achieve basic literacy and unable to express themselves in their own language⁷⁶. In contrast over 60% of students tested managed to score in the high-performance band. The weakest skill area was in writing with only 25% of students able to write a competent paragraph. Considerably lower performance levels were measured in numeracy with 45% scoring under 20% and only a third passing the exam (i.e. scoring 60% or more).

Further in-depth Somaliland specific research in Primary education will be prioritized, particularly in relation to establishing quantifiable relationships between various indicators (simulations) related to student learning that can help policy makers make the required adjustments for one component of learning relative to changes in another. Somaliland has its own specific challenges in relation achieving improved student learning outcomes which will require its own national to school level based solutions.

⁷⁵ Report on Measuring Learning Achievements in Grade 4 (MLA4) compiled by Africa Educational Trust March 2012

⁷⁶ Report on Measuring Learning Achievements in Grade 7 compiled by Africa Educational Trust June 2013

3.6.1.3 Alternative Basic Education (ABE)

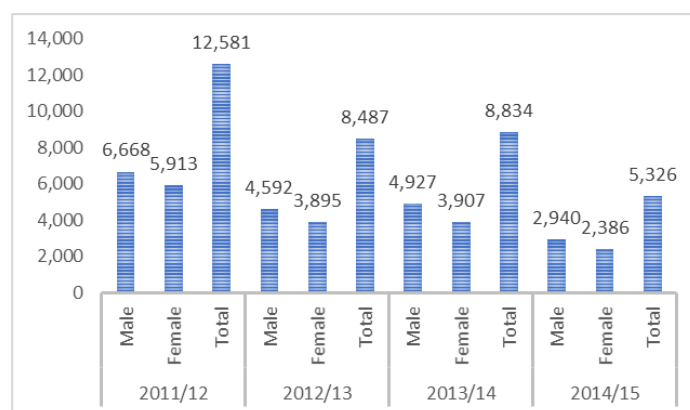
ABE in Somaliland is a specific educational programme that addresses the needs of out-of-school children (and youth) through condensed and integrated curricular, flexible timetables, cost-effective use of resources, and high community participation. It aims directly towards improving educational access, equity and efficiency for out-of-school student populations that have traditionally found it difficult to participate in more formal education settings. ABE services in Somaliland are delivered through the public, private and civil society sectors (INGOs LNGOs, CBO, faith groups).

ABE offers a second chance for those who discontinued their education at different levels of schooling. It is a flexible, cost-effective and responsive approach for completing formal basic education system that can be adjusted to the range of lifestyles found in pastoralist, agro-pastoralist, coastal areas communities, disadvantaged urban/rural youth and IDPs. ABE promotes gender mainstreaming by providing additional learning opportunities to girls and women that fits within societal and cultural norms. It is also an opportunity to promote to a wider community audience awareness about civic responsibilities and basic human rights.

ABE also includes adult literacy programmes that operate in specific centres and community-approved girls' learning spaces that enable educational access and other key social services to adults and female youth. The age category for this target group is traditionally between 15 to 45 years with programmes particularly aimed towards women seeking to improve their literacy and numeracy skills. Thus, empowering them through education and potentially reducing gender disparity as a pathway into basic education.

The delivery of ABE services in Somaliland though has seen a dramatic drop in the number of students enrolled in ABE, from 12,581 in 2011-12 to 5,236 in 2014-15. This has primarily been due to many ABE facilities being transformed into formal Primary Schools. ABE has also faced significant challenges as an educational service. Insufficient public financial resources and inadequate teaching personnel have tended to lower the quality of education services provided through ABE facilities. There are only limited ABE facilities available across the country, restricting the access it is meant to achieve and those that are functioning are restrained by the learning materials available to support appropriate learning.

Figure 28: ABE Gross Enrolment Trends



Government monitoring of ABE centres is minimal which places a question mark on their effectiveness in addressing student needs. Data collection and reporting will require further investment across the ABE sub-sector. There is very little information available regarding the achievements of: teacher recruitment, selection, training and development; and shortages of relevant educational materials including textbooks and supplementary reading resources. This inconsistency of reporting is particularly noted in rural ABE learning centres and may also partially account for a reduction in enrolment numbers.

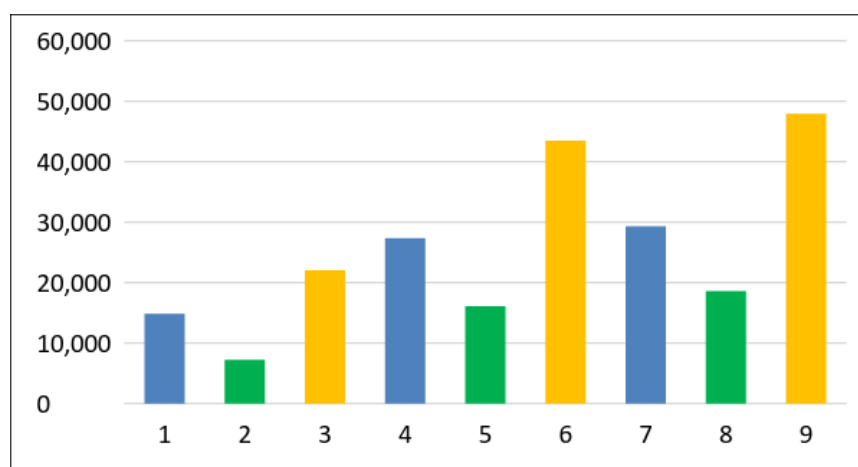
To address current quality concerns a number of key areas will be addressed across ABE delivery in Somaliland. In order to raise the quality of services ABE should provide, the MoEHS's Quality Assurance and Standards Department will include ABE centres in their monitoring plans and will provide more training for the ABE sector personnel. Guidelines will be developed and enforced, ensuring ABE facilities are well-resourced with appropriate teaching and learning materials. ABE teachers will need to complete minimum qualifications and be able to apply learning assessment systems to measure and promote improved student learning outcomes.

3.6.1.4 Secondary Education

Throughout the NDP II implementation period the Secondary Education sub-sector will primarily seek to address student access enrolment, retention and completion barriers and improve the quality of education provided in government led Secondary schools and administrative capacity. Structurally, Secondary education in Somaliland spans across a period of four years, from Form 1 to 4, and is divided into junior secondary (Forms 1 to 2) and senior secondary (Forms 3 and 4) levels. Entrance to secondary education is, in theory, determined by the centrally administered standardized examinations held at the end of class 8 (the last year of primary education).

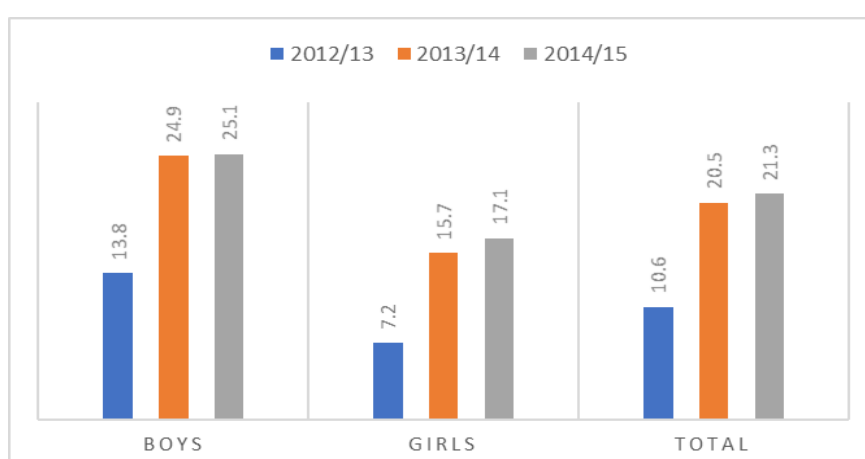
As of 2014-15, 47,913 students (male 29,334/female 18,579) are enrolled in Secondary education. This is a significant increase from 22,057 (male 14,837/female 7,220) in 2012/13. Just over half of these students (55.6%) are enrolled in government-owned schools. Private schools therefore have a significant share and responsibility for student learning in the Secondary education sub-sector. Private school access correlates with the regional distribution of private secondary schools, where most are located in urban areas where economic conditions are better and families can afford pay the higher school fees associated with Secondary education in Somaliland.

Figure 29: Secondary School Enrolment



The MoEHS National Policy of Education has prioritized Secondary Education access by setting an ambitious target of 50% for its total Gross Enrolment Ratio (GER) by 2016. While only reaching 21.3% in 2015, there have been some significant notable improvements. Female GER has more than doubled from 7.2% in 2012/13 to 17.1% in 2014/2015 while Male GER has nearly doubled from 13.8% to 25.1%. While still significantly below expected targets, with approximately 50% of 14-17 years old being out of school, the upward trend of secondary school gross enrolment is expected to continue over the next 5 years.

Figure 30: Secondary Education GER Trends



Gender parity at the secondary school level is well below that of primary schools (0.83) at 0.68; indicating a significant drop-out of female students once they complete primary schooling. Private schools are less affected by gender inequality, with 43.1% of students in private schools being girls in contrast to only 35.3% in government-run schools. This difference between the two systems has primarily resulted from public secondary schools being situated in more disadvantaged regions that experience greater social barriers to girl's participation in education. Gender inequities extend to the number of female teachers in the system which is currently only 78, or 4% of all secondary school teachers. The lack of female teachers and therefore, lack of female role models for girls in school, is a major source of concern. The Sector plans address this issue by first identifying why women are not being recruited and retained after recruitment.

There is a significant rural-urban divide in Secondary education with rural student enrolment noted as only 2.7% in 2015, whilst only 10% of secondary teachers are deployed to rural areas. Inclusive education is also far from being achieved. The definitions of special needs are very narrow and currently little is being done to increase inclusiveness and integration through specific policy linked with targeted programs focusing on special need student access at the Secondary school level.

Delivering quality of education within the Secondary school system is fraught with major deficiencies. These include a decline in the numbers of teachers who are qualified and a lack of teaching learning materials, textbooks, equipment and general facilities. The average percentage of teachers who meet minimum qualification standards in Secondary schools is currently 55.1%. Whilst 55% of all secondary schools reported lacking libraries and laboratories. Teacher subject knowledge particularly related to the science and technology curriculum is deficient and will need to be addressed, particularly to align student learning and skill sets to a growing employment market demand in this area.

Private schools have become essential to the delivery of education at the Secondary level in Somaliland's urban areas but, while establishing good quality education for those who can afford it, there is a current risk that if left unchecked, they might undermine the public Secondary education system. Private schools have access to greater resources and a capacity to attract and recruit the top tier of qualified and experienced teachers. There is also a risk of private schools being incidentally subsidized by the government and thus diverting limited fiscal resources from poorer communities who are only able to access public schools. Without a clear policy in relation to private school provision, significant inequalities have already appeared in Secondary education. Without further redress this will ultimately lead to students from poorer and rural backgrounds, which can only attend government schools, being less competitive in the labour market and have lower opportunities to access Higher Education. Policy will be revised to ensure the right balance between choice and equity in Secondary education, where adolescents and youth from urban poor households, pastoralist communities and rural adolescents and youth have the same quality and access to secondary education as those who are more fortunate.

The Education Sector through the NDPII period will seek to improve secondary education provision in the areas of access, quality and improved administrative capacity.

Access

The MoEHS will develop a carefully costed plan for continued expansion of secondary education with particular emphasis on addressing numerous inequities related to access based on gender, wealth, lifestyle and geography. Primary school enrolment figures will be used to measure future demand and decide on how resources will be allocated towards new classrooms, numbers of teachers to be trained and learning equipment. Where applicable, these resources will be targeted towards students who are most disadvantaged (students in remote areas, girls, urban poor and those with special needs). The Sector will seek to provide appropriate incentives to attract qualified and experienced teachers specially to work in rural and remote secondary schools. Selection and admission of students will attempt to be more equitable according to gender, income level and regional differences. The Ministry will also review its very narrow definition of special needs. Consideration will be given to increase access to learners with a range of learning difficulties. Within the Somaliland context, and especially with the numbers of displaced peoples, far more attention has to be given towards students with behavioural problems especially related to trauma (psychosocial development).

Quality

The Sector will seek to improve the quality of Secondary education provision by increasing the numbers of qualified teachers in the system and to improve the capacity of those already teaching. This will involve improving teaching inputs to facilitate effective learning outcomes such as training teachers according to standard curricula and pedagogical guidelines; raising the qualifications of unqualified teachers; introduce appropriate incentives to teachers linked to student outcomes and improved supervision of teacher performance. Student assessment will be strengthened and at some levels standardized to measure and track quality through student learning outcomes. Student performance at all levels will be monitored to identify low performing students and low performing areas of the curriculum. The national curriculum for Secondary education will also be strengthened by improving its relevance and delivery taking into account the matters of gender, special needs and vulnerable children. When added resources become available, curriculum will be supported with appropriate teaching and learning materials and infrastructure such as textbooks and science laboratories.

Administrative Capacity

The Sector will seek to strengthen the MoEHS's capacity in the inspection and supervision of Secondary education (development of inspection manuals, training of educational quality assurance and inspection personnel). Data collection, management and validity will be improved through building reliable and accurate EMIS procedures and systems. The capacity of school management will be strengthened with stronger linkages to parent-teacher associations and community-driven school management boards. Financial accountability systems from the school to the national levels will be need to be reviewed and enhanced in line with PFM reforms and decentralization efforts.

3.6.1.5 Technical and Vocational Training

While TVET has a long history of institutionalized provision in Somaliland it has not maintained pace with the current demands of the population and local industry. TVET is critically underdeveloped and under-resourced especially in relation to providing youth access across all regions in Somaliland. TVET student enrolment data is limited but the figure is somewhere between 5,000-10,000 adolescents and youth. The targeted female participation rate of roughly 30% at this stage cannot be verified. Specific TVET sub-sector data, in general, is difficult to verify and validate due to irregular and non-validated private sector and civil society sector registration and reporting.

While it is arguable that increase access and enrolment in TVET requires greater prioritization given the high proportion of adolescents and youth out-of-school and unemployed, existing interventions in this sector have proven to be very costly to implement. Satisfactory training in particular trades requires significant investment in upfront equipment and recurrent material cost. The Government's

capacity to fund large scale TVET is extremely limited and faces competition for financing from other critical Education subsectors. When observing numbers and impact, corresponding financial investment into Primary and ABE schooling benefits a much larger number of beneficiaries compared to TVET. As such, the Ministry and Education Sector as a whole faces a significant dilemma in prioritizing investments considering “return on investment” and the scope of impacts being achieved at this stage in Somaliland’s development. Currently there are only two government managed Technical Institutes in Somaliland: Hargeisa Technical Institute and Burao Technical Institute. Both have received various upgrading in recent years with the assistance of international assistance and implementing partners. Multiple other private TVET providers exist but due to no formal registration mechanism their exact number and the quality of provision is unknown.

While there is a Policy for Technical Vocational Education and Training in draft form, there is no current policy mechanism in place to formally guide, coordinate or promote collaboration among TVET centres run by the Government, INGOs, and the private sector. The TVET sub-sector does not have skills boards in place or a formal institutional link with the private sector or industry to identify skill and competency needs. With no formal qualifications framework in place, TVET programs, particularly offered by some private providers are believed to be inadequate and rarely lead to an industry recognized qualification. This has led to graduate students transitioning into the market space without formal recognition of their core skills and trade specific competencies. A comprehensive study and subsequent guidelines laying out the features of a potential Vocational Qualifications Framework was developed in 2011 and was followed by a TVET Qualifications Authority Bill (2014) but the lack of resources and technical assistance available has prevented these from being nationally institutionalized.

There is currently no comprehensive, sub-sector-wide implementation plan for the nationwide training of TVET teachers, instructors or managers. There are no minimum standards, qualifications or competencies required to be employed within the TVET sub-sector. There is no formal government training for TVET professionals and teachers available in Somaliland and no specialized national polytechnic has been established. The only training identified so far was provided via a consortium of Implementing Partners for 92 TVET trainers (17 were female) specifically in vocational pedagogy. The lack of qualified TVET professional personnel, teachers, and support staff, has serious implications for the quality of instruction and supervision provided through TVET courses and programmes. It is creating serious implications for the quality of TVET graduates and their safety when newly employed working across various industries.

Linkages between TVET and the labour market are virtually non-existent. Collaboration with representatives of various industries is not evident in the development of course curricula (skills and competencies), the content of assessments or final examinations and in relation to the identification of qualified skilled persons and needs (numbers of new graduates required). Occupational profiles provided by industry are a critical component for the standardization of TVET training programmes linked to industry needs. Currently no Employment Sector Committees exist that have the capacity to develop occupational profiles for the most required trades and occupations. The existing breadth and depth of occupations (or occupational fields) provided through TVET is rather narrow, and limited to basic levels of training such as short courses designed to promote immediate employment. In short, actual programmes offered via existing TVET programmes are not fully linked to the opportunities available in the economy. Present course offerings are currently limited to: electricity and electronics (combined in one occupation); mechanical engineering, including welding, sheet metal processing, automotive; building & construction, including: masonry, carpentry, joinery; tailoring/dressmaking; beauty including *henna*, hair treatment; accounting, and banking services and quality assurance.

Despite these constraints, TVET will need to develop over the NDPII period into a sub-sector which can impact on employment and contribute towards industry and economic growth. A Labour Market Survey will be conducted, engaging the inputs of key government Ministries (Finance, Planning, Labour and Social Affairs, Education, Commerce and Industry), institutional partners and TVET providers; private sector; chambers of commerce and worker’s associations. Based on market survey findings, national curricula and training standards will need to be developed, or where existing, upgraded and revised. Training modules have to be created which are output/outcome/competency

based and aligned to industry and occupational standards. This will ensure that TVET graduates can demonstrate a degree of professionalism in the skills necessitated by industry in a relevant trade or occupation. By 2021, the Sector will seek to ensure that all new and existing TVET courses and programmes are harmonized, and aligned with one standardized award (certificate or diploma) that is approved and recognized by industry and the broader employment market.

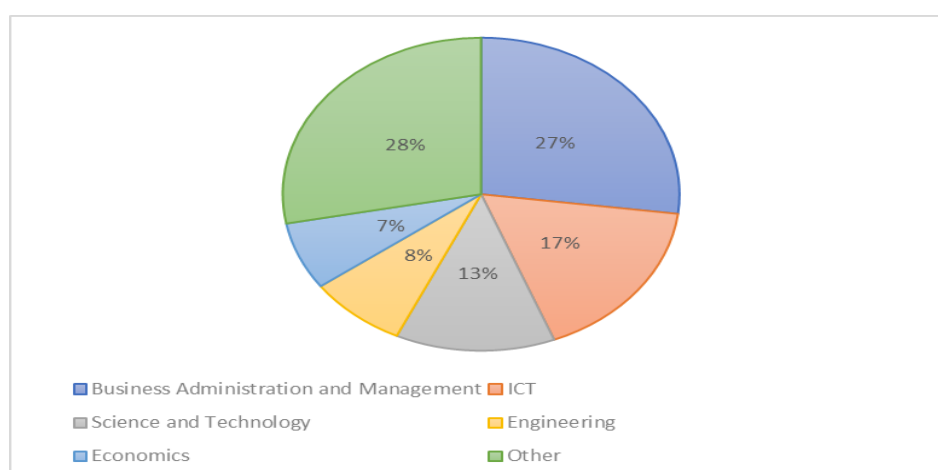
To assist further in the diversification of Somaliland's economy, entrepreneurial training will become a compulsory component of TVET training. This will equip trainees with the necessary skills (and knowledge) to start their own small business. Training centres will need to expand their mission scope and take the form of business incubators. An example is providing start-up capital, or linkages towards micro-financing opportunities. Core skills will also need to be promoted across all forms of TVET curricula. Not only will basic literacy and numeracy be addressed but also general skills of good communication, work place culture and inter-personal relationships which are essential pre-requisites in ensuring that graduates are prepared for a success career in the workplace or their own business.

3.6.1.6 Higher Education

Higher Education (HE) is a relatively new Education sub-sector in Somaliland. In 1998, Amoud University became Somaliland's first established tertiary institution. Since Amoud University's establishment, growth in the HE sub-sector has been significant with the number of universities functioning in Somaliland reaching 28 by 2016. The majority of these institutions (21) are privately run, accounting for most of HE growth in recent years, accommodating and capitalizing on the high public demand for tertiary education. Public universities, of which there are seven, are strategically located across Somaliland's six regions. Coinciding with this growth in supply, there has been a marked increase in university student enrolment. This has been due to the increasing number of students completing secondary school education; creating a bulge in demand for higher education qualifications. From 2013-2015 a total of 33,863 students were enrolled in Higher Education of which 22,360 (66%) were male and 11,525 being female (34%).

Student demand and course enrolment has been heavily skewed towards Business and Administration, ICT and Economics, accounting for 51% of all university enrolments combined. Science and Technology and Engineering course account for the other significant intake of students. All other courses such as Health (doctors, nurses, medical technicians), Arts, (history, languages, etc.), Production, Secondary Education Teaching, Law, etc. are included in Other and account collectively for only 28% of enrolments.

Figure 31: Higher Education Student Enrolment by Major



This trend of student demand for particularly business administration and management type courses is creating some challenges to Somaliland's economy. Further diversification is required with more science, technology and energy graduates needed to fulfil the needs of economically promising

sectors in production (marine resources, dry land agriculture, livestock by-products, food processing), renewable energy and mining. So far, only four universities: University of Hargeisa, Amoud University, Burao University and Gollis University offer courses related to Animal Science, Agriculture and Environment. Secondary Teacher Training Bachelor's programs, particularly in Science and Technology are also facing significant challenges in relation to student interest and demand owing to the perceived poor working conditions and remuneration of teachers. For science and technology to grow as an industry in Somaliland qualified teachers at the secondary school level will be critical. The provision and supply of post-graduate education is not well served in Somaliland with less than 0.5% of courses being provided at a Master's Level. There are no recognized or formalized Doctorate programs being delivered by any of Somaliland's 28 registered Universities. There are 902 teaching staff currently working in Somaliland's Universities with an approximate student-lecturer ratio estimated at around 20:1. This ratio though is much higher in some universities and courses due to high student demand.

The physical infrastructure that is observed in the majority of Somaliland universities is under-resourced and in most cases inadequate for the provision of quality courses and programmes. Universities are significantly deficient in library resources, lecture hall space, science laboratories and essential texts and other media. In 2013, the government invested capital for the construction of a new lecture hall in Nugaal University, slightly improving the quality of instruction in that institute, but this form of government investment is rare and an exception. The Sector will seek to generate further investment to support quality instruction in its Universities.

During NDPII, admissions, university accreditation and student assessment for credentialing will require immediate intervention to greatly improve the quality of students currently graduating from most HE institutions. The student admission process is not guided by a clear and rigorous policy. There are currently no standard criteria applicable across all Universities to guide the admission policies of students which has led to students being enrolled without the prerequisite knowledge to attempt higher learning successfully. With a continued increase in growth and demand for HE there is a greater need for Universities to be strictly accredited by the Commission for Higher Education (CHE) and MoEHS. The CHE capacity will be strengthened particularly in the area of enforcing future university accreditation guidelines and procedures. To ensure that Universities are maintaining minimum standards, the CHE will establish a University Inspection Committee whose purpose is to conduct regular University inspections that focus on quality assurance and compliance linked to pre-determined standards. Most universities do not, as a policy, ensure that external moderators and evaluators are part of summative course examinations, leading to potential bias in the assessment of student knowledge, impacting the value and prestige of Somaliland University credentials and the opportunities for graduate future employment. This will be addressed during NDPII

No Somaliland university is currently engaged in research and publication activities. Publications and research are considered as key pillars for institutional and academic capacity especially when linked to higher education course provision. With Somaliland's specific economic opportunities related to natural resources such as fisheries, dry land agriculture, animal by-products and energy alternatives, research through local University institutions to inform and guide government, private industry and communities will be encouraged and financially supported (research grants). Likewise, locally funded University research will be directed towards the effects of climate change and other potential threats to Somaliland's growth and development. Building linkages between Somaliland Universities with other international Universities and associations such as the Association of Arab Universities will further encourage research collaboration, capacity building and exposure to academic fora.

3.6.2 Policies, Reforms and Legal Frameworks

The Education Sector has a number of policies and acts which are at various stages of development and approval. Most are still in draft form or waiting for government endorsement and approval. Below is a list of key education policies, their years of development and stages of approval.

Table 62: Summary of Education Laws and Policies

Education Policy Document	Year	Stage of Approval
National Education Act	2013-2016	Finalized, but not endorsed
National Education Policy (2012-2016)	2013	Revised
National Education Policy (2017-2021)	2017-2021	Waiting for endorsement
Teachers Code of Conduct and Professional Ethics I	2012	Finalized
Education Policy and Finance in Somaliland	N/A	Draft
Special Needs Education (SNE) Policy Guidelines	2013	First Draft
Ministry's Operation Policy and Procedures	2012	Draft
Human Resources Policy Manual	2012	Draft
Somaliland Decentralization Policy 2013-2020	2013	Finalized
Policy for Technical Vocational Education and Training (TVET)	N/A	Draft
Education Management Information System Policy	2011	Draft
Technical & Vocational Qualification Authority Bill	2014	Draft
Strategy for Female Participation in Education	2007	Draft
National Teacher Education Policy	2013	Draft
The National Curriculum Framework	2014	In process of development
Gender Mainstreaming Policy	N/A	Planned for development

While the Somaliland National Education Policy is the central policy which impacts across all sub-sectors of the MoEHS there are also a number of key policy and act priorities for each Education subsector.

3.6.2.1 Early Childhood Education (ECE) Policy Environment

MoEHS has prioritized its attention towards ECE and has integrated it into the National Education Policy (2012-2016) and following NEP (2017-2021). ECE has also been given a high priority in the next ESSP and this NDPII as it is seen by the Sector as a key cornerstone for the national education system moving forward. Key policy areas for development within ECE include:

- A comprehensive ECE policy that is seamlessly integrated into the education regulatory framework.
- An integrated policy approach for Qur'anic and formal ECE schools.
- The development of an ECE curriculum with associated teacher competencies and training programmes.

Currently an ECE framework is in the development stage and an ECE unit has been established in the Ministry. There have also been studies led by UNICEF into integrating Qur'anic schools with formal ECE approaches. Although the policy environment at present is being developed, without support during NDPII, the ECE will remain weak on implementation and institutionalization.

3.6.2.2 Primary Education Policy Environment

The Primary Education Policy Environment is well established in Somaliland. It is at the centre of the National Education Act and both National Education Policies. The key policy focus areas related to Primary Education Policy in Somaliland are as follows

- Free Primary Education for all which includes equitable access to primary education across all districts, gender and disadvantaged socio-economic groups. The Somaliland Primary school system (both public and private) must offer opportunities for all children of school age, including children with disabilities, those from rural backgrounds and those in need of special care and protection, particularly girls.
- New textbooks and teaching guides are to be revised and printed on a five-year cycle.
- Lowering the cost of education and minimizing its effect on children's access and school attendance
- Adopt mixed models of educational delivery including fixed schools; mobile schools; and feeder/ satellite schools linked to well-equipped boarding schools. In relation to improving nomad population access. These modes are to be connected with a flexible timetable and calendar which is aligned to nomad living conditions and needs

3.6.2.3 Alternative Basic Education (ABE) Policy Environment

The Government of Somaliland is committed to the educational safety and emotional wellbeing of all its citizens, particularly marginalized children of all categories. It encourages all school-aged children to enrol into formal primary and secondary schools, but acknowledges that there is diversified need from children to adults (e.g. nomadic pastoralists, agro-pastoralists, street children, working children, returnees, internally displaced persons, orphans and adults). At this point in time there is no specific policy for ABE in Somaliland which is primarily managed under the same policy guidelines set for Primary education.

3.6.2.4 Secondary Education Policy Environment

Secondary Education is predominantly bound by the National Education Act, the National Education Policy (2012-2016) and National Education Policy (2017-2021). Primarily, Secondary education specifics within the policy sphere are objective and activity focused, especially in the ESSP, with a clear emphasis on increasing student access and developing student competencies and values.

Policy objectives focused on increasing access include: construction of more secondary classroom space (especially in rural areas); construction of facilities such as latrines (girls), libraries and laboratories; increasing boarding facilities; affirmative action (girls access); reducing drop-out rates; scholarships for high achieving girls and making use of school facilities for both primary and secondary schooling.

Policy objectives focused on student competencies and values through the curriculum include facilitating the all-round development of students, i.e. spiritually, physically, socially, mentally, academically and morally according to the principles of Islam so that they make positive contribution to the development of the society. Develop secondary student soft skill competencies to assist their capacity to compete in the Somaliland job market. This includes developing a student's critical and creative thinking, problem solving abilities and furthering student understanding and appreciation of the contribution of science and technology to development.

3.6.2.5 Technical Vocational Education and Training (TVET) Policy Environment

There have been significant attempts to reform the TVET sector in Somaliland in recent years as evidenced by a number of policy interventions which have attempted to be enacted. These include:

- The creation of the Vocational Qualifications Framework (VQF), that will form the nucleus for an education sector wide National Qualification Framework.
- A TVET legal framework has been developed in the form of a Draft Bill that seeks the

- creation of a TVET Authority.
- Revision of curricula towards student skill output/learning outcome, or results-based learning; focusing on defining trade skills and knowledge competencies. Albeit this has been completed without full involvement of industry through for example sector committees
- Specifications of occupations or trades (with recognized qualification profiles)

3.6.2.6 Higher Education Policy Environment Policy Environment

The Education Sector vision for the Higher Education subsector is to establish learning institutions that are “centres of academic excellence that meet the development needs of the country”. Policy in Higher Education aims to strengthen quality Higher Education programmes that promote research, knowledge transfer, lifelong learning, and produce individuals who are competitive and innovative with high moral values to meet the nation’s aspirations⁷⁷. As with Secondary education, the national policies related to Higher Education are goal oriented and primarily set standards for the improvement of current systems, financing and governance structures and maintaining quality provision.

Higher Education national policy focusing on system, finance and governance during the NDP II period seeks to guide the improvement of the legal framework around Higher Education and enable organisational infrastructure that can sufficiently support its delivery. This includes strengthening the financial capacity of public higher education institutions and to further institutionalize competent, efficient and effective University Senate governing bodies. Higher Education national policies will further seek to foster and expand linkages between local higher education institutions and international universities, organizations, research institutes and Somaliland Diaspora communities.

To ensure quality in Higher Education provision, current HE national policies will aim to set standards for the quality of teaching and learning (academic and research programmes) delivered across institutions. This will involve the accreditation and standardization of higher education institutions and programmes that need to fulfil quality assurance standards set by the Higher Education Commission.

3.6.3 Regional Overview

The results from regional consultations support the national view that there are significant opportunities for growth in the Education Sector if increased resources become available. Regions noted the existence of adequate primary schools and Higher Education institutes especially in larger towns. Where located, Secondary schools are reported to have very high student enrolment rates. Larger towns also are reported by regional representatives to have an adequate availability of school teachers working in these schools. Quality could be extended further by increasing the capacity of teachers and the provision of appropriate education equipment, libraries and laboratories; especially in the Secondary school grade levels.

The Regions though see a variety of challenges faced in their areas particular in relation to access and the inadequate provision of schooling opportunities in remote rural areas and villages, including the deployment of qualified teaching staff. The cost of education is seen as a barrier to many. Those regions that do receive adequate schooling services are concerned about the lack of a unified national curriculum that is taught in both private and public schools. They would also like to see more TVET opportunities made available through formal institutions and greater linkages between higher education and industry, especially in the form of an employment strategy for higher education graduates. Those who reside in more remote regions would like to see more school and TVET boarding opportunities to promote access.

⁷⁷Republic of Somaliland MOEHS. 2012. *Education Sector Strategic Plan (2012-16)*

3.6.4 Education Sector Results Based Management Framework

Education Sector Vision Statement

Somaliland envisions education as a means to prepare all learners to become lifelong learners equipped with skills, knowledge and attitude to be successfully productive citizens

Education Sector SDGs

SDG3

Ensure healthy lives and promote well-being for all at all ages

SDG4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

SDG9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG13

Take urgent action to combat climate change and its impacts

3.6.5 Education Sector RBM Matrix

Table 63: Education Sector's RBM Matrix – SDG3

SDG3: Ensure healthy lives and promote well-being for all at all ages				
Outcomes	Indicators	Baseline (2016)⁷⁸	Final Target (2021)	Priority interventions
1. By 2021, 70% of secondary school students are aware of reproductive and communicable health issues	1.1. Proportion of secondary School students aware of Impact of FGM and other reproductive health problems 1.2 Proportion of secondary School students aware of Impact of HIV/AIDS, TB and other communicable diseases	1.1. 0%	1.1. 70%	<ul style="list-style-type: none"> - National health campaigns and awareness raising programs in schools - Health specific teacher guides, example lesson plans and added teaching resources - Inclusion of reproductive issues, communicable diseases and female genital mutilation into health chapters within textbooks and curriculum - Expand University infrastructure, facilities and human resources to accommodate more medicine, health and medical science students - Review the national curriculum to integrate cultural heritage and civic education
2. By 2021, 70% of all primary and secondary school students are aware of the negative health impacts of female genital mutilation	2.1. Proportion of primary and secondary school students aware of Impact of FGM	2.1. 0%	2.1. 70%	
3. By 2021, 5% of students in higher education courses will be enrolled in medicine, health and medical science courses	3.1. Student enrolment rates in medicine, health and medical science	3.1. Not available	3.1. 5%	

⁷⁸ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

Table 64: Education Sector's RBM Matrix – SDG4

SDG4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all				
Outcomes	Indicators	Baseline (2016)⁷⁹	Final Target (2021)	Priority interventions
1. By 2021, female gross enrolment rate in primary education will increase to 52%	1.1. Female GER in Primary Education	1.1. 40%	1.1. 52%	<ul style="list-style-type: none"> - Infrastructure investment into new and existing education institutions with emphasis on clean water supply, latrines, green space and disability access - In-service and Pre-service teacher training programs linked to competency assessment, registration and certification - Demand side programs which include financial and food based incentives
2. By 2021, female gross enrolment rate in secondary education will increase to 28%	2.1. Female GER in Secondary education	2.1. 17%	2.1. 28%	
3. By 2021, male gross enrolment rate in primary education will increase to 56%	3.1. Male GER in Primary Education	3.1. 48%	3.1. 56%	
4. By 2021, male gross enrolment rate in secondary education will increase to 34%	4.1. Male GER in Secondary education	4.1. 25%	4.1 34%	
5. By 2021, 70% of primary school Grade 3 and Grade 6 students will pass minimum early grade literacy and numeracy standards	5.1. Proportion of primary students pass minimum early grade literacy and numeracy standards	5.1. G3 0% G6 0%	5.1. G3 70% G6 70%	<ul style="list-style-type: none"> - Annual “Go to School” campaigns and other community awareness programs for all educational levels - Commitment from government to increase the education budget incrementally from 7% to 20% with increased efficiency measures - Development and implementation of skill and competency based TVET programs and scholarships for out of school and vulnerable youth with an
6. By 2021, 50% of first grade primary school enrolments will have participated in at least 1 year of Kindergarten/Qur’anic early childhood schooling	6.1. Kindergarten/Qur’anic school participation rate	6.1. 18%	6.1. 50%	
7. By 2021, 70% of students, after 1 year of attending a government approved early childhood centre, will meet minimum age	7.1. Proportion of Students meeting with minimum requirements of age appropriate developmental	7.1. Not available	7.1. 70%	

⁷⁹ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

appropriate developmental milestones	milestones			emphasis on addressing labour market demands (fishing, agriculture etc.) - Flexible non-formal and alternative educational programming for vulnerable population groups including women and rural
8. By 2021, male and female enrolment in all TVET course programs will increase to 10,000 students	8.1. Students' enrolment rate in all TVET courses programs	8.1. 1,062	8.1. 10,000	
9. By 2021, the number of University course first year student enrolments will have increased by 20%	9.1. Number of first year university course enrolments	9.1. 8,753	9.1 10,501	
10. By 2021, 100% of University and TVET providers will be accredited and meet minimum standards on curriculum, resources and teaching capacity	10.1 Number of accredited University and TVET providers	10.1 Not Available	10.1 100%	
11. By 2021, 70% of University graduates have minimum IT literacy skill sets	11.1. Proportion of university graduates with minimum IT literacy skills.	11.1. Not available	11.1. 70%	
12. By 2021, 70% of TVET graduates have minimum IT literacy skill sets	12.1. Proportion of TVET graduates with minimum IT literacy skills.	12.1. Not available	12.1. 70%	
13. By 2021, 60% of University graduates have gained employment in their respective speciality 12 months after graduation and national service	13.1. University graduate employment rate after 12 months of graduation	13.1. Not available	13.1 60%	
14. By 2021, 60% TVET graduates have gained employment in their respective specialty 12 months after graduation and national service	14.1. TVET graduate employment rate 12 Months after graduation	14.1. Not available	14.1. 60%	

15. By 2021, gender parity in relation early childhood education access will be 1.0	15.1. E.C Gender Parity Index	15.1. Not available	15.1. 1.0	
16. By 2021, gender parity in relation to primary school education access will be 0.92	16.1. Primary Gender Parity Index	16.1. 0.83	16.1. 0.92	
17. By 2021, gender parity in relation to secondary school education access will be 0.85	17.1. Secondary Gender Parity Index	17.1. 0.68	17.1. 0.85	
18. By 2021, gender parity in relation to TVET access will be 0.6	18.1. TVET Gender Parity Index	18.1. 0.4	18.1 0.6	
19. By 2021, gender parity in relation to University access will be 0.9	19.1. University Gender Parity Index	19.1. 0.6	19.1. 0.9	
20. By 2021, urban and rural parity in relation to primary and secondary school education access will be 0.6	20.1. Rural-Urban Parity Index	20.1. 0.43	20.1. 0.6	
21. By 2021, gender parity in primary school head teacher posts will increase to 0.2	21.1. Primary school head teacher gender parity index	21.1. 0.05	21.1. 0.2	
22. By 2021, the children with special needs primary and secondary school enrolment will increase by 50%	22.1. Special Needs Student Enrolment rate	22.1. 1,829	22.1. 2,744	
23. By 2021, increase functional literacy rates for women to 47%	23.1. Functional Literacy Rate for Women	23.1. 37%	23.1. 47%	
24. By 2021, increase functional literacy rates for men to 55%	24.1. Functional Literacy Rate for Men	24.1. 45%	24.1. 55%	

25. By 2021, 50% of students in Grade 5 and 9 will have obtained key learning outcomes related to gender equality, human rights and civics	25.1. Proportion of secondary students with key learning outcomes related to gender equality, human rights and civics.	25.1. G5 Not available G9 Not available	25.1. G5 50% G9 50%	
26. By 2021, 100% of undergraduate students will have completed a prerequisite course requirement on civics, human rights and gender rights before starting their degrees	26.1. Proportion of undergraduate students completing courses on civic, human right and gender right.	26.1. Not available	26.1. 100%	
27. By 2021, 10% of current primary and secondary schools and 100% of new buildings must meet minimum infrastructure requirements including safe water supply; disable access; green space; male/female latrines and secure walls	27.1. Proportion of schools with minimum infrastructure requirements	27.1. CS Not available NS Not available	27.1. 10% 100%	
28. By 2021, USD 3million will be secured and distributed into science, technology, engineering and mathematics international scholarships for postgraduate students	28.1. Amount in \$ secured in to science, technology, engineering and mathematics 28.2. Number of scholarships distributed	28.1. Not available 28.2. Not available	28.2 3,000,000	
29. By 2021, 70% of primary school teachers will meet minimum teacher competency standards and qualification requirements	29.1. % of teachers passing a competency exam 29.2. % of teacher with a minimum Teaching Diploma	29.1. 0% 29.2. 39%	29.1. 70% 29.2. 70%	
30. By 2021, 80% of secondary school teachers will meet minimum teacher competency standards and qualification requirements	30.1. % of teachers passing a competency exam 30.2. % of teacher with a minimum	30.1. 0% 30.2.	30.1. 80% 30.2.	

	Bachelor's Degree in Education	50%	80%	
31. By 2021, 100% of teachers will be registered and certified formally through the Ministry of Education	31.1. Proportion of teachers registered and certified formally through the Ministry of Education	31.1. 0%	31.1. 100%	

Table 65: Education Sector's RBM Matrix – SDG9

SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation				
Outcomes	Indicators	Baseline (2016)⁸⁰	Final Target (2021)	Priority interventions
1. By 2021, 5% of university budgets will be allocated towards research activities	1.2. Proportion of Universities Budget Allocated for research	1.1. 0%	1.1. 5%	<ul style="list-style-type: none"> - Research programs, published papers and journals including joint initiatives with production, economic, energy sectors - License renewal reform linking research funding to University licensing - University academic grading linked to research outputs.
2. By 2021, establish a USD 2million research grant fund focusing on research in sustainable natural resource management and exploitation	2.1. Amount in USD secured for research grand fund	1.2. 0	1.2. 2,000,000	

⁸⁰ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

Table 66: Education Sector's RBM Matrix – SDG13

SDG13: Take urgent action to combat climate change and its impacts				
Outcomes	Indicators	Baseline (2016)⁸¹	Final Target (2021)	Priority interventions
1. By 2021, 3% of the national education development budget and externally funded education program budgets will be allocated towards school drought resilience and preparedness programs	1.1. Proportion of education development budget allocated towards school drought resilience programs	1.1. 0%	1.1. 3%	<ul style="list-style-type: none"> - School based water supply and feeding programs for targeted schools during periods of drought - Mobile and temporary learning facilities and materials - TVET and University conservation and water management courses - Student awareness and tree planting programs at all educational levels

⁸¹ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

3.6.6 Risks

The priority interventions will help the sector achieving its outcomes and ultimately its vision. However, there are three major challenges that pose risks to successfully implementing these interventions. Firstly, political commitment is critical and only with the right stakeholder supporting these activities the sector will be able to achieve its outcomes. Secondly, due to government lack of resources and unreliable aid inflows, the Education Sector constantly faces issues of budgetary constraints. Without financial commitments, there is a high likelihood that the implementation of these proposed interventions will also face such challenges. Thirdly, creating the right incentives for government employees will prevent the emigration of qualified staff and the more active engagement of the senior administration in the activities needed to achieve the sector's outcomes.

3.6.7 Financial Analysis

Table 68 on the next page gives an estimate of the total cost required to achieve the outcomes in each SDG Outcome Group. The costs have been calculated by using costs found in the draft ESSP (2017-21) and from cost estimates provided by the Sector Technical Team. Specifically, the Sector Technical Team provided the estimated cost of Higher Education Interventions and some other administrative cost estimates.

We have chosen to include the cost of those interventions and programs from the ESSP that are likely to directly help achieve the outcomes chosen in the NDPII process. Costs are grouped by area of outcomes (e.g. primary education enrolment etc.) as the program costs in the ESSP do not align directly with the outcomes and interventions outlined in this chapter. We have also included some costs that are related to education administration that may assist in implementation of the interventions and achieving the outcomes. Where possible, we scale the intervention cost depending on the outcome chosen below.

The costs outlined in this section may be an underestimate from the actual costs for achieving the outcomes for three reasons. Firstly, the costs outlined in the ESSP are indicative estimates based on assumed unit costs and the cost of implementing these programs in Somaliland are likely to differ from these estimates. In addition, the programs and policies do not always align exactly with the outcomes chosen here. We have attempted to amend the cost where possible to align with the NDPII outcome. Secondly, in order to reach the adult literacy targets, it is likely that non-formal education interventions will need to be undertaken and these are not included below. Finally, there are administrative and recurrent costs in implementing these interventions that may not be included below.

The yearly profile of costs is also likely to differ from below depending on when interventions begin to be implemented and the time taken to complete each intervention, which may not be as indicated below.

The below figures should be seen as early indicative cost estimates and serve as the basis for a full, detailed costing exercise will be completed at the sector strategic plan level.

Currently, we estimate the total cost for achieving the outcomes chosen in the Education sector to be between **USD 22.6 and USD 31.2 million per year in 2017-21.**

Table 67: Education Sector Financial Analysis (Current USD)

SDG Outcome Group	2017	2018	2019	2020	2021
SDG3: Ensure healthy lives and promote well-being for all at all ages	600,000	600,000	600,000	600,000	600,000
SDG4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	22,719,000	24,345,000	25,297,000	26,610,000	29,666,000
SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	400,000	400,000	400,000	400,000	400,000
Total Cost	23,719,000	25,345,000	26,297,000	27,610,000	30,666,000

All figures rounded to the nearest thousand.

3.6.8 Data Requirements

The current data available for the Education Sector is one of the more advanced Sectors in relation to data management and primarily relies on the information provided by government institutions, development partners, NGOs and the private sector. Data management in the Sector is not though without its limitations. There are huge data gaps that directly impact the work and plan of the sector. Many indicators in the sector RBM don't have baseline data in some cases, although data is available the frequency that it is collected is not ideal. Dissemination and use of the existing data is another obstacle. Oftentimes stakeholders do not share the data they are collecting and valuable information is not used for planning and policymaking. The below table summarizes, sector required data, source, current status and the possible intervention.

Table 68: Education Sector's Data Requirements

No	Required data	Source of data	Status	Required Intervention
1	Universal Primary Education (UPE)	Administrative data	Not available	Compilation of data on UPE
2	School Age Population	Census/ Education Survey	Available with limited scale	Conduct education survey
3	Gross intake ratio	Administrative data/ census/education survey	Available with limited scale	Conduct education survey/compilation of data on intakes
4	Net intake ratio	Administrative data/ census/education survey	Available with limited scale	Conduct education survey/compilation of data on intakes
5	Pupil Teacher Ratio	Administrative data/ census/education survey	Available with limited scale	Conduct education survey/compilation of data on students and teachers
6	Literacy Rate	Administrative data/ census/education survey	Available with limited scale	Conduct education survey/compilation of data on literacy
7	School attainment rate	Administrative data/ census/education survey	Available with limited scale	Conduct education survey/compilation of data on attainment
8	Gross enrolment rate	Administrative data/ census/education survey	Available with limited scale	Conduct education survey/compilation of data on school enrolment
9	Net Enrolment Ratio	Administrative data/ census/education survey	Available with limited scale	Conduct education survey/compilation of data on school enrolment
10	Gender parity index	Administrative data/ census/education survey	Available with limited scale	Conduct education survey/compilation of data on students by gender

11	Age specific enrolment rate	Administrative data/ census/education survey	Not available	Conduct education survey/compilation of data on school enrolment
12	Percentage of female teachers	Administrative data/ census/education survey	Available with limited scale	Conduct education survey/compilation of data on teachers
13	Youth literacy rate	Administrative data/ census/education survey	Available with limited scale	Conduct education survey/compilation of data on literacy
14	Graduation rate	Administrative data	Available with limited scale	
15	Tertiary enrolment rate	Administrative data	Available with limited scale	Conduct education survey/compilation of data on tertiary enrolment
16	Out of school children	Administrative data/ census/education survey	Not available	Conduct education survey/compilation of data on out of school children
17	Dropout rate by grade	Administrative data/ census/education survey	Not available	Conduct education survey/compilation of data on school dropouts
18	Gross primary graduation ratio	Administrative data/ census/education survey	Not available	Conduct education survey/compilation of data on primary graduation
19	Proportion expenditure on education	Administrative data	Available with limited scale	Compilation of data on school expenditure on education
20	Private education enrolment rate	Administrative data/ census/education survey	Not available	Conduct education survey/compilation of data on private education enrolment

3.7 Health Sector

3.7.1 Situation Analysis

The Health sector is present in the Somaliland National Vision 2030 under its pillar of Social Development. The vision acknowledges the importance of the Health Sector through:

- Building a nation whose citizens enjoy access to quality health care by improving health care coverage and quality of care to particularly in rural areas.
- Reduction of both child and maternal mortality rates and the incidence of non-communicable diseases such as; cardiovascular diseases, hypertension, diabetes and cancer

During the development cycle of the NDP, Health sector focused on:

- Expansion of health service coverage through the construction and establishment of basic health-care facilities in rural areas
- Improving regional referral hospitals through construction and upgrading
- Assessment of Human resource needs and development of human resource development strategy
- Development of continuous professional development programs for all cadres, including on-the-job training
- Construction/rehabilitation of medical stores in the regions and districts
- Establishment of quality control system to ensure the quality of all drugs, food, and chemicals
- Improving access to nutrition counselling for pregnant and lactating women through health services and community-based structures

The NDP was key in providing guidance and highlighting the main priorities to be addressed in the sector. However, challenges such as low coordination among key stakeholders, fund constraints and recurrent droughts constrained the sector to achieve some of its objectives.

Key Stakeholders

The Ministry of Health (MoH) is the main stakeholder in the Health Sector providing guidance and coordination for all stakeholders in the sector.

There are also other important government institutions working with Health-related issues such as MoWR, MoEHS, MoERD, Ministry of Interior, MoNPD, National Health Professions Commission (NHPC), and Somaliland Health Examination Board (SHEB).

Moreover, there are number of Health Associations, namely: Somaliland Medical Association (SMA), Somaliland Midwifery and Nursing Association (SLMNA), Somaliland Medical Laboratory Association (SOMLA) and Somaliland Pharmacy Association (SPA).

International development partners as well as international and local NGOs also contribute for the sector, especially through financial and technical support. The main development partners are UNICEF, UNFPA, WHO, WFP, FAO, IOM, Health Consortium, Save the Children International (SCI) World Vision, Coopi, Havayoco and Taakulo.

The sector holds quarterly Health Coordination Meetings chaired by MoH, a platform where all organizations involved in the Health Sector meet to exchange valuable information to avoid duplication, overlap and concentration of project activities in certain locations.

Main Characteristics

National surveys in Somaliland indicate a positive trend in terms of health-related issues. For example, the data of 'Somaliland Women of Reproductive Age Mortality Survey' in 2014 indicated that the maternal mortality ratio is less than 416 per 100,000 live births. Similarly, in Somaliland, the under-five mortality rate of 91 per 1,000 live births, Infant mortality rate of 71 per 1,000 live births

and Neonatal mortality rate of 41 per 1,000 live births was recorded in 2011.⁸² These achievements could be attributed to many factors, including scaling up of service delivery, institutional strengthening and improving health and nutrition behaviours, along with some positive progress on broader determinants of health.

Table 69: Trend in Somali Health Outcomes

	1990	2000	2015
Maternal mortality ratio (per 100,000 live births)	1,210	1,080	732
Under-five mortality rate (per 1,000 live births)	180 (188M, 172F)	174	137 (143M, 130F)
Infant mortality rate (per 1,000 live births)	108	105	85
Neonatal mortality rate (per 1,000 live births)	45	51	40

Source: MoH^{83, 84}

MoH adopted the Essential Package of Health Services (EPHS) as the flagship health programme - prime mechanism to strengthen child health, safe motherhood and nutrition services in Somaliland. Eleven out of nineteen districts (in four out of six regions) have been covered so far with EPHS. Comprehensive obstetric care services have also been ensured in 4 hospitals while 38 health centres are offering basic obstetric care services round the clock. Life-saving basic health services, support to the cold chain, essential supplies for the implementation of polio and measles vaccination campaigns and primary health service delivery, etc. have been ensured in other parts of the country.

The number of infants who received their third dose of newly introduced Pentavalent vaccine - a combination of five vaccines in one against diphtheria, tetanus, pertussis (whooping cough), Hepatitis B and Haemophilus influenza type B - increased to more than more than 83,000 in 2016. The institutional deliveries in MCH/Health centres also increased to 56,000 in 2016. A new injectable vaccine - inactivated polio vaccine (IPV) - has been introduced in 2015-16 as an integral part of routine immunization programme.

Somaliland remained polio free since 2007. Multiple rounds of polio and measles vaccination have been conducted with support of WHO and UNICEF, contributing to major achievement of controlling the epidemics. Behaviour change activities such as community mobilization, radio messaging, megaphone and mosque announcements, and advocacy with the clan/religious/community leaders were also conducted to ensure high level of community participation.

With support of Global Fund to fight against AIDS, TB and Malaria (GFATM), Long Lasting Insecticide Treated (LLIT) Bed nets have been distributed to prevent malaria and universal coverage of impregnated bed nets has been attained in Somaliland with recent malaria prevalence of less than 1%. Testing for HIV amongst pregnant women and Tuberculosis patients has been scaled up and is being integrated with EPHS. Over 2,640 people are currently on antiretroviral therapy (ART) and the survival rate of people on ART is at 80% after 12 months.

All successes were possible through support of development partners. The commitment of MoH to NDP 2012-16 was further expressed in different policy and strategic documents including Health Policy, Health Sector Strategic Plan, Nutrition Plan of Action, Micronutrient Strategy, Reproductive Health Strategy, Community based Health Care Strategy, Human Resource for Health Policy, One EPI Plan, Behaviour Change Strategy, Malaria policy, Leadership and Management Capacity Building Plan, Supply Management Plan, National Drug List, Essential Treatment Guidelines etc. also in line with the latest global evidence and recommendations.

⁸² Multiple Indicator Cluster Survey, 2011, Ministry of National Planning and Development, Somaliland and UNICEF, 2014

⁸³ Trends in Maternal Mortality: 1990 to 2015; Estimates developed by WHO, UNICEF, UNFPA and The World Bank; 2015

⁸⁴ Levels & Trends in Child Mortality; Estimates Developed by the UN Inter-agency Group for Child Mortality Estimation, 2015

MoH has prioritized strengthening five institutional areas for a resilient health system: Legal Framework related to health and nutrition sector, introduction of District Health Information System, authority led Supply Management System, Implementation of Behaviour Change Communication/ Communication for Development strategy and effective management of Human Resources for Health.

Somaliland is having a reasonable health infrastructure with different tier of health care delivery system and health workforce. Estimates are as following:

Table 70: Health Care Delivery Structure and Human Resource for Health Workforce in Somaliland

Health Care Delivery Infrastructure – 2016	Human Resource for Health - 2015
<ul style="list-style-type: none"> - 21 hospitals - 4 Referral Health Centres (RHC) - 122 MCH/ Health Centres - 174 Primary Health Units (PHU) - 15 TB centres 	<ul style="list-style-type: none"> - 197 (including 38 female) physicians - 1,256 (including 530 female) registered nurses - 344 registered midwives - 1,016 auxiliary nurses/ midwives - 4 pharmacist - 430 (including 101 female) skilled technicians

Source: WHO, 2016⁸⁵, 2015⁸⁶

The Health Facility Assessment in 2016 found that 336 health facilities were functional in Somaliland. However, 19 health facilities were found non-functional in the survey. There are five medical institutes with six midwifery schools in Somaliland and are contributing to the development of skilled health workforce. It is estimated that there are 443 private health facilities and hospitals in Somaliland - mostly are urban biased, un-regulated and exact scope and quality of services is not known.

The NHPC has been strengthened through legislative measures with clear mandate of regulating, accrediting and licensing of health facilities, hospitals, health training institutions and health workforce in Somaliland. More than 50% of health professionals have been pre-registered before full registration status. All major health institutes have also been pre-assessed for registration.

International and national NGOs are the main service providers contracted out through health and nutrition programmes and play a crucial role in service provision. Despite improvement in supply and demand of health and nutrition services in Somaliland over the last five years of NDP 2012-16 (through substantial support from donors, UN agencies and NGOs), there is an utmost need to further strengthen the services in Somaliland under the leadership of health authority and through a more harmonized approach.

In NDPII era, Somaliland will be focusing on further transition in its programmatic response to the health related SDGs while ensuring an increasingly decentralized model of service delivery that emphasizes strengthening of community-based approaches.

The main key areas of focus and tactical support will be continuation and further strengthening of EPHS for improved health outcomes especially of women, children and adolescents. High impact interventions along with health system strengthening have the potential to reduce mortality and morbidity and ensure sustainable gains for a longer period of time.

The population of Somaliland is estimated to be 3.8 million in 2017 with 55% living in urban areas, 34% nomads and 11% living in rural areas⁸⁷. The key high-risk groups are 0.6 million children under the age of five years and more than 0.86 million women of child bearing age. At one time there are about 140,000 pregnant women in the country.

The burden of disease is heavily dominated by communicable diseases, reproductive health problems

⁸⁵ Health Facility Assessment, WHO, 2016

⁸⁶ Human Resource for Health Assessment and Policy, WHO, 2015

⁸⁷ Population projection based on Population Estimation Study 2014, UNFPA Somalia

and under-nutrition issues. Non-communicable diseases and mental disorders are also on the rise. One in 18 women has a lifetime risk of death during pregnancy. The country has one of the highest total fertility rates in the world at 6.7, with unmet need for birth spacing at 26%. 98% of women experience female genital mutilation/cutting, leading to serious obstetrical and gynaecological complications.

Since the 2011's drought in the country, there is gradual improvement in the nutritional status of Somaliland children. The latest nutritional data indicate that underweight children are 13.4%; whereas stunting is 12% and wasting is 13.6% in 2015⁸⁸.

Pneumonia and diarrhoea are the major killer diseases among children. Tuberculosis is highly prevalent, of which fewer than half are detected. The HIV epidemic is growing with a prevalence rate of about 0.6%, and higher prevalence among high-risk groups.⁸⁹

Main Challenges

The key challenges facing the Somaliland health system are:

- High burden of disease dominated by communicable diseases, reproductive health problems, under nutrition issues and emerging non-communicable diseases including mental disorders
- Weak institutional capacity and stewardship role of ministry of health
- Inadequate, unpredictable and unsustainable level of financing, with a high share of out-of-pocket spending on health and dependency on donor financing (E.g. cessation of JHNP)
- Absence of balanced, motivated, well-distributed and well-managed health workforce with the appropriate skills mix
- Limited and unequal access to essential health services, and poor quality and safety of services across all levels of care
- Inadequate procurement/supply system and irrational use of essential technologies and medicines
- Absence of national surveys and census, weak births and deaths registration, limited operational research and disease surveillance
- Lack of synergy of humanitarian response to health and inadequate action on social determinants of health
- Poor macro-economic situation and high levels of poverty, conflicts, disasters and other humanitarian crises leading to fragility
- Gender and social issues and women empowerment challenges
- Inadequate water and sanitation facilities and poor hygiene practices
- High illiteracy especially among women leading to poor health and nutrition care behaviours
- Growing percentage of youth with fewer opportunities for their development including health care, education and job opportunities
- High out-migration rates leading to brain drain

3.7.2 Policies, Reforms and Legal Frameworks

The Constitution of the Republic of Somaliland has provisions that safeguard the nation's health and these include the following:

Article 17: Health stipulates in order to fulfil a policy of promoting public health; the state shall have the duty to meet the country's needs for equipment to combat communicable diseases, the provision of free medicine, and the care of the public welfare. The state shall be responsible for the promotion and the extension of healthcare and private health centres.

The MoH has developed health policy in 2009 and the health vision is "All people in Somaliland enjoy

⁸⁸ Somalia Food Security and Nutrition Unit date for 2015.

⁸⁹ http://www.unaids.org/sites/default/files/country/documents//SOM_narrative_report_2014.pdf

the highest possible health status” The health policy delineates the Overall Goal as:

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

Furthermore, the Government of Somaliland has also developed and adopted various legal instruments and policies addressing health issues. Most of these laws and policies only have a sectoral approach, limiting its capacity to generate long-term change. However, some of the policies such as the, Health policy and Gender policy can be considered cross-sectorial, therefore, more promising. Table 72 below summarizes Health laws and policies in Somaliland and other legal frameworks.

Table 71: Summary of Health Laws and Policies

Laws and Policies	Key contents
<i>Health and Nutrition Policy, 2015</i>	- The Health and Nutrition Policy aims to guide and addressing the nutritional and health issues in the country.
<i>Draft Health Act 2013</i>	- The aim of the Act is to make sure that everyone has access to equal health services by building a national health system that governs both public and private health services. - It sets out the rights and duties of all health practitioners, and protects the right of children to basic nutrition and health care, as well as the rights of vulnerable groups (e.g. women, older persons, and people with disabilities)
<i>National Health Provisions Commission (NHPC) ACT 19/2001</i>	- Registers and verifies health personal to improve the human resource’s quality within the HIV and AIDs provisions
<i>Draft HIV and AIDS Bill Act 2014</i>	- Set out to protect population from HIV and AIDs, strengthens and the prevention and coordination of HIV and AIDs activities in Somaliland
<i>National policy HIV/AIDS and STI prevention and control, 2016</i>	- The purpose of the National Policy is to define broad guiding principles in support of the Action Plan, specifically resolving issues which have generated debate and division
<i>Draft Health & Safety Policy, 2016</i>	- The purpose of the Health and Safety Policy is to enable public and private institutions to operate effectively without detriment to their health, safety and wellbeing
<i>Sanitation Policy, 2014</i>	- The sanitation policy provides a suite of procedures, rules and allocation mechanisms for sanitation in the country, which are implemented through the policy instrument of laws and regulations; economic measures; information and education programmes; and assignment of rights and responsibilities for providing services
<i>EPI Policy 2014</i>	- This national EPI Policy provides policy and strategic framework national, regional, district and facility level immunization practices; and it forms the basis of all other immunization policies and procedures

The Health Policy focuses on health sector investments as part of peace building and poverty

alleviation and accords priority to provision of EPHS, strengthening of health systems and focusing on the achievements of health and nutrition related SDGs.

3.7.3 Regional Overview

Health services have expanded over the years but there are still fundamental challenges of coverage and accessibility in rural and nomadic settings. The regions of Sool and Sanaag have few primary health units (PHUs) and Health centres as well as lacking qualified health professionals and lack of equipment. Meanwhile, Sahil, Awdal, Togdheer and Maroodiyeen have revealed absence of free health services and poor quality of medicine resulting from lack of quality control.

3.7.4 Health Sector Results Based Management Framework

Health Sector Vision

All people in Somaliland enjoy the highest possible health status

Health Sector SDGs

SDG2

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

SDG3

Ensure healthy lives and promote well-being for all at all ages

SDG5

Achieve gender equality and empower all women and girls

3.7.5 Health Sector Matrix

Table 72: Health Sector's RBM Matrix – SDG2

SDG2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture				
Outcomes	Indicators	Baseline (2016)⁹⁰	Final Target (2021)	Priority interventions
1. By 2021, reduce the number of children who are stunted by 15% and reduce child wasting to less than 10%	<p>1.1. Prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age</p> <p>1.2. Prevalence of malnutrition (weight for height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight)</p>	<p>1.1. Height median 7.7</p> <p>1.2. 14 %</p>	<p>1.1. Height Median 6.5</p> <p>1.2. 12.6 %</p>	<p>- Address acute malnutrition management</p> <p>- Integration of nutrition services into primary healthcare services</p> <p>Strengthening the nutrition education</p> <p>- Behavioural change interventions focusing on maternal health and nutrition, immunisation, improve hygiene practices and IYCF interventions of reduction of anaemia and women of reproductive age multi-sectoral approach and integrating nutrition into all policy address malnutrition through food fortification including home- based interventions</p>

⁹⁰ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

Table 73: Health Sector's RBM Matrix – SDG3

SDG3: Ensure healthy lives and promote well-being for all at all ages				
Outcomes	Indicators	Baseline (2016)⁹¹	Final Target (2021)	Priority interventions
1. By 2021, reduce the maternal mortality rate to less than 400 per 100,000 live births	1.1. Maternal mortality ratio 1.2. Proportion of births attended by skilled health personnel	1.1. 732/100,000	1.1. 400/100,000	<ul style="list-style-type: none"> - Revival of the national reproductive health strategy (birth spacing strategy) - Adequate and availability of skilled birth attendance - Strengthen the emergency and referral systems - Strengthen and expand BeMONC and CeMONC services
2. By 2021, end preventable deaths of new-borns and children under 5 years of age aiming to reduce under-5 mortality to at least as low as 100 per 1,000 live births, infant mortality to at least 70/1000 and neonatal mortality to at least as low as 35 per 1,000 live births	2.1. Under-five mortality rate 2.2. Neonatal mortality rate 2.3. Infant mortality rate	2.1. Under five 137/1000 2.2. Neonatal 40/1000 2.3. Infant 85/1000	2.1. Under five 100/1000 2.2. Neonatal 35/1000 2.3. Infant 70/1000	<ul style="list-style-type: none"> - Improve immunisation services for both mothers, neonatal , under-fives, and children - Strengthened ANC and Postnatal services) - Strengthened institutional delivery - Strengthen the IMNCI
3. By 2021 reduce the epidemics of AIDS to 5/1000, tuberculosis to 250/100,000, malaria to less than 0.9/1000 and hepatitis B to 130/100,000	3.1. Number of new HIV infections per 1,000 uninfected population, by sex, age and key populations	3.1. HIV & AIDS rate 6.8/1000	3.1. HIV and AIDS 5/1000	<ul style="list-style-type: none"> - Strengthen community based comprehensive prevention programmes including behaviour change communication

⁹¹ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

	<p>3.2. Tuberculosis incidence per 1,000 population</p> <p>3.3. Malaria incidence per 1,000 population</p> <p>3.4. Hepatitis B incidence per 100,000 population</p> <p>3.5. Number of people requiring interventions against neglected tropical diseases</p>	<p>3.2. TB rate 285/100,000</p> <p>3.3. Malaria rate (less than 1%)</p> <p>3.4. Hepatitis rate 150/1000</p> <p>3.5. Not available</p>	<p>3.2. TB 250/100,000</p> <p>3.3. Malaria 0.9/1000</p> <p>3.4. Hepatitis Rate 130/1000</p> <p>3.5. TBD</p>	<ul style="list-style-type: none"> - Community engagement and information programs - Increase consistent access to quality treatment through increases in trained health providers focusing on HIV, TB, and Malaria - Invest in improvements in commodity forecasting and supply chain management
4. By 2021 develop competent human resources and increase health worker density to 50%	4.1. Health worker density and distribution	4.1. Health workers 4.38/10,000	4.1. Health worker density 9/10,000	<ul style="list-style-type: none"> - Refining and enhancing the human resource policy and development of a master plan - Improving and maintaining records of all public health workers, their place of work and their qualifications and incorporating this data into the HMIS. - Establishing a standards regulation and incentives/ allowances package (e.g. meeting per diems, hardship allowances and performance bonuses) and require all donor agencies and NGOs to adhere to these standards - Design a modality on equitable distribution to rural, nomads and

				urban.
5. By 2021 achieve universal health coverage, access to quality essential health-care services to 60% by extending EPHS to all districts	5.1. Coverage of essential health services	5.1. Coverage of Health Services 45%	5.1. Coverage of Health Services 60%	<ul style="list-style-type: none"> - Scaling up EPHS in all districts - Improve the quality control mechanism (Drugs and Diagnostic Systems)
6. By 2021, ensure universal access to sexual and reproductive health-care services, including family planning, information and education to increase CPR to 20%	6.1. Proportion of women of reproductive age (aged 15-49 years) who have their need for family planning satisfied with modern methods	6.1. CPR 9.8%	6.1. CPR 20%	<ul style="list-style-type: none"> - Review the existing Reproductive health strategy - Availability of adequate commodities - Enable access of family planning services - Community awareness on family planning
7. By 2021, reduce by 12% mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	7.1. Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease 7.2. Suicide mortality rate	7.1. Cardiovascular 4% Diabetes 3% 7.2. Not available	7.1. Cardiovascular 3.5% Diabetes 2.6 % 7.2. TBD	<ul style="list-style-type: none"> - Promotion of healthy lifestyle - Regular health screening - Studies and surveys - Strengthened the service delivery
8. By 2021 develop an early warning and response systems, risk reduction and management of health risk	8. Capacity and health emergency preparedness	8.1. Not available	8.1 TBD	<ul style="list-style-type: none"> - Establishment of EPRP (policy and system) - Coordination mechanism training of human resources - Availability of emergency supplies and equipment

Table 74: Health Sector's RBM Matrix – SDG5

SDG5: End hunger, achieve food security and improved nutrition and promote sustainable agriculture				
Outcomes	Indicators	Baseline (2016)⁹²	Final Target (2021)	Priority interventions
1. Reduce the harmful practices of female genital mutilation by 10 % (Addressing issues of GBV)	<p>1.1. Proportion of women aged 20-24 years who were married or in a union before age 15 and before age 18</p> <p>1.2. Proportion of girls and women aged 15-49 years who have undergone female genital mutilation/cutting, by age</p>	1.1. FGM rate 99.1 %	1.1. FGM 89.1 %	<ul style="list-style-type: none"> - Advocacy campaigns in partnership with religious and traditional leaders - Health education program (Male involvement) Availability of sexual and reproductive services Anti-medicalization policy - Strengthen trauma and counselling services - Establishment of forensic laboratory for rape cases - Alignment of ICPD programs

⁹² Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

3.7.6 Risks

Health Sector will pursue ambitious outcomes requiring just as ambitious interventions. Those interventions face challenges of funds, expertise and also coordination. However, others also require community engagement. Without the right understanding of the communities' changes in behaviours will not happen. To mitigate the risks related to its interventions the sector will need to mobilize funds, strengthen mechanisms of coordination and clarify roles and responsibilities of stakeholders. Community engagement will only be possible when religious and traditional leaders are involved in the interventions. Droughts will continue to pose a challenge for most of the interventions in the Health Sector. Thus, early awareness and preparedness mechanisms should be strengthened and better used.

3.7.7 Financial Analysis

Table 76 on the next page gives an estimate of the total cost required to achieve the outcomes in each SDG Outcome Group. Costs were calculated by estimating the cost of achieving each outcome (as opposed to delivering an intervention). The outcome costs were then also summed up to give the total cost estimate for each SDG Outcome Group.

The actual cost of delivering achieving the outcomes is likely to differ from the costs estimated below. The cost of achieving malaria reductions is likely to be substantially lower than estimated (given the low prevalence of malaria in Somaliland) and the cost of delivering EPHS may be lower than estimated (due to investments already made in this area). Private communication has indicated that the cost of increasing health worker density may be higher than the estimates used here.

The yearly profile of costs is also likely to differ from below depending on when interventions begin to be implemented and the time taken to complete each intervention, which may not be as indicated below. Where an SDG Outcome Area has no cost estimate for any intervention, it is not shown below.

The below figures should be seen as an early indicative cost estimate and serve as the basis for a full, detailed costing exercise to be completed at the sector strategic plan level.

Currently, we estimate the total cost for achieving the outcomes chosen in the Health sector to be between **USD 52.7 and USD 65.3 million per year in 2017-21.**

Table 75: Health Sector Financial Analysis (Current USD)

SDG Outcome Group	2017	2018	2019	2020	2021
SDG3: Ensure healthy lives and promote well-being for all at all ages	65,176,000	61,739,000	60,500,000	52,521,000	53,808,000
SDG 5: Achieve gender equality and empower all women and girls	122,000	133,000	149,000	170,000	198,000
Total Cost	65,298,000	61,872,000	60,649,000	52,691,000	54,006,000
Total Cost excl. Malaria	58,328,000	54,705,000	53,282,000	45,119,000	46,222,000

All figures rounded to the nearest thousand.

3.7.8 Data Requirements

The Health Management Information System (HMIS) is currently the routine information system where all key healthcare providers cascade information to where it is then used for planning health services, health policy formulation, and identify current and future information needs. In addition, HMIS apply the science of informatics to the collection, storage, analysis, use, and transmission of information to meet legal, professional, ethical and administrative records-keeping requirements of health care delivery. HMIS team work with clinical, epidemiological, demographic, financial, reference, and coded healthcare data. Health information administrators have been described to "play a critical role in the delivery of healthcare in Somaliland through their focus on the collection, maintenance and use of quality data to support the information-intensive and information-reliant healthcare system.

The health information/data that is readily available at moment include:

- Population Estimation Survey of Somaliland (PESS 2014)
- Multiple Cluster Survey (MICS 2011)
- Health Facility Assessment (HFA 2015)
- Health Workforce Survey (2014)
- Malaria Indicator Survey 2014
- Sentinel ANC Survey 2016
- Integrated Bio-Behavioural Surveys (IBBS) of female sex workers conducted in 2014
- TB KAP survey 2014

Ministry of Health, Somaliland will set the standards for monitoring requirements for all levels. With support of development partners, health authorities will undertake routine monitoring in collaboration with state, regional and district health offices. Health authorities with support of development partners will also engage external firm's services to monitor progress and implementation.

The current data available for the sector is very limited and mainly relies on the work of government institutions, development partners, NGOs and the private sector. Usually, government institutions in this sector collect limited administrative data on a regular basis. Development partners with this sector also collected some primary data. Despite that, there are huge data gaps that directly impact the work and plan of the sector. Many indicators in the sector RBM do not have baseline data. In some cases, although data is available the frequency that it is collected is not ideal. Moreover, dissemination and use of the existing data is another obstacle. Oftentimes stakeholders do not share the data they are collecting and valuable information is not used for planning and policymaking. The below table summarizes, sector required data, source, current status and the possible intervention.

Table 76: Health Sector's Data Requirements

No	Required data	Source of data	Status	Required Intervention
1	Mortality by age and sex	Administrative data/ DHS/Census	Available with limited scale	Compilation of data on mortality Conduct Census, DHS or other health survey
2	Mortality by cause	Administrative data /DHS/Census	Available with limited scale	Compilation of data for mortality causes Conduct Census, DHS or other health survey
3	Morbidity rates	Administrative data /DHS/Census	Available with limited scale	Compilation of data on Mobility

				Conduct Census, DHS or other health survey
4	Fertility rates	Administrative data /DHS/Census	Available with limited scale	Compilation of data on fertility Conduct Census, DHS or other health survey
5	Nutrition data	Administrative data /DHS/Census	Available with limited scale	Compilation of data on nutrition Conduct Census, DHS or Nutrition survey
6	Infections	Administrative data /DHS/Census	Available with limited scale	Compilation of data on infection Conduct Census, DHS or other health survey
7	Environmental risk factors	Administrative data /DHS/Census	Not available	Compilation of data on environmental risk factors Conducting Census or DHS, other health survey
8	Non-communicable diseases	Administrative data /DHS/Census	Available with limited scale	Compilation of data on non-communicable diseases Conducting Census or DHS, other health survey
9	Injuries	Administrative data	Not available	Compilation of data on Injuries Conducting Census or DHS, other health survey
10	Reproductive health data	Administrative data /DHS/Census	Available with limited scale	Compilation of data on reproductive health Conducting Census or DHS, other health survey
11	Immunization data	Administrative data /DHS/Census	Available with limited scale	Compilation of data on Immunization Conducting Census or DHS or other health survey
12	Mental Health	Administrative data /DHS/Census	Not available	Compilation of data on mental health

				Conducting Census or DHS or other health survey
	HIV	Administrative data /DHS/Census	Available with limited scale	Compilation of data on HIV Conducting Census or DHS or other health survey

3.8 WASH Sector

3.8.1 Situation Analysis

The WASH Sector is present in the Somaliland National Vision 2030 under its pillar of Infrastructure Development. The Vision acknowledges the importance of the WASH Sector through:

- **Water supply:** Somaliland aspires to build a nation which is water secure, where every citizen has access to clean affordable water throughout the year.
- **Sanitation and waste disposal:** With advanced sanitation and waste disposal systems that is sustainable and environmentally friendly.

During the development cycle of the NDP, WASH sector focused on:

- Increasing the availability of water by developing the surface and ground water resources
- Coordinating water infrastructure initiatives to optimize access
- Setting standard management practices of water for improving gender equity, community mobilization, and private sector participation
- Setting priorities of use and rules for sharing resource
- Developing integrated water resource management systems

The NDP was key in providing guidance and highlighting the main priorities to be addressed in the sector. However, challenges such as low coordination among key stakeholders, resource constraints and recurrent droughts refrained the sector to achieve some of its objectives.

Key Stakeholders

The Ministry of Water Resources (MoWR) is the main stakeholder in the WASH Sector providing guidance and coordination for all stakeholders in the sector. Under the MoWR, there are water agencies which play a significant role providing water facilities to communities. For example, Hargeisa Water Agency is currently implementing one of the largest water infrastructure projects in Somaliland.

There are also other important government institutions working with WASH-related issues such as Ministry of Health, Ministry of Education, Ministry of Agriculture, Ministry of Livestock, MoERD, Ministry of Interior, MoNPD, and NERAD.

Moreover, a network of independent water agencies provides water for the main urban centres in the country. Some of those agencies are public, others are private and there is even one case of a water agency operating in a Public-Private Partnership (PPP) mode.

International development partners as well as international and local NGOs also contribute for the sector, especially through financial and technical support. The main development partners are EU, UNICEF, UNDP, FAO, UNHABITAT, WFP, CARE International, GAA, World Vision, Candlelight, PENHA, PHARO Foundation, Islamic Relief and Havayoco.

The sector holds quarterly WASH Coordination Meetings chaired by MoWR, a platform where all organizations involved in the WASH Sector meet to exchange valuable information to avoid duplication, overlap and concentration of project activities in certain locations. The WASH Sector members have also agreed to establish four sub-groups which consist of:

- Water supply sub-group chaired by the Ministry of Water Resources
- Hygiene and sanitation sub-group chaired by the Ministry of Health
- School water and sanitation sub-group chaired by the Ministry of Education
- WASH emergency sub-group chaired by NERAD and CARE International

Main Characteristics

Somaliland has a semi-arid climate with an average rainfall of about 300mm. Water availability is, therefore, limited. Less than half of the population has access to clean water. Daily water consumption per person is well below international requirements for healthy living. According to the

latest Multiple Cluster Indicator Survey⁹³ of 2014 only 68 percent of the population use an improved water source. The difference between urban and rural areas is large: only 28 percent of household members in rural areas are estimated use an improved water source, while the corresponding percentage for urban areas which are now estimated roughly as 64 percent. The sanitation indicator shows similar disparities: only 26 percent of household members in rural areas use an improved sanitation facility, while in urban areas 87 percent use an improved facility. Overall, 58 percent of household members use an improved sanitation facility.

There are no lakes and permanent rivers and rain water is limited to two brief seasons. Underground water is the main source of supply particularly in urban areas. The pressures on this scarce resource are mounting due to increasing population, urbanization, irrigated farming and industrial activities. But there is great potential in harvesting surface water during the two rainy seasons.

Increased regulation and oversight of quality water provision and pricing are sector priorities. Preferred Service Delivery Models need to be identified for rural and urban areas, to standardize the approach to the delivery of water services and improve oversight of the sector.

The private sector is dominating the delivery of water supply, but mainly in urban areas. The water sector has been one of the few sectors where PPP have been developed, for example in Boroma. These experiences are now being explored as a feasible model to extend the water delivery into rural areas. After the collapse of the central government, privatization of municipal services occurred mostly without governmental regulation, resulting in inequitable pricing and spatial monopolies in the provision of urban services.

Main Challenges

The needs in water resource management in Somaliland are vast. With the semi-arid to arid nature of the most of Somaliland, groundwater extraction must be managed sustainably, and surface water management must include floodwater management. Different development approaches are needed for the three main ecological zones in Somaliland; e.g. shallow wells and modern extraction technology in coastal areas, Hafir dams augmenting groundwater on the plateaus, and surface water catchments and sub-surface dams complementing boreholes and springs in the highlands.

The key WASH deprivations include inadequate access to safe water supply and appropriate sanitation and hygiene facilities within rural and urban settings. Over 47% population does not have access to safe drinking water. The underlying causes for these deprivations include unavailability of safe water sources in rural and urban communities. Field reports also suggest that 40% of existing water sources are non-functional in addition to the high cost per cubic meter of water. Furthermore, there is an existing preference for surface water sources considered to be “sweet” water as opposed to saline groundwater supplies even though the former are unsafe.

The second deprivation is the lack of inadequate knowledge and practice of good water, sanitation and hygiene behaviours. Contamination of water during collection, transport and storage is a common problem, indicated by low levels of hygiene at the water points and in the homes. Most Somalilanders neither know the health benefits of using improved sanitation facilities nor are they aware of the health benefits of practicing hand-washing with soap at critical times. Over 77% of people are aware that drinking water needs to be treated at home while a significant proportion (23%) does not consider water treatment important. Out of those who claim to treat water, only 20% use the recommended methods of boiling and chlorination.

These deprivations are manifested in an increase in the under-five morbidity and mortality; includes WASH related illnesses such as diarrhoea, wild poliovirus and stunting. Children with disabilities and adolescent girls lose time from school due to lack of access to appropriate WASH facilities in schools.

Drought is recurrent phenomena in the last two decades due the global warming and climate change; it has affected nearly all regions of Somaliland during the past and the present years. However the

⁹³*Somaliland, Monitoring the situation of children and women - Preliminary Results Multiple Indicator Cluster Survey, 2011; Ministry of National Planning and Development, United Nations Children’s Fund (UNICEF)*

MoWR has prepared a 3 Year Strategic Plan for its mitigation and immediate response, the president of Somaliland has also nominated national drought commission which has succeeded to raise humanitarian respond funds at local and abroad levels. The national drought committee has supported enormously the drought-affected people and can be transformed into water trust fund board.

The MoWR and WASH partners benefiting from the learnt lessons of the past and present droughts, have drafted in late 2015 three years strategic plan for drought mitigation which is focusing on rain water/surface water harvesting, the WASH sector and the donor countries also agreed that this is the best approach for drought mitigation and as a result of that the first tangible financial support was received from the African Development Bank and the designing of high capacity dams (Hafir) are now under process and the implementation is planned to start by mid of 2017 and will continue for the coming two decades. This is also in line with the Somaliland National Vision 2030 and other developmental plans.

WASH and Other Sectors

The WASH sector can be considered an inter-field in its own; therefore, it has natural links with other sectors of the NDPII. The sub-groups of the WASH Coordination Meetings and ministries involved in the sector exemplify some of those natural links. WASH Sector could forge alliances and further partnerships with:

- Health Sector
- Education Sector
- Infrastructure Sector
- Environment Sector
- Production Sector
- Economy Sector

3.8.2 Policies, Reforms and Legal Frameworks

In the last two decades Somaliland has engaged in a reform process in the WASH Sector, as illustrated by the implementation of a National Water Policy, Strategy and the National Water Act. However, further efforts are required to complete this reform. Policy and regulation functions are not yet clearly defined in the sector and the MoWR still retains a considerable and very wide-ranging responsibility. Combined with a certain lack of capacity, it results in insufficient and inadequate implementation of policy and service delivery standards.

Various arrangements of water service delivery are more or less successfully in use; this includes both public management as well as PPP arrangements. The latter were identified in Somaliland as promising and thus promoted. PPP seem to be relatively successful in some cases; the weaknesses of the PPP regulatory framework often leads to unbalanced relationships between the public and private sector, resulting in little responsibility or incentive for the private sector to invest in infrastructure expansion, develop new water resources to meet demand, or supply water to poorer sections of society.

Table 77: Summary of WASH Laws and Policies

Laws and policies	Key content
<i>The National Water Policy</i>	<ul style="list-style-type: none"> - Set out the objectives, general principles and guidelines to be followed by the MoWR in developing the water sector; - Passed on 22 June 2004 by the cabinet
<i>The National Water Strategy</i>	<ul style="list-style-type: none"> - Indicate priorities, detailed measures to be taken to permit the National Water Policy to be implemented - Passed on September 2004 by the cabinet
<i>The Water Act</i>	<ul style="list-style-type: none"> - Establish the legal framework to support the National Water Strategy, defining organizations, mandates and responsibilities, as well as

	procedures, obligations and interdictions in a general way - Approved by the parliament on 21 march 2011 by the parliament and signed by the president
The Water Regulations	- Gather all the by-laws necessary to enforce the Water Act - Drafted and awaiting approval by the National Water Policy Committee.

Source: Prepared by MoWR

3.8.3 Regional Overview

Water scarcity has become a national issue especially during dry seasons and particularly when the nation is experiencing extended droughts. All Regions across Somaliland have requested further financial and technical assistance in the development of water resource capacity through capturing, drilling and sustainable exploitation. With regards to sanitation, although the regions such as Sanag and Awdal have reported a relatively good level; further development in this area of the Sector has been identified as a requirement for most regions.

3.8.4 WASH Sector Results Based Management Framework

WASH Sector Vision

A nation which is water secure, where every citizen has access to adequate, clean, safe and affordable water and hygiene & sanitation standards in a sustainable manner

WASH Sector SDGs

SDG3

Ensure healthy lives and promote well-being for all at all ages

SDG6

Ensure availability and sustainable management of water and sanitation for all

3.8.5 WASH Sector Matrix

Table 78: WASH Sector's RBM Matrix – SDG3

SDG3: Ensure healthy lives and promote well-being for all at all ages				
Outcomes	Indicators	Baseline (2016)⁹⁴	Final Target (2021)	Priority interventions
1. By 2021, reduce water-borne, water washed and water related diseases by 10%	1.1. Morbidity and Mortality rates attributed to water borne and water related diseases	1.1. Not available	1.1 10%	<ul style="list-style-type: none"> - Introduce and construct sanitation measures for surface water facilities - Promote prevention measures on water-borne diseases
	1.2. Proportion of adults suffering from diarrhea	1.2. 21% adults	1.2. 18%	
	1.2. Proportion of children under 5 years suffering from diarrhea	1.3. 18%	1.3. 16%	

Table 79: WASH Sector's RBM Matrix – SDG6

SDG6: Ensure availability and sustainable management of water and sanitation for all				
Outcomes	Indicators	Baseline (2016)⁹⁵	Final Target (2021)	Priority interventions
1. By 2021, increase access to safe and affordable drinking water for domestic use by 20%	1.1. Proportion of population using improved drinking water	1.1. 41.9%	1.1. 50.28%	<ul style="list-style-type: none"> - Develop and implement water investment plan for Somaliland, including urban and rural areas to address long-term supply needs - Expand existing water supply

⁹⁴ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

⁹⁵ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

				structure in major towns - Construction and rehabilitation of water systems/mini-water systems in rural areas using renewable energy - Develop and implement National Advocacy Strategy for WASH
2. By 2021, increase access to adequate and equitable sanitation and hygiene by 10% and reduce open defecation by 4%, paying special attention to the needs of women and girls and those in vulnerable situations	2.1. Proportion of population using safely managed sanitation services, 2.2. Proportion of population using open defecation	2.1. 51.3% 2.2. 46%	2.1. 56.4% 2.2. 43.24%	- Finalize, enact and implement Sanitation Policy - Construction of hygiene and sanitation facilities in public institutions (e.g. schools, health facilities, IDP camps) - Establish Community-led Total Sanitation as a primary strategy for elimination of open defecation along with a costed work plan - Develop and implement National Advocacy Strategy for WASH
3. By 2021, improve water quality by reducing by 30% of consumption of water contaminated with hazardous dissolved chemicals and salinity	3.1. Level of water contaminated with hazardous dissolved chemicals and Salinity 3.2. Proportion of population using unsafe water for human consumption	3.1. Not available 3.2. 47%	3.1 TBD 3.2. 32.9%	- Establishment of national water quality laboratories - Revise, amend and disseminate concerned legal framework - Implement water quality monitoring, water safety planning and surveillance programmes
4. By 2021, increase management of household liquid and solid waste in major towns by 5%	4.1. Level of managed household wastewater in major towns	4.1. Not available	4.1 TBD	- Harmonize and enforce WASH and Environmental legal framework for safety disposal

	<p>4.2. Level of managed household solid waste in major towns</p> <p>4.3. Level of managed commercial establishment wastewater in major towns</p> <p>4.4. Level of managed commercial establishment solid waste in major towns</p>	<p>4.2. Not available</p> <p>4.3. Not available</p> <p>4.4. Not available</p>	<p>4.2 TBD</p> <p>4.3 TBD</p> <p>4.4 TBD</p>	<p>- Increase the capacity of stakeholders (intermediates dumping sites and recycling) working in solid and liquid waste management</p> <p>- Include in town master plans sanitation components, particularly drainage</p>
5. By 2021, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals (IWRM)	5.1. Level of 'water stress' (water withdrawal as a proportion of available water resources)	5.1. 13%	5.1. 16%	<p>- Integrate watershed management schemes</p> <p>- Expanding and strengthening existing monitoring system of ground water withdrawals and river flood measures</p>
6. By 2021, reduce the number of vulnerable people suffering from water scarcity in drought prone areas by 20%	6.1. Proportion of population identify lack of water as a major problem facing their families	6.1. 71%	6.1. 56%	<p>- Develop and implement new and existing drought resilience measures for water supply and sanitation (which should include construction of high-capacity water storage facilities, strategic borehole, roof catchments and improved <i>berkads</i>)</p> <p>- Establish risk management mechanisms at community level</p> <p>- Promote life saving hygiene and sanitation behaviours</p> <p>- Enhance the role of the WASH sector in emergence drought response</p>

7. By 2018, develop and endorse integrated water resources management policies at all levels, including protect and restore water-related ecosystems, with defined roles and responsibilities	7.1. Number of water resources management policies reviewed and endorsed 7.2. Proportion of water-related ecosystems protected and restored	7.1. Not available 7.2. Not available	7.1 Policies completed 7.2 Ecosystems protected	- Review, amend and enforce water policy and other related regulatory framework for better management of water resources
8. By 2021, increase number of sustainable water supply and sanitation management entities in urban and rural areas	8.1. Number of PPPs 8.2. Number of autonomous agencies 8.3. Number of community management mini-systems	8.1. 2 8.2. 4 8.3. 41	8.1. 8 8.2. 10 8.3. 90	- Enhance and advocate PPP in the sector - Strengthen water local autonomous agencies - Promotion of community management mini-water systems
9. By 2021, increase the capacity of development public institutions engaging in the wash sector by 30%	9.1. The amount of WASH related official development assistance that is part of government coordinated spending plan	9.1. Not available	9.1 TBD	- WASH sector trust fund - WASH service delivery decentralization - Materialize and enact WASH regulatory framework - Enhance the WASH international Cooperation

3.8.6 Risks

WASH Sector will pursue ambitious outcomes requiring as ambitious interventions. Those interventions face challenges of funds constraint, expertise and also coordination. However, others also require community engagement which is not currently in place. Behavioural change at the community level is critically important for the achievements of this sector.

To mitigate the risks related to its interventions the sector will need to mobilize funds, strengthen mechanisms of coordination and clarify roles and responsibilities of stakeholders. Community engagement will only be possible when religious and traditional leaders are involved in the interventions.

Droughts will continue to pose a challenge for most of the interventions in the WASH Sector. Thus, early awareness and preparedness mechanisms should be strengthened and better used.

3.8.7 Financial Analysis

Table 81 on the next page gives an estimate of the total cost required to achieve the outcomes in each SDG Outcome Group.

Costs have been calculated by estimating the cost of delivering each intervention and then summing these together to give the cost of achieving each outcome. The outcome costs were then also summed up to give the total cost estimate for each SDG Outcome Group.

Costs have been calculated by estimating the cost of delivering each intervention and then summing these together to give the cost of achieving each outcome. The outcome costs were then also summed up to give the total cost estimate for each SDG Outcome Group.

These are early indicative estimates received from the Sector Technical Team on the cost of delivering each intervention. Where possible, we scale the intervention to the outcome chosen below. The actual cost of delivering these interventions is likely to differ from the costs estimated below. The yearly profile of costs is also likely to differ from below depending on when interventions begin to be implemented and the time taken to complete each intervention, which may not be as indicated below.

The below figures should be seen as an early indicative cost estimates and serve as the basis for a full, detailed costing exercise to be completed at the sector strategic plan level.

Currently, we estimate the total cost for achieving the outcomes chosen in the WASH sector to be between **USD 24.3 and USD 33.5 million per year in 2017-21.**

Table 80: WASH Sector Financial Analysis (Current USD)

SDG Outcome Group	2017	2018	2019	2020	2021
SDG3: Ensure healthy lives and promote well-being for all at all ages	23,871,000	32,706,000	32,395,000	32,035,000	30,435,000
SDG6: Ensure availability and sustainable management of water and sanitation for all	355,000	830,000	830,000	830,000	755,000
Total Cost	24,226,000	33,536,000	33,225,000	32,865,000	31,190,000

All figures rounded to the nearest thousand.

3.8.8 Data Requirements

Timely, coordinated, quality and representative data is indispensable approach in formulating and designing national development plan. It also functions as a feedback mechanism by assessing and measuring what has been done so far at the end of the plan.

The current data available for the water and sanitation (WASH) sector is very limited and mainly relies on the work of government institutions, development partners, NGOs and the private sector. Usually, government institutions in this sector collect limited administrative data on a regular basis. Development partners with this sector also collected some primary data. Despite that, there are huge data gaps that directly impact the work and plan of the sector. Many indicators in the sector RBM do not have baseline data. In some cases, although data is available the frequency that it is collected is not ideal. Moreover, dissemination and use of the existing data is another obstacle. Oftentimes stakeholders do not share the data they are collecting and valuable information is not used for planning and policymaking. The below table summarizes, WASH sector required data, source, current status and the possible intervention.

Table 81: WASH Sector's Data Requirements

No.	Required Data	Data source	Status	Required Interventions
1	Water level in aquifer wells	Administrative data/water level study	Not available	Compilation data on water level/Conduct water level study
2	Groundwater quality index	Administrative data/water level study	Not available	Compilation data on water quality/Conduct water quality study
3	Ground water contamination rate	Administrative data/water level study	Not available	Compilation data on water contamination /Conduct water level study
4	Percent of streams you can drink from	Administrative data/water quality study	Not available	Compilation data on surface water/Conduct water quality study
5	Water use per capita	Administrative data/water usage survey	Not available	Compilation data on water usage/Conduct water usage study
6	Residential water consumption	Administrative data/water usage survey	Not available	Compilation data on water usage/Conduct water usage study
7	Commercial water consumption	Administrative data/water usage survey	Not available	Compilation data on water usage/Conduct water usage study
8	Gallons of water used daily per person	Administrative data/water usage survey	Not available	Compilation data on water usage/Conduct water usage study
9	Total water consumption	Administrative data/water usage survey	Not available	Compilation data on water usage/Conduct water usage study
10	Water demand and	Administrative	Not available	Compilation data on

	supply	data/water usage survey		water usage/Conduct water usage study
11	Water resource depletion rates	Administrative data/water resource survey	Not available	Compilation data on water resources /Conduct water resource survey
12	Water consumption versus total annual precipitation	Administrative data/water resource survey	Not available	Compilation data on water resources /Conduct water resource survey
13	Percent reduction in wastewater flows	Administrative data/water resource survey	Not available	Compilation data on water resources /Conduct water resource survey
14	Frequency, duration and extent of water shortage	Administrative data/water resource survey	Not available	Compilation data on water resources /Conduct water resource survey
15	Water prices	Administrative data/water resource survey	Not available	Compilation data on water prices /Conduct water resource survey
16	Level of Hygiene	Administrative data/sanitation survey	Not available	Compilation data on hygiene /Conduct sanitation survey
17	Solid waste generation and treatment	Administrative data/Sanitation survey	Not available	Compilation data on solid waste /Conduct sanitation survey
18	Sewage treatment rate	Administrative data/Sanitation survey	Not available	Compilation data on sewages /Conduct sanitation survey
19	Road litter - bags collected per mile	Administrative data/Sanitation survey	Not available	Compilation data on litter and bags collection /Conduct sanitation survey
20	Recycling rate	Administrative data/Sanitation survey	Not available	Compilation data on recycling /Conduct sanitation survey

Pillar 5 – Environment Protection

**A state with a healthy and well managed environment
that is productive and sustainable**

Sector
Environment

3.9 Environment Sector

3.9.1 Situation Analysis

The Environment Sector is a key element of The Somaliland National Vision 2030, which points out that Somaliland should have a **State with a healthy and well-managed environment that is productive and sustainable**.

In line with the National Vision 2030, the NDP set out ambitious strategies to tackle the main challenges facing the sector. These strategies aimed at protecting the environment as well as at promoting sustainably rural development. Also, the NDP placed great importance in development the of government's capacity to deal with environmental challenges. However, the government was able to achieve less than 50% of the outputs set by the NDP in the environment sector.

Key Stakeholders

There are number of institutions and organisations directly working in the environment sector in Somaliland. However, the impacts of environment go beyond the sector itself and can be felt in various economic and social segments and even more stakeholders should be involved in the sector activities.

The two main government institutions directly focused on environment are the Ministry of Environment and Rural Development (MoERD) and the National Environment Research and Disaster Preparedness Authority (NERAD). The mandate of the MoERD is to protect and conserve the environment and natural resources of the country through advocacy, lobbying and enforcing environmentally safe processes. NERAD main responsibility is to coordinate among other partners the implementation of national policies and strategies on disaster mitigation and emergency preparedness.

In Somaliland, the presence of NGOs, local and international represents an organised response in areas where the state in all levels has either neglected to reach or done so inadequately. In the past two decades, NGOs have been taking a number of steps to promote discussions and debate about environmental issues. Advocacy and awareness interventions of these organisations have been especially crucial in promoting concepts such as sustainable development, natural resource conservation and the restoration of ecosystems.

Recognizing the need to coordinate efforts regarding management, strategies, regulations and plans in the environment sector, sector coordination has been institutionalized within the Government of Somaliland. MoERD has taken the lead of the body that consists of management level officials from different agencies including, among others, MoNPD, NERAD, UNDP, UNOCHA, UN-RCO, SCI, OXFAM GB, FAO, ILO, PENHA, ADO, Partner-Aid, Candlelight, and HAVOYOCO.

Efforts have been made to promote the role of the private sector in the environmental management system in Somaliland; however, progress so far has been marginal. There have also been attempts to improve the legal environmental framework with regards to private sector activities, but enforcement of environment regulations remains a challenge.

A better understanding and meaningful engagement of local communities in environment protection is critical for the success of any efforts in Somaliland. Community involvement in protecting the environment is generally supported for the potential to increased acceptance of and confidence in government environmental decisions, empowered community members on issues that affect them and advancement of democratic ideals. Moreover, community involvement can result in the collective transition from victims to agents of change. In spite of this, however, local community participation in environmental management is very low.

Main Characteristics

Somaliland's topography is characterized by three main landforms:

- Piedmonts and the coastal plain (*Guban*) situated southward from the Red Sea with elevations ranging from seas level to 600m;

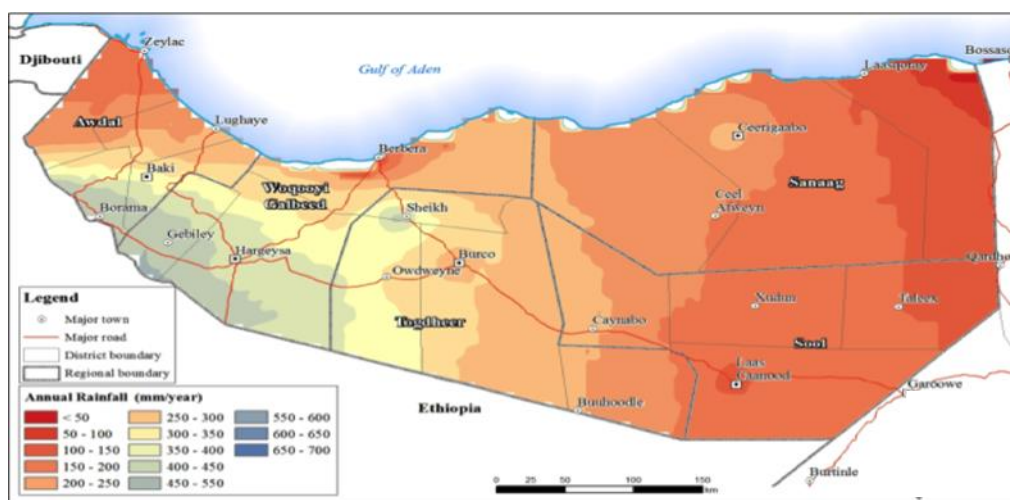
- Hills and dissected mountains (*Oogo*) of rugged features and rising to more than 1,500m;
- The plateau (*Hawd*) with large areas of undulating plains.

There are three main climate zones in the country: desert, arid and semiarid. Temperatures are generally high throughout the year, with the maximum being 36°C to 38°C in the coastal areas.

Somaliland has a bimodal rainfall distribution. The first main rainy season, *Gu*, occurs between April and June while the second, *Deyr*, is from August to November. The two dry seasons are *Jilaal* and *Hagaa* and occur between December and March and July and August respectively.

Areas around Sheikh, Hargeisa, Borama and Erigavo towns receive the higher volumes of rainfall, an average of 400 mm per year. The Northern coastline is characterized by low rainfall amounting less than 100 mm per year. The rest of Somaliland receives an annual rainfall ranging from 200 to 300 mm.

Figure 32: Somaliland Annual Rainfall



Source: FAO-SWALIM, 2016

Vegetation is characterised mostly by grass, shrubs and woodland. Perennial grasses such as *Lasiurus scindicus* and *Panicum turgidum* and scattered trees such as *Balanites orbicularis*, *Acacia tortilis* and *Bosciaminimiflora* are the most predominant vegetation in the coastal zone of Somaliland, particularly in the Western part. *Juniperus procera* woodland is more present in the mountainous areas.

In the plateaus, *Acacia etbaica* bushes and woodland as well as open grasslands or *bans* are common. In these areas livestock has overgrazed much of the grassland. The *Haud* is characterized by *Commiphora* woodland and bushes. The *Nugaal* valley largely supports sparse trees such as *Acacia tortilis* and shrubs.

Soils have poor structure with high permeability, low moisture retention capability and inadequate internal drainage. This is generally the result of land clearing for farming purposes, cutting trees for charcoal production and overgrazing. The progressive decline in soil quality (fertility) has impacted on the productivity of both farming and grazing lands in the country.

Main Challenges

Environmental challenges in Somaliland are many and complex in nature. Over the years, degradations in land, water resources as well as biodiversity have been significantly impacted by human activity and climate change. Pollution and waste management are becoming major concerns in urban areas and environment hazards such as floods and especially droughts are becoming more frequent and disastrous.

Land degradation is rampant and in nearly 30% of Somaliland's land degradation status is already considered to be strong according to the most recent studies.

Table 82: Extent of Land Degradation in Somaliland

Land Degradation Status	Areas affected (sq. km)	Areas affected (%)
None	10235.75	6.04
Slight	26186.15	15.44
Moderate	83819.81	49.43
Strong	49270.17	29.06
Urban	47.44	0.03
Total	169559.32	100

Source: SWALIM 2009

The most common types of land degradation in Somaliland are loss of vegetation cover, soil erosion and deforestation. These issues are intertwined and many times provoked by same factors.

The dominant vegetation types highly exposed to land degradation include grass, forbs, sparse shrubs, and short trees. These vegetation types are prime sources of feed for livestock. The major contributions to loss of these vegetation types are attributed to livestock overgrazing and unregulated agricultural activities in the rangelands. Increase in agricultural activities coupled with ever growing land enclosures have affected the traditional livestock grazing patterns in some areas and led to the concentration of livestock in certain places.

The proliferation of *Berkheds* also increases livestock and population concentration in certain areas where the surrounding vegetation is exposed for deterioration. As the regeneration capacity of the original overgrazed vegetation is generally low, there is an increasing chance for invasive plant species to dominate the areas – including *Prosopisjuliflora* (*Garanwaa*), *Partheniumhysterophorus* (*Keliginoole*), and *Opuntiaficusindica* (Cactus).

According to SWALIM's analysis, the loss of vegetation is visible throughout the country. Land used for wood collection has reached the most critical levels of loss of vegetation cover. From 2000 to 2008 more than 25% of vegetation cover in those lands were lost.

Table 83: Loss of Vegetation Covers between 2000 and 2008 by Type of Land Use

Type of Land Use	Loss of Vegetation Cover (%)
Pastoralism (medium density) wood collection	25.4
Pastoralism (high density) wood collection and scattered irrigated fields	21.5
Pastoralists (low density) in coastal plains	17.7
Agro-pastoralism (low density) with irrigated field around togas	13.7
Pastoralism (low density)	7.6
Agro-pastoralism (medium density) with wood collection	7.3
Pastoralism (low density) scattered irrigated field around togas	5.3
Agro-pastoralism (high density fields)	3.4
Agro-pastoralism (medium density of fields)	2.6

Source: SWALIM, 2009

Soil erosion can be attributed to natural conditions and to land mismanagement, especially overgrazing, heavy wind storms, sloppy terrain, increases in numbers of water points – hand wells, boreholes and underground water reservoirs –, deforestation and some water harvesting techniques applied in agricultural areas.

Somaliland's forests have declined in area, stocking and biomass. Deforestation has also led to the decline of ecological functions, including prevention of erosion, water yield and the conservation of wildlife habitats and genetic resources. This has further led to sedimentation and siltation of water resources and compounded land degradation in the arid and semiarid areas.

Deforestation has mainly been attributed to charcoal production. The rapid process of population growth as well as urbanization in the country has significantly increased the demand for charcoal over the years. Various markets throughout the country offer charcoal for sale, as it constitutes a major source of household energy. Charcoal production has been an important source of income and part of the coping strategies for many subsistence farmers and pastoralists. Moreover, the inability to enforce the country's environment legal framework has exacerbated the deforestation trend.

Water resources, while renewable in the long term, have finite withdrawal limits. According to SWALIM, the per capita availability of water has decreased from 5,300 m³ per person per year in 1951 to less than 1,100 m³ per person per year in 2007.

The water resources degradation processes include acidification, change in quantity of surface water, change in ground water level and decline in surface/ground water quality and quantity. Ground water is an important water resource in the country and heavy reliance on this presents several challenges. These include the protection of aquifers from pollution, the high cost of provision due to the depth at which water is available, high levels of salinity in some locations and the absence of precise knowledge with regards to the exact rate of recharge, which makes estimation of future availability difficult. The degradation of water resources in Somaliland is generally characterized by:

- Frequent flooding and their effects on health, infrastructures, economy, land and aquatic ecosystems;
- Erosion of drainage basins and sedimentation of water courses;
- Periods of decrease in rainfall and droughts leading to the disturbance of the whole hydrologic cycle.

Although it is difficult to quantify due to lack of sound data and analysis, the loss of biodiversity is increasing and alarming in Somaliland. The degradation of wildlife habitats is visible and can be easily

assumed that follow patterns of land and water sources degradations.

Pollution and waste management is increasingly becoming a main environment concern in urban areas. The per capita production of domestic waste is estimated at 0.45 kg per person per day in Hargeisa.⁹⁶ The amount of domestic waste removed daily from the city is estimated at 38 loads of 6 tons each (i.e., $38 \times 6 = 228$ tons). This may indicate that 87 tons are left abandoned in the city every day. Similar situations are believed to exist in other towns in the country.

Waste paper, plastic, metal, glass, rubber, rags and so on are thrown on the streets along with domestic, trade and institutional wastes. Since there is no separation of recyclable waste, plastic bags and bottles are particularly littered everywhere and have recently become serious environment nuisances. Plastic wastes are contributing to blockage of drains and gutters and can cause deaths when consumed by livestock. Open waste disposal sites and excavated pits are few in number and are mostly located in low lying grounds not far from farms, grazing lands and surface water sources. This improper waste disposal has resulted in ground water contamination, leachate and odour.

Wastewater also presents another environmental challenge in Somaliland. Analysis of wastewater practices shows that all liquid wastes are not treated for sanitary disposal. The chance that the untreated wastewater (leachate) ends up contaminating ground water through subsurface absorption or is washed down by rainstorms is significantly high.

Despite of not having large industries, air pollution has been gaining momentum in urban areas as the result of combustion of fuels in domestic cooking and the increasing number of vehicles.

Analysis of rainfall data over the last 30 years by SWALIM has shown that events with an intensity of at least 50 mm/day have occurred every year. More extreme events of 100 mm/d happened on average once every three years, and events of 200 mm/d of rainfall occurred once every ten years. Low infiltration rates due to minimal vegetation, poorly developed soils, and steep slopes are reported to lead to run-off percentages as high as 80%.

Although accurate records of floods in terms of damage to crops, animals, infrastructure, human lives and overall monetary loss is lacking in Somaliland, flash floods have significantly contributed to a high level of vulnerability among pastoral and agro-pastoral communities. Agro pastoralists in flood prone areas have suffered from livestock deaths, destruction of germinated crops and farmlands, increased soil erosion and in some other areas silting of croplands.

So far, flood control in Somaliland has focused on reactive measures and practices. Initial interventions have largely relied on control of floods through structural measures such as earth traces, stone bunds, and check dams. Structural measures have only shifted or disturbed ecological balance rather than mitigating flood risks and in large part these approaches have *ad-hoc* and mono disciplinary nature.

In Somaliland, the impact of droughts on both the environment and livelihood of pastoral and agro-pastoral communities has been devastating. An impact assessment by *Drought Response Committee* in 2015 indicated for example that the water shortage and rapidly drying pasture has led to an estimated 35 to 40% loss of livestock including camels, goats, sheep and cattle (Action Aid, 2015).⁹⁷ Towards the end of 2016 through beginning of 2017, another severe drought has hit Somaliland and according to government's estimates more than 200,000 families have been affected.⁹⁸

The impact of drought on the natural environment in the country can also easily be seen on water sources, land and plant communities. It is noted that drought has significantly lowered water levels in reservoirs or *berekeds* as well as reduced stream flows. This decrease in turn has led to progressive groundwater depletion and water quality reduction. Inadequate water supply has reduced ability for soils to support crops, an increased amount of dust due to dryness and erosion. There is also stress placed on certain endangered species and loss of biodiversity in the most affected areas.

⁹⁶ WHO, Environmental Health Situation Analysis in Somalia 2010.

⁹⁷ Action Aid (2015), Somaliland Drought Update.

⁹⁸ Government's estimates made public in open letter to the [International Community in February 2017](#).

There has been limited assessment, analysis or projections regarding the potential climate change impacts on the physical and social environment. This is due to lack of long-term climate data to support the projections of future climate trends. Climate change models for countries in the Horn of Africa including Somaliland, however, predicted that there would likely be significant increases in temperature and changes in rainfall patterns, resulting in the potential for increased drought and flood events. Climate change is expected to exacerbate existing risks such as water stress and food insecurity. In Somaliland recent evidences indicate that rainfall has become less predictable and insufficient.

Climate change impact assessment reports further highlight that delay in the onset of rains accompanied by short and insufficient rains has caused significant crop failures causing widespread food insecurity among many pastoral and agro-pastoral households. Pasture deficit resulting in livestock mortality, susceptibility to diseases and poor body condition is also frequently reported. The reports further indicate that drought has resulted in widespread reduction on household incomes from livestock and livestock products. In addition, drought has affected livestock diversification strategy of households, which in most cases prefer to have the combination of cattle, sheep and goats or camels, goats and sheep or all. Increased shortage of forage and water as the result of drought forced many agro-pastoral households to resort to camel production with shoats to sustain subsistent income.

The traditional migration patterns of pastoral communities are also reported to change as the result of drought and existing rain invariability. Coping strategies such as rotational grazing and reserving pasturelands are undermined. Concentration of livestock in few watering points has become commonplace sighting resulting in further soil and water degradation.

Table 84: Observed Changes as Result of Climate Change

Observed Changes	Trend	Remark
Rainfall duration	-	<i>Gu and Dayr</i> seasons become shorter
Rainfall intensity	+/-	Resulted in heavy rain and run off or at times becomes too low
Rainfall amount	-	<i>Gu and Dyar</i> rains becomes insufficient
Rainfall distribution	-	Uneven distribution of rain becomes frequent
Hot and dry months	+	Due to the shortening of <i>Gu</i> and <i>Dyar</i> seasons
Drought	+	Due to failure in <i>Gu</i> and <i>Dyar</i> rains
Flooding	+	Due to rangeland degradation and high rate of runoff
Soil moisture/ fertility	-	Due to rain failure and erosions
Vegetation	-	Due to shortage of rain and increased temperature
Crops	-	Due to shortage of rain
Diseases	+	Human, livestock and crop diseases become prevalent as a result of food and water shortage, crop infestation, lack of hygiene and sanitation as well as a lack of health facilities
	-	Over-population, overgrazing, and water runoff contribute to the degradation of the rangelands

Source: NERAD, 2014

Disaster Preparedness and Management

Somaliland has continued to face a rising degree of vulnerability to disaster risk. Hydro-meteorological and environmental processes leading to hazards such as floods and drought are the most common disasters experienced in Somaliland.

The existing Early Warning System in Somaliland is inefficient owing mainly to lack of adequate data and delays in dissemination to end-user organization. However, end-user organizations also lack the capacity to analyse Early Warning System data. Although disaster preparedness is an important component of preventive development, its usefulness can only be determined if the people who are so often affected by natural hazards are sensitised about the potential danger and empowered to respond effectively to contribute to the development of their own communities.

Environment and Other Sectors

Somaliland's economy is linked to the environment in many important ways. Several economic activities in the country tend to affect and are affected by the environment. This is particularly the case when one considers the existing little economic diversification in the country and how productive sectors such as agriculture, fisheries and specially livestock are important for Somaliland. Ultimately, the state of the environment determines the level of prosperity now and in the future.

Agricultural performance and environment are highly interdependent. The impact of environmental degradation on the overall performance of the agriculture and vice versa is well noted in Somaliland. Over the years, the productivity of the agricultural sector has been declining due to erratic and low amounts of rainfall, land and water resources degradation.

The most potent form of land degradation in the country is the slow insidious process of soil erosion that resulted in deterioration of soil structure and fertility. It is obvious that the costs associated with replacing soil nutrients in the form of inorganic fertilizer would in the future place a heavy burden on the economy of the country.

The state of land degradation from 1990's to present has not improved. Similarly, unsustainable agricultural practices have contributed to the degradation of the environment and reduced productivity. Some of the environmental factors associated with the agriculture sector include:

- Policy failure to generate an optimum agricultural industry that has due regard to the supporting environment;
- Inadequate and uncoordinated agricultural extension services having inadequate concern for environmental issues;
- Farm expansions in response to low production on existing land; and
- Inadequate land use planning and suitability analyses.

With the very small portion of land under cultivation in the form of subsistence farming and the ever-increasing land degradation, achieving food security using the agriculture sector still remains a challenging proposition unless environment is taken in to consideration.

Somaliland has seen a total transformation of the forest landscape over the past decades. The combined forces of climate change, not environmental friendly human activities such as charcoal production and agricultural encroachment have reduced the forest cover of the country to the lowest level.

The most serious environmental threat to the forest cover comes from overuse of vegetation mainly for fuel wood, overgrazing and charcoal production. In Somaliland, an estimated 8 million trees are cut annually for charcoal production.⁹⁹ Other factors that exacerbate the problem include lack of periodic assessments and implementation of forest laws to prevent over harvesting and unplanned clearance of woodlands.

This widespread misuse is further complicated by the diminishing natural resilience of the vegetation covers occasioned by frequent and prolonged droughts. The economic benefits of planned use of

⁹⁹ IUCN (1997), Renewable Natural Resources and Production Systems: Issues and Priorities.

forest resources such as frankincense have therefore shrunk over the years.

The livestock sector in Somaliland has also suffered the brunt of the degrading environment. The consequences of the recurrent and prolonged droughts are proved to be devastating for many pastoral and agro-pastoral communities in the country. More frequent and longer periods of low precipitation and loss of vegetation for overgrazing have led to a significant loss of livestock from starvation and water stress. Longer and more frequent dry spells that have reduced water and pasture supply triggered forced liquidation of livestock at depressed prices.

Marine resources are also facing challenges resulted from fishing, disposal of waste, degradation of the mangroves and polluted terrestrial water runoff. Existing marine degradation and its subsequent impact is also due to lack of proper marine environment policies and legal framework enforcements. In addition, the devastation of the marine environment is expected to affect the participation of the private sector to be engaged in large scale fishing practices. It is believed that these challenges are contributing to the declining income level of traditional fishers who largely lack any other means of income.

With regards to the Economic Development Sector, environment is particularly affected for manufactures. Although the level of industrial development in Somaliland is at the earliest stage, understanding the industry-environment nexus is considered important to identify priority areas for enhancing environmental performance of the sector as well as for setting and monitoring appropriate indicators.

Energy is a key sector for environmental mainstreaming from a number of perspectives. First of all it is a key element for private sector development, both in terms of supply as well as with regards to waste management, particularly for industrial development. Energy is also the driving force behind other sectors to a larger or lesser extent.

The household energy production process relies greatly on biomass, mainly charcoal, which is responsible for the degradation of forest and air pollution. There have been efforts, particularly from the private sector, to develop the market for alternative sources of energy such as LPG.

Extractive large-scale activities such as mining and oil extraction are still in early stage in the country; however, prospection activities suggest that this sector will soon experienced fast-paced development. An appropriate legal framework contemplating this new phase in the development of the country is needed.

Health-related pollutions – water and sanitation issues – have emerged as serious health threats for the majority of the population. Numerous households are reported to suffer from severe water shortages during the dry seasons. Furthermore, solid and liquid waste management and residential environmental sanitation remain at a very rudimentary. There is a critical need to initiate the development of environmental health strategies.

Environmental education and awareness can be mainstreamed at all levels of formal education. Subjects such as sciences and geography can be excellent entry points to foster discussions about environment in primary and secondary schools. Also, Environment-related academic programmes at higher education will supply the demand for professionals with a sound background in this field.

3.9.2 Policies, Reforms and Legal Frameworks

The Constitution of the Republic of Somaliland has provisions that safeguard natural resources and the environment. These include the following:

Article 12 states that the government is responsible for the natural resources of the country, and shall take all possible steps to explore and exploit all these resources which are available in the nation's land or sea. The protection and the best means of the exploitation of these natural resources shall be determined by law.

Article 18 states that the government shall give a special priority to the protection and safeguarding of the environment, which is essential for the well-being of the society, and to the care of the natural resources. Therefore, the care of and (the combating of) the

damage to the environment shall be determined by law. The state shall also undertake relief in disasters such as famine, storms, epidemics, earthquakes, and war.

Furthermore, the Government of Somaliland has also developed and adopted various laws and policies addressing environment or that are relevant for environment. Most of these laws and policies only have a sectorial approach, limiting its capacity to generate long-term change. However, some of the policies such as the *Water Policy*, *Coastal and Marine Resource Policy* and the *Agriculture Policy* can be considered cross-sectorial, therefore, more promising. Table 86 below summarizes environmental laws and policies in Somaliland and other legal frameworks which address environment issues.

Table 85: Summary of Environmental Laws and Policies

Laws and policies	Key content
<i>Law on the Prevention of Deforestation & Desertification</i>	- Set out to protect plants, forest reserves and wild life
<i>Law on Fauna (Hunting) and Forest Conservation Law</i>	- Protect the wild life from pouching and vegetation from deforestation in Games Reserves
<i>NERAD Agency Law</i>	- Protect the national environment and natural disasters management and preparedness
<i>Wildlife and Forest Conservation Law</i>	- Protect wildlife from poaching and forest from illegal encroachments and clearing
<i>National Water Policy</i>	- Improve availability and access to water in a sustainable and equitable way for all different types of uses, in a manner that is environmentally safe.
<i>Coastal and Marine Resource Policy</i>	- Proper conservation, management and optimum utilization of living marine resources
<i>Policy on Disaster Risk Management</i>	- Address the increasing incidences and emergencies of both slow and rapid on-set disasters such as flood and droughts
<i>Energy Policy</i>	- Address energy needs of Somaliland for social and economic development in a cost effective way that promotes sustainable energy production and use while minimizing negative environmental impacts
<i>National Range Policy</i>	- Deal with soil, range vegetation, the animals that use the range, forest, watershed, wildlife habitat and the landscape as a whole - Stop destructive land use practices (overgrazing and erosion, cultivation on marginal land, cultivation on steep slopes, bush-cutting for fuel) - Ensure stability of watersheds
<i>National Livestock Policy</i>	- Promote livestock production activities that ensure sustainability and conservation of the environment
<i>Dry and solid waste management policy</i>	- Sets duties and responsibilities of waste collection - Specifies violations and punishments related to waste management
<i>Somaliland's Environment Management Bill</i>	- Protection of emissions from vehicles and machineries - Protection of environment from release chemicals, oils and other harmful substance

<i>Draft National Policy on Environment</i>	<ul style="list-style-type: none"> - Protection of biodiversity and traditional knowledge - Strengthening participation in water and natural resources management - Protection of river catchments, watersheds, wetlands and static water bodies - Adoption of Sound production systems - Adoption of good land management and sound management practices for all forms of land use, especially agriculture, pastoralism, mining, urbanization, forestry, wildlife and protected areas - Combat global warming and climate change
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Source: Prepared by MoERD

Many sector policies and laws in the country are not harmonized with each other and with the Constitution. These include policies and laws concerning agriculture, land, water, forests, trade and industry, which have significant implications on the environment. The sector rather than integrated and ecosystem approach to management of natural resources has proved inadequate in addressing environmental challenges.

Although the Government of Somaliland has taken steps towards establishing and improving the environmental legal framework, implementation appears to be not within the capacity of government institutions. The financial and human resources needed for effective implementation of environmental policies are significantly lacking. Nor is there adequate awareness of environmental issues among policy makers. Consequently, serious environmental damage continues. Specific policies and regulations on such areas as charcoal production and waste management are not also in place and effectively enforced.

3.9.3 Regional Overview

The effects of climate change can be seen across the whole country; however, the impact of human activities is also very present. Deforestation, especially as a result of charcoal production, is increasing in all regions.

Land degradation is a combined result of failed rainfalls and overgrazing has been a prominent problem in Togdheer, Maroodijeex and Sanaag regions. Illegal enclosures are also an important challenge for the environment in Togdheer and Maroodijeex regions.

Some regions, Sahil in particular, have been trying to increase the production and use of clean and renewable energy, showing signs that there are potential for change. Sustainable energy can help reducing consumption and therefore production of charcoal, leading to a decrease in deforestation.

3.9.4 Environment Sector Results Based Management Framework

Environment Sector Vision

A state with a healthy and well-managed environment that is productive and sustainable

Environment Sector SDGs

SDG12

Ensure sustainable consumption and production patterns

SDG13

Take urgent action to combat climate change and its impacts

SDG15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

3.9.5 Environment Sector RBM Matrix

Table 86: Environment Sector's RBM Matrix – SDG15

SDG15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss				
Outcomes	Indicators	Baseline (2016)¹⁰⁰	Final Target (2021)	Priority interventions
1. By 2021, allocate 10% of the country's land as protected areas (watershed area and biodiversity hotspots)	1.1. Percentage of land gazetted	1.1. Not available	1.1. 10%	<ul style="list-style-type: none"> - Identification of watershed and biodiversity hotspots by surveying, demarcating and mapping - Carry out inventory and evaluation on the watershed and biodiversity hotspots, and select priority areas for intervention - Community awareness and mobilization by engaging key stakeholders - Legalization, approval and gazetted
2. By 2019, assess 45 potential major community-grazing reserves and by 2021 restore and conserve 15 of them	2.1. Number of potential grazing reserves assessed 2.2. Number of grazing reserves restored and conserved	2.1. 4 2.2. 0	2.1. 45 ¹⁰¹ 2.2. 15	<ul style="list-style-type: none"> - Select potential reserves, demarcate and make inventory, assessment and participatory management plans for 15 sites
3. By 2021, increase the number of conserved and protected endangered flora and fauna species by 50%	3.1. Percentage of conserved and protected endangered species	3.1. 0%	3.1. 50%	<ul style="list-style-type: none"> - Assessment of endangered flora and fauna species

¹⁰⁰ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

¹⁰¹ According to the outcome, there should be 45 grazing reserves assessed by 2019 rather than 2021.

	3.2. Number of endangered species	3.2. Not available	3.2 TBD	<ul style="list-style-type: none"> - National strategy for practical conservation measures including in-situ and ex-situ conservation - Establish rescue and orphanage centres for wildlife
4. By 2021, improve existing environment legal framework to address the conservation of marine ecosystem and implement sustainable use of marine ecosystem specifically mangroves and other associated species and habitats	4.1. Improved legal framework 4.2. Implementation of Sustainable Mangrove Management Plan	4.1. General Environment Act 4.2. Non-existent	4.1. Improved legal framework in place 4.2. Implemented	<ul style="list-style-type: none"> - Assessment and inventory of the mangroves ecosystem and develop management plan - Review and improve the existing and enforce legal framework its implementation - Establish monitoring mechanisms for marine ecosystem

Table 87: Environment Sector's RBM Matrix – SDG12

SDG12: Ensure sustainable consumption and production patterns				
Outcomes	Indicators	Baseline (2016)¹⁰²	Final Target (2021)	Priority interventions
1. By 2021, develop and apply legal framework to achieve environmentally sound management of chemicals and all wastes	1.1. Environment legal framework developed and applied	1.1. Legal framework is being developed	1.1. Legal framework applied	<ul style="list-style-type: none"> - Assessment of the existing environmental legal framework to address gaps - Identify types of pollutions and source of polluters - Establish appropriate institutional framework for integrated

¹⁰² Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

				management for all types of wastes
2. By 2021 decrease the release of point-source pollution particularly to air and ground water by 20%	2.1. Level of air pollution 2.2. Level of water ground pollution	2.1. Not available 2.2. Not available	2.1 TBD 2.2 TBD	<ul style="list-style-type: none"> - Develop environmental legal framework to address gaps related to point-source pollutions through participatory process. - Promote recycling schemes and collection points i.e. water bottles and plastic bags - Establish mechanisms of inspection for air, water and soil pollutions - Regular inspection for plants that use dangerous chemicals like tanneries and motor vehicles for air pollution - Develop dump sites and landfills - Promote the role of private sectors in controlling point source pollutions
3. By 2021, ensure that 50% of communities have the relevant environmental information and awareness for lifestyles adaptation in harmony with nature	3.1 Proportion of randomly sampled individuals who can recall basic environmental information and issues	3.1. Not available	3.2. 50%	<ul style="list-style-type: none"> - Promotion of mass media programmes delivering messages on environmental issue tailored for community consumption - Promotion of environment clubs (i.e. in schools, universities, philanthropic groups)
4. By 2021, reduce charcoal consumption from indigenous species by 35% in urban areas through use of alternative energy sources	4.1 Quantity of charcoal consumption	4.1. 97% urban and peri-urban areas	4.1. 34% urban and peri-urban areas	<ul style="list-style-type: none"> - Educate and provide training to communities on conservation methods and use of clean energy

				<ul style="list-style-type: none"> - Provide incentives to private companies importing alternative energy and promote local innovations - Promote harvesting mesquites (<i>garanwaa</i>) for charcoal production
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Table 88: Environment Sector's RBM Matrix – SDG13

SDG13: Take urgent action to combat climate change and its impacts				
Outcomes	Indicators	Baseline (2016)¹⁰³	Final Target (2021)	Priority interventions
1. Integrate international climate change measures into national policies, strategies and planning and strengthen resilience and adaptive capacity to climate-related hazards and natural disaster	1.1. Number of policies and strategies which have climate change measures	1.1. Not available	1.1 Policy and strategies developed	<ul style="list-style-type: none"> - Empower the existing institutional framework (e.g. Early warning systems) - Develop National Drought Management Strategy and long term programmes to mitigate climate change effects
2. Improve education, awareness-raising and human and institutional capacity on climate change adaptation, mitigation and early warning	2.1. Proportion of radio and TV programmes broadcasting environmental issues and climate change 2.2. Proportion of government staff working on environmental issues trained on climate change	2.1. Not available 2.2. Not available	2.1. Media programs broadcasted 2.2. Staff trained	<ul style="list-style-type: none"> - Empower the existing institutional framework - Media programmes on climate change education - Establish an Institute for range, forestry and meteorology.

¹⁰³ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

3. By 2021, Improve and adapt existing National strategy for disaster reduction and risk management particularly drought resilience	3.1. Policies /Strategies	3.1. Not available	3.1. Policies/strategies developed	- Develop and adapt national strategies/policies for disaster preparedness and emergency risk management (e.g. Drought resilience, floods)
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3.9.6 Financial Analysis

Table 90 on the next page gives an estimate of the total cost required to achieve the outcomes in each SDG Outcome Group.

Costs have been calculated by estimating the cost of delivering each intervention and then summing these together to give the cost of achieving each outcome. The outcome costs were then also summed up to give the total cost estimate by SDG Outcome Group.

These are early indicative estimates received from the Sector Technical Team on the cost of delivering each intervention. The actual cost of delivering these interventions is likely to differ from the costs estimated below. The yearly profile of costs is also likely to differ from below depending on when interventions begin to be implemented and the time taken to complete each intervention, which may not be as indicated below.

A cost estimate was not available for one outcome (reducing charcoal consumption) and this outcome was not included below. The below figures should be seen as an early indicative cost estimate and serve as the basis for a full, detailed costing exercise to be completed in the future.

Currently, we estimate the total cost for achieving the outcomes chosen in this sector as between **USD 5.0 and USD 11.3 million per year in 2017-21.**

Table 89: Environment Sector Financial Analysis (Current USD)

	2017	2018	2019	2020	2021
SDG15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	1,650,000	3,790,000	5,240,000	4,350,000	6,290,000
SDG12: Ensure sustainable consumption and production patterns	800,000	800,000	2,610,000	1,690,000	1,610,000
SDG13: Take urgent action to combat climate change and its impacts	2,500,000	3,200,000	3,450,000	2,500,000	3,250,000
Total Cost	4,950,000	7,790,000	11,300,000	8,540,000	11,150,000

All figures rounded to the nearest thousand.

3.9.7 Data Requirements

Timely, coordinated, quality and representative data is indispensable approach in formulating and designing national development plan. It also functions as a feedback mechanism by assessing and measuring what has been done so far at the end of the plan.

The current data available for the environment sector is very limited and mainly relies on the work of government institutions, development partners, NGOs and the private sector. Usually, government institutions in this sector collect limited administrative data on a regular basis. Development partners with this sector also collected some primary data. Despite that, there are huge data gaps that directly impact the work and plan of the sector. Many indicators in the sector RBM do not have baseline data. In some cases, although data is available the frequency that it is collected is not ideal. Moreover, dissemination and use of the existing data is another obstacle. Oftentimes stakeholders do not share the data they are collecting and valuable information is not used for planning and policymaking. The below table summarizes, environment sector required data, source, current status and the possible intervention.

Table 90: Environment Sector's Data Requirements

No	Required Data	Source of data	Status	Required intervention
1	Area overgrazed	Administrative data/Environmental Surveys	Available with limited scale	Compilation data on overgrazed areas/ conduct environmental survey
2	Area under Environmental Protection	Administrative data/Environmental Surveys	Not available	Compilation data on environmental projection areas/ conduct environmental survey
3	Land Degradation	Administrative data/Environmental Surveys	Not available	Compilation data on land degradation are/ conduct environmental survey
4	Average Monthly Temperature	Administrative data	Not available	Compilation data on average monthly temperature
5	Climate change	Administrative data/Environmental Surveys	Not available	Compilation data on climate change/ conduct environmental survey
6	Urban air emission	Administrative data/Environmental Surveys	Not available	Compilation data on urban air emission / conduct environmental

				survey
7	Intensity of forest measures use	Administrative data/Environmental Surveys	Not available	Compilation data on intensity of forest measures use/ conduct environmental survey
8	Areas and Distribution of forests	Administrative data/Environmental Surveys	Not available	Compilation data on areas and distribution of forests/ conduct environmental survey
9	Emissions of carbon dioxide and other greenhouse gases	Administrative data/Environmental Surveys	Not available	Compilation data on emission of carbon dioxide/ conduct environmental survey
10	Air quality index	Administrative data/Environmental Surveys	Not available	Compilation data on overgrazed areas/ conduct environmental survey
11	Number of environmental education programs for community	Administrative data/Environmental Surveys	Not available	Compilation data on environmental educational programs/ conduct environmental survey
12	Number of environmental education programs at elementary schools	Administrative data/Environmental Surveys	Not available	Compilation data on environmental educational programs/ conduct environmental survey
13	Biodiversity of animals and plants	Administrative data/Environmental Surveys	Not available	Compilation data on biodiversity/ conduct environmental survey
14	Number of species at risk	Administrative data/Environmental Surveys	Not available	Compilation data on species at risk/ conduct environmental survey
15	Soil erosion per acre of cropland	Administrative data/Environmental	Not available	Compilation data on soil erosion/

		Surveys		conduct environmental survey
16	Area of land affected by soil erosion and salinity	Administrative data/Environmental Surveys	Not available	Compilation data on soil erosion and salinity areas/ conduct environmental survey

Chapter 4: NDPII Cross-cutting Themes

Employment & Labour

Social Protection

Youth

4.1 Cross-cutting Theme I: Employment & Labour

4.1.1 Situation Analysis

The Somaliland National Vision 2030 prioritized employment creation under its social and economic development pillars.

A major goal in the Somaliland National Vision 2030 is to pursue macroeconomic policies that promote accelerated economic growth and creation of productive and sustainable employment opportunities. The Vision also seeks to implement trade and investment policies that promote production and employment, and aspires to create a well-developed private sector that provides opportunities for investment, employment, sustained livelihoods and vital services to strengthen the economic foundation of peace. It further seeks to promote vocational training geared towards providing practical and market oriented skills necessary for creation of meaningful employment opportunities, especially for the youth.

Therefore, in line with the country's Vision, the focus of the NDP was to maximize labour force participation, achieve higher level employment, promote vocational training, maintain sound labour relations and regulate occupational safety and health.

The NDP also acknowledges that the country faces key challenges to improve its employment and labour characteristics. Amongst these were lack of technical and managerial capacity; limited financial and physical resources; lack of labour market information; ineffective labour market; unskilled or poorly trained workforce; limited employment opportunities; and an informal economy that is hard to regulate.

Other challenges identified were poor work culture and socially acceptable dependence on others; lack of employment policy and strategy; economically and socially crippling widespread *Khat* addiction; lack of appropriate social and welfare policies; lack of policies for the protection of vulnerable community groups; and absence of government pension and social security systems.

In view of the challenges, the NDP outlined the following priorities for the government: strengthening the capacity of MoLSA through skills development of staff and providing adequate facilities; development of a national manpower plan; formulation of appropriate manpower policies and programs; introducing and implementing occupational health and safety regulations; and promoting good employment practices. Other priorities were: establishment of a credible and sustainable Labour Market Information System (LMIS) that would provide regular, accurate and timely data on employment and other labour market parameters; investment in youth development and reduction of youth unemployment; and provision of labour market information to job seekers and employers, and counselling services to job seekers.

Key Stakeholders

The main stakeholders in Labour and Employment CCT can be categorized into four groups: private sector actors, government institutions, professional associations and development partners.

The private sector is present across all sectors of Somaliland's economy and employment generation sectors. There are a number of business associations representing private sector actors, which work as forums for internal dispute resolutions, representation and lobbying for common interest. However, some of these associations have very limited capacity to act.

The government has been promoting employment generation, particularly through the Ministry of Labour and Social Affairs (MoLSA), Ministry of Trade and Investment (MoTI), Ministry of Youth and Sport (MoYS) and Chambers of Commerce. Development partners are constantly working with the government and business community to create the enabling environment for employment creation for the country. Other key stakeholders are SONYO, Shaqodoon and private foreign companies.

Main Challenges

As noted in Chapter 2, employment remains a key pressing issue in Somaliland. Less than 50% of Somaliland's population are in the labour force. However, even among those that are considered economically active, poverty headcount rates are significant. Around 40% of households in rural and urban areas do not have any economically active individuals aged 15 to 54.

Skills development is important in getting the right workforce for industry and in improving labour productivity. It is a key determinant of employability in an economy. Lack of skills and work experience is often cited as a major impediment to employment in Somaliland. As much as these constraints affect the entire spectrum of the country's labour force, the youth particularly bear the greatest brunt. This is true if considered in the context of the country's youthful population that is mostly in need of skills development initiatives.

An inadequately developed basic education system and minimal participation by industry have limited the development of the Technical Vocational Education and Training (TVET) sector within the country.¹⁰⁴ A tracer study conducted between October 2012 and November 2015 under the Horumarinta Cilmiga¹⁰⁵ project in Somaliland found that TVET was attractive to women with a higher education level and to males with no or low levels of education. There was also a preference for white-collar programs within the Institutional Based TVET (IBTVET) compared to many of the more traditional TVET programs such as masonry and carpentry. More graduates also prefer paid jobs to self-employment. Gender imbalances in skills development also played out with men dominating the high-end income jobs while majority of women were found in the low-income groups or had no income. This could be attributed to female graduates' commitments to their family, which leads to a preference for working in home-based businesses.

Preference by private businesses to employ members of their family or clan, coupled with competition from university graduates and young Diaspora citizens was found to be a major constraint to TVET graduates finding paid jobs. Female graduates in particular faced significant barriers in finding employment due to gender stereotype, career choices, and biased perceptions on women's employment and engagement in business. Female graduates in self-employment were, however, found to be restricted in business activities due to family obligations.

Graduates who had opted for self-employment faced challenges related to lack of appropriate business development knowledge and skills, difficulties in positioning themselves in the market, and lack of technical skills to compete in a very competitive business environment. It is, however, notable that Enterprise Based TVET (EBTVET) graduates were more confident in engaging in self-employment compared to their IBTVET counterparts. This could be attributed to the former's more practical training and direct involvement in business activities at the EBTVE owner's company.

Little information, if any, exists on skills supply and demand in Somaliland. However, studies conducted in the country have pointed at mismatches between skills demanded by industry and those supplied by training institutions. The most affected sectors by this skills mismatch are Tourism, Agriculture, livestock and fishing and value addition in Medium, Small and Micro Enterprises (MSMEs). Such skills mismatch can be attributed to the lack of a Labour Market Information System and limited capacities in education and training institutions. It may also be attributed to a non-integrated TVET system.

The foregoing analysis confirms that while lack of appropriate skills is a problem in most countries including Somaliland, skills mismatch is also a significant important challenge (AfDB, OECD, UNDP and UNECA, 2012).¹⁰⁶ Skills constraints in this context include technical, cognitive, or socio-emotional skills. It implies that individuals lack the appropriate skills to respond to the demand of prospective employers. This is likely to be the case of individuals who dropped out of school. Skills constraints may

¹⁰⁴ Esther Njuguna & Wamuyu Mahinda (2012). Labour market assessment Report, Somaliland

¹⁰⁵ The three-year Horumarinta Elmiga in Somaliland was conducted between October, 2012 and November, 2015.

¹⁰⁶ AfDB, OECD, UNDP & ECA [African Development Bank Group, Organization for Economic Co-operation and Development, the United Nations Development Programme & the Economic Commission for Africa] (2012). *African Economic Outlook 2012*. Available at www.africaneconomicoutlook.org

also be an issue for young individuals entering the labour market and holding qualifications for which there is not enough demand. Lack of business and management skills is often an important constraint especially for the poorest who want to become self-employed.

Beyond skills, the lack of career guidance is a major weakness of educational systems. Career guidance systems ideally should encompass provision of reliable labour market information on relevant economic trends, job opportunities, and entry-level skills requirements in one's area of interest; job placement; and opportunities to network with role models, mentors and other professionals, particularly alumni.

Lack of information on the skills needed in the labour market, and career prospects in different fields means that young people are not able to make informed decisions and training institutes are not able to design their curricula to be demand-driven. Employers greatly value work experience and in most cases prefer to recruit people who are employed or have been out of work for a short period of time. This severely affects job seekers particularly the youth who lack opportunities for work experience through internships, attachments, apprenticeships, volunteer positions, and student vacation jobs. Youth are particularly caught in a double bind where they have no work experience to show in their job applications because they have been unable to get a job in the first place.

Safety and health in workplaces is one of the avenues for improving longevity of working life, labour productivity and organizational competitiveness. The Somaliland Labour Force Survey of 2012 established that injuries at the workplace accounted for 30% of leg related disability, 22% of sight disability and 15% of mental disabilities. The statistics speaks directly into the costs of occupational diseases and accidents to workers and their families, employers and the national economy. It also emphasizes the need for putting in place strategic interventions to promote safety and health in workplaces for enhanced longevity of working life, productivity, enterprise competitiveness and employment creation.

Child labour is a major impediment to development of skills of the workforce as well as a constraint to improvement in the welfare of workers, and creation of productive and sustainable employment opportunities. Somaliland has high incidence of child labour with boys bearing the greatest brunt of child labour. Most of the working children in Somaliland are orphans, come from poor families, and are engaged in exploitative work. This calls for putting in place measures to eliminate child labour, including its worst forms.

Opportunities

Somaliland remains an economy of entrepreneurs based on constant creation of new businesses. As pointed out, a mismatch between skills demanded by businesses and offered to young individuals looking for job opportunities is one of the main challenges facing the labour market. Improving information on both sides will lead to better planning in terms of skills that need to be developed among the youth.

The country has been experiencing a new wave of investments, particularly in services. They have the potential to change significantly Somaliland's economic structure and doing so create job opportunities in many sectors. Berbera Port and Berbera Corridor are in the front line of these investments and the youth can greatly benefit from job opportunities created through them. Also, the Berbera Port agreement between the Government of Somaliland and DP World made it possible that Somalilanders have better access to the UAE job market.

4.1.2 Policies, Reforms and Legal Frameworks

Somaliland achieved considerable progress in 2004 when it enacted labour laws under the Private Sector Act of 2004. This law constitutes the country's first legal framework for regulating the labour sector. A technical review of the laws done in July 2011 with support of the International Labour Organization (ILO)¹⁰⁷ noted that whilst technically crude, the laws provide a substantial outline from

¹⁰⁷ Jacob Kurtzer (2011). Technical Review of Somaliland Labour Laws

which to develop a more robust legal framework for the private sector. The laws are based on the Constitution of Somaliland and are largely aligned to the International Labour Standards (ILS), especially with regard to Fundamental Principles and Rights at Work (FPRW).

The review observed that the Private Sector Act (2004) addresses three of the four FPRW. These are abolition of forced labour, abolition of child labour, and discrimination at the workplace. The Private Sector Act (2004), however, does not address freedom of association and the right to collective bargaining, which is a core FPRW. This gap also constitutes a major hindrance to the development and practice of a functional social dialogue platform in the country.

There are also overlaps between the Private Sector Act (2004) and other legislations covering some sectors. The mining sector, for example, has legislation with provisions for workplace safety and health. This may conflict with the provisions of the Private Sector Act (2004) as it relates to the regulation of workplaces.

Although in the Private Sector Act (2004) there are no provisions covering Public Sector Employees, the Civil Service Law regulates the labour relations between workers Civil Servants and public institutions.

The key policy reforms will entail undertaking a comprehensive labour law review, and developing and implementing TVET policy to anchor and consolidate vocational training in the country. A National Employment Policy and Child Labour Policy would be necessary to provide the framework for creation of productive and sustainable employment, and elimination of child labour in the country, respectively. The institutional reforms to be undertaken should be geared towards expansion and strengthening of labour administration offices at all levels of government; establishing and equipping modern Vocational Training Centres; and establishing and operationalizing a social dialogue framework.

Table 91: Summary of Main Laws and Policies Related to Employment & Labour

Laws and policies	Key content
<i>Private Sector Act (2004)</i>	Places key labour and employment mandates under the MoLSA to regulate private sector
<i>Civil Service Law</i>	Regulates the Public Sector Employees. It is currently under review.
<i>A National Employment Policy and Child Labour Policy</i>	Provides the framework for creation of productive and sustainable employment, and elimination of child labour in the country, respectively
<i>National Youth Policy</i>	Places emphasis on empowerment, including employment creation for the young people
<i>Gender Policy</i>	Promotes equal employment opportunities, including equal remuneration for women and men workers for work of equal value

4.1.3 Regional Overview

All regions had expressed the need to create employment opportunities for the people of Somaliland. The lack of job opportunities hampers growth and development of the local economy and puts burden on societies. Vocational training for local youth was identified as a key area for greater investment. To create greater employment opportunities in the regions, diversification of the economy is critically important. Value added in country's primary production such as crop production, fisheries and livestock could be an important drive for job creation. Energy and extractives, tourism and logistics are also potential areas for better opportunities.

4.1.4 Employment and Labour Results Based Management Framework

Employment & Labour Vision

Every Somalilander with opportunities for decent, gainful and productive employment

Employment & Labour SDGs

SDG1

End poverty in all its forms

SDG8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SDG4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

4.1.5 Employment and Labour RBM Matrix

Table 92: Employment & Labour RBM Matrix – SDG1

SDG1: End poverty in all its forms				
Outcomes	Indicators	Baseline (2016)¹⁰⁸	Final Target (2021)	Priority interventions
1. By 2021, reduce the proportion of the population of Somaliland in extreme poverty by 20%	1.1. Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)	1.1. 49% Urban 61% Rural 49% Male 52% Female	1.1. 39.2% Urban 48.8% Rural 39.2% Male 41.6% Female	- Develop employment-targeted poverty reduction programmes

Table 93: Employment & Labour RBM Matrix – SDG8

SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all				
Outcomes	Indicators	Baseline (2016)¹⁰⁹	Final Target (2021)	Priority interventions
1. By 2021, increase the proportion of men, women and youth including persons with disabilities in employment by 20%, 20% and 20%, respectively	1.1 Unemployment rate by sex, age and persons with disabilities 1.2 Youth Unemployment rate by age and sex	1.1 53% Total 54.8% Male 52.1% Female 1.2	1.1 43.8% Males 41.7% Female 1.2	- Promote entrepreneurship programmes focused on high value added sectors - Integrate entrepreneurship skills training in education and training programmes

¹⁰⁸ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

¹⁰⁹ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

		77% ¹¹⁰ Not disaggregated	61.6%	<ul style="list-style-type: none"> - Promote labour intensive employment programmes - Strengthen and expand jobs centres
2. By 2021, reduce the proportion of youth not in employment, education or training to 25% for males and 17% for females	2.1 Proportion of youth (aged 15-35 years) not in employment, education or training by sex and age.	2.1 30% Male 20% Female	2.1 25% Male 17% Female	<ul style="list-style-type: none"> - Encourage linkages between private and public sector, and educational institutions to promote internships and apprenticeship schemes - Raise awareness on available employment and training opportunities - Implement programmes aimed at reducing school drop-out rates - Undertake programmes aimed at reducing youth crime and violence by increasing opportunities for youth to engage in productive economic activities
3. By 2021, strengthen and enforce the policy, legal and institutional framework for protecting labour rights, promoting entrepreneurship, safe and secure working environment for all workers, and eliminating child labour	3.1 Legal framework for protecting labour rights, promoting safe and secure working environment for all workers in place	3.1 Private Sector Act (2004)	3.2 Improved legal framework completed	<ul style="list-style-type: none"> - Revise and further improve existing legal framework including laws related to child labour - Develop Labour Relations Guidelines - Develop Somaliland National Employment Policy and Entrepreneurship Strategy - Establish and strengthen labour unions

¹¹⁰ Disaggregated data not available

				<ul style="list-style-type: none"> - Establish and strengthen institutions of social dialogue among government, employers' associations and labour unions - Document and disseminate information on work-related injuries and diseases
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Table 94: Employment & Labour RBM Matrix – SDG4

SDG4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all				
Outcomes	Indicators	Baseline (2016)¹¹¹	Final Target (2021)	Priority interventions
1. By 2021, increase the number of individuals who have relevant education and skills, including technical and vocational skills for employment by 20%	1.1 Proportion of employers reporting shortage of skilled workers by sector	1.1. Not available	1.1. TBD	<ul style="list-style-type: none"> - Review and implement market-oriented education and training curricula - Review the country's education system to address skills mismatch - Strengthen and expand TVET institutions
	1.2 Unemployment rate by educational attainment	1.2. Not available	1.2. TBD	

¹¹¹ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

4.1.6 Risks

Somaliland has numerous interventions and non-state organizations targeted at promoting employment creation. However, the framework of collaboration and coordination is still to be improved and strengthened as this can undermine the effectiveness of the employment creation interventions. It also limits experience sharing, anchoring of new interventions on the successes and strengths of past/existing interventions, and ensuring optimal utilization of resources dedicated to the employment and labour sector. Consolidated and coordinated efforts for creating targeted investment is required to leverage employment in Somaliland. This is likely to lead to sub-optimal impact of the NDP II.

Re-orientation and alignment of education and training to labour market needs is critical for Somaliland considering the high levels of skills mismatch. This poses a real risk to the country's employment outcomes, especially if the level of investment in TVET remains low. Also, the low levels of competition in the financial services sector may continue to inhibit the freeing up of affordable financing for businesses, especially the SMEs. This is likely to hinder entrepreneurship, and slow down industrial competitiveness, economic growth and employment creation. The foregoing, notwithstanding, willingness of the labour force, especially the youth to take up the employment opportunities is a serious risk factor. Without attitudinal change to embrace all forms of employment, the employment outcome of the NDP II may be subdued. Social behaviours such as the chewing of Khat may play a role in determining the willingness and ability of the labour force, especially the youth to seek, take up and remain in employment. Therefore, while employment opportunities might increase during the NDPII period, socio-cultural behaviours may deter the labour force from taking advantage of these opportunities.

4.1.7 Financial Analysis

Table 96 on the next page gives an estimate of the total cost required to achieve the outcomes in each SDG Outcome Group. Costs have been calculated by estimating the cost of delivering each intervention and then summing these together to give the cost of achieving each outcome. The outcome costs were then also summed up to give the total cost estimate for each SDG Outcome Group.

These are early indicative estimates received from the Sector Technical Team on the cost of delivering each intervention. The actual cost of delivering these interventions is likely to differ from the costs estimated below. The yearly profile of costs is also likely to differ from that shown below. For most interventions, only the total cost was received, and so it is assumed that interventions are implemented over 5 years with a constant cost in each year.

The below figures should be seen as an early indicative cost estimate and serve as the basis for a full, detailed costing exercise to be completed at the CCT strategic plans level.

Currently, we estimate the total cost for achieving the outcomes chosen in this sector at between **USD 4.9 million and USD 5.5 million per year.**

Table 95: Employment & Labour CCT Financial Analysis (Current USD)

SDG Outcome Group	2017	2018	2019	2020	2021
SDG1: End poverty in all its forms everywhere	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	4,186,000	3,986,000	3,826,000	3,706,000	3,686,000
SDG4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	260,000	260,000	260,000	260,000	260,000
Total Cost	5,446,000	5,246,000	5,086,000	4,966,000	4,946,000

All figures rounded to the nearest thousand.

4.1.8 Data Requirements

Timely, coordinated, quality and representative data is indispensable approach in formulating and designing national development plan. It also functions as a feedback mechanism by assessing and measuring what has been done so far at the end of the plan.

The current data available for the employment is very limited and mainly relies on the work of government institutions, development partners, NGOs and the private sector. Usually, government institutions in this cross-cutting area collect limited administrative data on a regular basis. Development partners with this area also collected some primary data. Despite that, there are huge data gaps that directly impact the work and plan of the employment. Many indicators in the RBM do not have baseline data. In some cases, although data is available the frequency that it is collected is not ideal. Moreover, dissemination and use of the existing data is another obstacle. Oftentimes stakeholders do not share the data they are collecting and valuable information is not used for planning and policymaking. The below table summarizes, employment required data, source, current status and the possible intervention.

Table 96: Employment & Labour CCT's Data Requirements

No	Data Requirement	Data Source	Status	Required Intervention
1	Employment rate	Labour force survey	Available with limited scale	Conduct labour force survey in regular basis
2	Unemployment rate by age, sex and geographical areas	Labour Force Survey	Available with limited scale	Conduct labour force survey in regular basis
3	Number of green jobs	Labour Force Survey	Not available	Conduct labour force survey in regular basis
4	Total wage and salary jobs per employed resident	Labour Force Survey	Not available	Conduct labour force survey in regular basis
5	Net job growth	Labour Force Survey	Not available	Conduct labour force survey in regular basis
6	Job growth among new businesses	Administrative data/Labour Force Survey	Not available	Compilation of data on business employment/Conduct labour force survey in regular basis
7	Agricultural employment	Administrative data/Labour Force Survey	Available with limited scale	Compilation of data on agriculture employment/Conduct labour force survey in regular basis
8	Number of jobs in value-added manufacturing	Administrative data/Labour Force Survey	Not available	Compilation of data on manufacturing employment/Conduct labour force survey in regular basis
9	Manufacturing wage and salary jobs as a percent of total jobs	Administrative data/Labour Force Survey	Not available	Compilation of data on manufacturing employment/Conduct labour force survey in regular basis

10	Professional, technical and managerial occupations as percent of total	Labour Force Survey	Not available	Conduct labour force survey in regular basis
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4.2 Cross-cutting Theme II: Social Protection

The Social Protection Sector is present in the Somaliland National Vision 2030 under its pillar of Social development. The vision acknowledges that:

Somaliland aspires to build a nation with an effective social protection system that cares for the weak and the vulnerable. It is the duty of every nation to care for those who cannot look after themselves. The values of solidarity, interdependence and sharing which feature strongly in our culture form the basis of a vibrant traditional social welfare support system.

During the development cycle of the NDP, Social protection sector focused on:

- Strengthening existing institutions such as orphanages, and community based support services
- Institutionalizing child protection services
- Establishing family centres and promote equity within societies
- Setting up a national social security fund, and
- Introducing a pension scheme for public and private workers.

The NDP was key in providing guidance and highlighting the main priorities to be addressed in the sector. However, challenges such as low coordination among key stakeholders, fund constraints were among the key inhibition of the sector objectives being achieved.

During the NDPII efforts will be focused on enhancing the situation of vulnerable individuals. These individuals belong to groups that tend to be marginalised from basic services as well as economic opportunities. Individuals living with HIV/AIDS, women, children and individuals living with disabilities are the groups which will receive special attention during the NDPII cycle.

4.2.1 HIV and AIDS

4.2.1.1 Situation Analysis

The Somaliland vision 2030 advocates the creation of right environment in supporting multi-sectoral response to HIV and AIDS, to reduce the number of new infections in Somaliland and provide care and support to those that need it. Health is one of the main pillars of development, as it is fundamental to people living healthy lives. The current HIV and AIDS service has not yet ensured equitable access for all residents even if many of the health indicators showed minor improvements in Somaliland as compared to early 2000s. Furthermore, data shows that in Sub-Saharan Africa, rates of infection with the Human Immune-deficiency Virus (HIV) have continued to rise rapidly despite efforts undertaken by governments and international agencies.

NDP 2012-2016 attempted to align HIV and AIDS to national and international goals and agendas. For example, the Millennium Development Goals (MDGs) that have now been replaced by the Sustainable Development Goals, (SDGs), as well as national goals outlined in the National Strategic Plan for the Somaliland HIV and AIDS Response 2018-2020, which, in line with NDPII, will guide the response to HIV in Somaliland as outlined below:

HIV National Strategic Plan (NSP) 2018 – 2020 Targets and Objectives

The main goal of the NSP 2018-2020 is to reduce HIV infections and HIV related mortality and morbidity. Reflecting a commitment to achieving an impact within the population, the NSP 2018 to 2020 is focused on achieving two primary impact goals:

- Target 1: Reduce the rate of new infections
- Target 2: Reduce HIV related mortality and morbidity for Somaliland women, men and children

The above goals will be achieved through the prescribed interventions of prevention of new HIV infections among the key populations, increasing access and utilisation of quality integrated prevention, treatment, care and support; and strengthening the enabling environment which will

focus on coordination, leadership, advocacy for People Living with HIV/AIDs and improving strategic information and response monitoring.

Key Stakeholders

There are number of institutions and organisations directly working in the HIV and AIDs sector in Somaliland. However, the impacts of HIV/AIDs go beyond the sector itself and can be felt in various economic and social segments and even more stakeholders should be involved in the sector activities. The two main government institutions directly focused on HIV/AIDs are the Somaliland National AIDS Commission (SOLNAC) and Ministry of Health. In Somaliland context SOLNAC is the agency mandated for coordinating national efforts to combat the HIV/AIDs epidemic.

However, the HIV/AIDS response had been multi agencies facade involving, public, private, international agencies and civil society. The HIV/AIDs efforts in Somaliland has so far mainly focused on strengthening the national response to HIV/AIDS; specifically making individuals, civil society, public and private institutions whether national or local, responsible for halting the spread of HIV/AIDS amongst high risk populations and mitigate the impact.

Main Challenges

The HIV/AIDs epidemic is characterized as generalised in Somaliland, with higher prevalence rates reported in locations of significant trade-driven mobility across all areas. The most recent data from the 2010/11 ANC sentinel surveillance found median HIV/AIDs prevalence rates of 1.13% in Somaliland¹¹² ANC surveillance in 2014 identified a median HIV prevalence rate of 0.71%. It has been suggested that the relatively higher HIV/AIDs prevalence in Somaliland may be related to substantial trade-driven mobility and interaction with neighbouring countries such as Kenya, Ethiopia and Djibouti which have higher HIV/ AIDs prevalence rates of ranging from 3% to 7%.

Estimates of overall adult (15-49 years) HIV/ AIDs prevalence in 2012 in the general population using the UNAIDS Spectrum model was 0.94 for Somaliland. In 2013, the number of people living with HIV in Somaliland was estimated to be 9,531 (SOLNAC). However, integrated bio-behaviour surveys conducted in Hargeisa by IOM and SOLNAC in 2014 found HIV prevalence of approximately 5% among Female Sex Workers. In Somaliland, the annual number of new infections is not reducing and remains at approximately 3,300 new infections since 2010. Meanwhile, HIV testing rates amongst TB patients have increased. The percentage of TB patients tested for HIV in Somaliland was 61.9% in 2013 (UNAIDS, 2013)

With regards to ART uptake, there has been an increase in ART coverage from 569 patients in 2009 to 1,748 in 2013 and 1,916 in 2014. However, there is still low coverage (8%) of ART (8% in adults and 4% in children) using the national eligibility criteria from 2014 (CD4 count < 500) translating to 6% adults receiving ART as a percentage of the total HIV population.

There has also been modest progress in HIV prevention. Integrated Bio-Behavioural Surveys of female sex workers conducted in 2008 and repeated in 2014 in Hargeisa revealed that nearly ten times (21.3%) more women had an HIV test in the last 12 months and received the results compared with in 2008 (2.4%). However, only 9% of mothers received ARVs for PMTCT in 2013. Due to low coverage of PMTCT, mother to child transmission rates (modelled) are estimated at 34% in 2013. In the absence of a Modes of Transmission (MoT) survey, and further studies, it is suggested that heterosexual transmission accounts for the-majority of HIV transmission, followed by perinatal transmission.(NSD, 2014)

Furthermore, there are number of additional challenges and risks identified by different stakeholders. For example, in 2014 a Knowledge, Attitudes, Practices, and Beliefs (KAPB) survey conducted by UNICEF indicated a serious lack of understanding and awareness of basic information about HIV/AIDS within the Somali population which can cause serious health implications if not dealt with. Other factors that increase HIV vulnerability include the on-going complex emergency (recent drought and sporadic conflicts), the lack of adequate health facilities, widespread stigma and discrimination

¹¹² Due to the low number of sentinel sites that participated in the survey (6 in Somaliland), the rates reported need to be read with caution with respect to representativeness.

associated with HIV, lack of confidentiality and partner disclosure, harmful cultural practices such as FGM, gender inequalities and discrimination that increases the vulnerability of women and girls, unsafe blood transfusions, the widespread use of Khat (which can be associated with high risk behaviour), transactional sex and long distance truck drivers (UNICEF, 2004).

In addition to the above, below are list of strategic challenges identified;

- Lack of capacity at institutional level to address the National HIV/AIDs strategy (Governance, Human Resource, etc.)
- Stigma and discrimination is prevalent and impedes access to and utilization of HIV/AIDS services
- Significant prevalence of Sexual and Gender based violence is also reported to be high
- The monitoring and evaluation of the response has challenges with regard to adequacy of skills providing with reports of low quality
- The response has been dependent on the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) for over 85% of its HIV and AIDS related expenditure.
- Immigration: Refugees from the neighbouring countries moving to Somaliland without proper medical check-up could pose health risks, particularly HIV/AIDS.
- Internal Migration: The nomad, rural-to-urban migration of young people for employment and education contributes to their exposure to sexual reproductive health risks

4.2.1.2 Policies, Reforms and Legal Frameworks

The Constitution of the Republic of Somaliland has provisions that safeguard the nation's health and these include the following:

Article 17: Health stipulates in order to fulfil a policy of promoting public health; the state shall have the duty to meet the country's needs for equipment to combat communicable diseases, the provision of free medicine, and the care of the public welfare.

Furthermore, the Government of Somaliland has also developed and adopted various legal instruments and policies addressing HIV and AIDs or that is relevant for health and social affairs. Most of these laws and policies only have a sectorial approach, limiting its capacity to generate long-term change. However, some of the policies such as the HIV and AIDs policy, 2005, Health policy, Youth policy, and Gender policy can be considered cross-sectorial, therefore, more promising. Table 98 below summarizes Health and Social laws and policies in Somaliland and other legal frameworks which address HIV and Aids issues

Table 97: Summary of HIV and AIDS Laws and Policies

Laws and Policies	Key contents
<i>HIV Policy 2005</i>	- Outlines the importance for Somaliland to provide access to HIV prevention, care and treatment for all its population, as well as to protect the rights of People Living with HIV.
<i>Draft HIV and AIDS Bill ACT 2014</i>	- Sets out to protect population from HIV and AIDs, strengthens and the prevention and coordination of HIV and AIDs activities in Somaliland
<i>Draft Health Act 2013</i>	- The aim of the Draft Act is to make sure that everyone has access to equal health services by building a national health system that governs both public and private health services. - It sets out the rights and duties of all health practitioners, and protects the right of children to basic nutrition and health care, as well as the rights of

	vulnerable groups (e.g. women, older persons, and people with disabilities)
<i>National Health Provisions Commission (NHPC) ACT 19/2001)</i>	- Registers and verifies health personal to improve the human resource's quality within the HIV and AIDs provisions
<i>National Disability Policy 2015</i>	- Addresses the existing barriers that exclude disabled people for the purpose of their integration.
<i>Children ACT 2015</i>	- Safeguards children's interest to ensure in providing needed standard services to the children and adolescents irrespective of their age, sex, religion, and occupation, social, regional and small ethnic group identities in matter of rights concerning education, health, nutrition, safety, recreation and other rights.
Gender Policy 2015	- Establish the framework for gender-responsiveness in all public and private spheres - Address gender dimensions to infection rates by promoting systematic and consistent gender mainstreaming into HIV/AIDS policies, plans, programmes

Source: SOLNAC 2016

4.2.1.3 Mainstream HIV/AIDs into other Sectors

HIV and AIDS are cross cutting issues that need to be mainstreamed into the work of a variety of sectors. Mainstreaming HIV/AIDs will help prevent new HIV infections as well as support the rights of People Living with HIV/AIDs.

In low prevalence countries' such as Somaliland, focusing on vulnerable populations (also known as Key Populations) is possibly the most effective strategy for keeping HIV/AIDs levels low. However, changing the course of the epidemic by addressing the underlying causes is important for all countries, regardless of HIV prevalence levels.

Efforts are underway by several organizations to mainstream HIV/AIDs into the other sectors. For example, UNDP projects integrate HIV training into training carried out for the Police, the judiciary, as well as in work being carried out by the Gender Project (Community Conversations on Gender issues). In addition, youth at risk have been trained on basic HIV/AIDs facts. Another significant achievement has been mainstreaming HIV/AIDs in to the Joint Programme for Local Governance (JPLG), in particular into District Development Plans of five districts including Berbera, Borama, Burao, Sheikh and Gabiley districts.

Key opportunities that can be capitalised to help ensure that the health sector improve access to HIV/AIDs services include the following:

- Strengthen institutional governance, leadership and human resources skills related to HIV
- Help create a more enabling environment for HIV, by creating a more supportive legal, and policy framework
- Address the social barriers to HIV prevention and treatment services that are fuelled by particular stigma and discrimination
- Ensure the availability of commodities e.g. nutrients and ART in treatments centres
- Strengthen strategic information, to be able to better target HIV interventions
- Strengthen M&E systems, coordination and management of the HIV response
- Improve access, coverage, efficiency, and quality of HIV/AIDs service delivery (scale up services e.g expansion of prevention, care and management of TB/HIV co-infection
- Mainstream HIV/AIDs into all relevant sectors and policies

- Strengthen the voices of the Civil Society Organizations (CSOs) including Networks of People Living with HIV (PLHIV)
- Engage with the private sector to support Public-Private dialogue

In addition, HIV should be mainstreamed into Sector Strategic Plans and annual budget cycles of sectors to support long-term planning for the HIV/AIDS response. Below are several examples of how HIV can be mainstreamed into different sectors. Recognising the overall cuts in funding to support HIV work in Somaliland, mainstreaming HIV into other sectors work is increasingly important, to prevent the spread of the disease. Below are a few examples of how HIV can easily be mainstreamed into the work of other sectors.

Table 98: Mainstreaming HIV into key sectors

Sector	Objectives	Activities	Responsible/ Agency
Education Sector	To Mainstream HIV into the Education sector	<ul style="list-style-type: none"> - Integrate HIV/AIDS into the school curriculum - Develop learning materials/teaching aids that effectively address HIV/AIDS issues - The MoE to develop an HIV/AIDS Policy to support work in the education sector Engage parents, teachers and communities to respond to HIV as it is a real threat to youth	MoE and SOLNAC
Justice /Human Rights Sectors	To raise awareness about HIV among the Judiciary, custodial guards and police about HIV Empower the legal sector to protect the rights of People Living with HIV in Somaliland	Provide Training on HIV and AIDS, to sensitise the Judiciary/police/custodial corps/guards about HIV. This will help empower them to protect the rights of People Living with HIV in Somaliland.	MoJ/SOLNAC /NHRC
Transport Sector	Reduce the incidence of HIV/STD infections among transport industry workers	Provide training on HIV/AIDS to all workers working in the Transport Industry	MoPWH&T/ SOLNAC
Gender Sector	To empower women and promote gender equality to critically reduce vulnerability to HIV for women and girls	Facilitate active participation and support Networks of women living with HIV Integrate training on HIV awareness into other work for women groups	MoLSA/ SOLNAC
Health Sector	To reduce stigma and discrimination experienced by People Living with HIV in health care settings	Develop HIV/AIDS workplace policy and programmes specifically for the sector and institutions within the sector Integrate HIV and AIDS training into the curriculum for doctors and nurses. This should include a module on reducing stigma associated with HIV in health care settings.	MOLSA/MoH and SOLNAC

4.2.1.4 Data Requirements.

HIV data is scarce in Somaliland and the importance of collecting good quality data cannot be overemphasized. The generation of strategic information is one of the fundamental weaknesses identified in the sector. Data is important to measure the current-status and support monitoring frameworks. The NDP II attempts to align with SDGs goals and targets. Goal 3 of SDGs is relevant as it addresses the needs to support healthy lives and well-being of the population in Somaliland. Progress and monitoring will require data sources that will need to be collected on a continuous basis. Currently, the HMIS is the only available reporting tool that collects information from local facilities at regional and district levels which is being rolled out to support decentralisation through the DHS2. In order to obtain more coherent up to date information which can be used for evidenced based planning, there are number of data sources available. These include administrative, surveys, research reports, laboratory and hospital records etc.

4.2.2 Gender

4.2.2.1 Situation Analysis

The Government of Somaliland adapted the human rights approach as part of the preparation of its NDP II in order to ensure that issues and challenges associated with gender are taken into account and mainstreamed in the development programmes. Additionally, since the formation of the gender policy in 2012, Somaliland has been positioning itself for a more effective and coherent response to gender equality and women's empowerment by addressing the causes of gender inequality through strategic actions that seek to transform the unequal power relations between men and women resulting in improved status of women and gender equality. Thus, the national vision 2030 acknowledges:

A nation with an effective social protection system that cares for vulnerable and marginalized groups

The NDP was key in providing guidance and highlighting the main priorities to be addressed in the sector. However, there were challenges such as low coordination among key stakeholders and resource and funding constraints.

The socio-economic development of Somaliland is dependent on the full utilization of its human resource, both women and men. It is estimated that women constitute 50%¹¹³ of the total population of Somaliland. Women are particularly vulnerable due to the edicts of the customary law as they are generally treated as minors. This gender inequality in Somaliland was exacerbated by the patriarchal culture, low access to formal justice mechanisms and extreme marginalization and repression under the traditional justice system. In addition, women suffer rape and other inhuman treatments such Sexual and Gender Based Violence (SGBV).

Key Stakeholders

There are number of institutions and organisations directly working in the gender and particularly women's development sector in Somaliland. However, the Gender is cross-cutting theme which its implications go beyond the sector itself and can be felt in various economic and social segments and even more stakeholders should be involved in the sector activities. The two main government institutions directly focused on Gender issues are the Somaliland MoLSA, NHRC and Women's umbrella Network.

Main Challenges

Gender equality and women's empowerment have advanced in recent decades in Somaliland. Particularly, there are significant improvement of access of girls in primary and secondary and university had substantially improved in recently years, the girls enrolment of secondary schools increased from 7220 in 2013 to 16,133 in 2014 which shows 123.4 % annual average growth rate of

¹¹³PESS 2014

girls¹¹⁴. However, there are small numbers of female teachers in education sector, with just 8% of secondary school teachers are women. With respect to the participation of women in politics and decision-making process spheres is extremely limited which is perpetuated narrow gender based roles and inequalities. For instance, there is only one woman Parliamentarian out of 164 of house elders and representatives members. Meanwhile, the number of female councillors has comparatively increased from 2 women councillors in 2002 elections to 10 female councillors in 2012 District elections out of 345 councillors.

Additionally, the number of women in the cabinet ministers increased from 1 in 2010 to 3 female Ministers over the last 5 years. In recent times numbers of women have been appointed into higher government positions, including 5 Female Prosecutors, the Head of Somaliland Human Rights Commission, and the President's advisor on gender issues, a female member in the electoral commission and Director General of Ministry of presidential Affairs. The president nominated a women's quota committee who proposed to allocate 15% in the local councils and 10% in the House of Representatives members to women.

Meanwhile, there has been increment of women in the public sector and the Civil service commission reported that there are 3,610 women of the overall civil servants are enrolled into civil service in 2013 – 15, this make 38% of the total employees in civil service.

There a is decline child/early/forced marriage in major cities, and progress made in the area of sexual and reproductive health and reproductive rights, which includes reduction in maternal and neonatal deaths/mobility. Coordination on promoting Gender Equality, Women's Empowerment and ensuring GBV Prevention and multi-sectoral response is improving. Despite advances in gender development in some of the key areas but there are critical issues in some of the aspects including Gender Based Violence (GBV) both domestic and Female Genital Cutting (FGC) with 98 % prevalence rate.

Mainstreaming Gender into Sectors

Gender mainstreaming is the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a globally accepted strategy for promoting gender equality. Mainstreaming involves ensuring that gender perspectives and attention to the goal of gender equality are central to all activities - policy development, research, advocacy/ dialogue, legislation, resource allocation, and planning, implementation and monitoring of programmes and projects. Additionally, while mainstreaming is clearly essential for securing human rights and social justice for women as well as men, it also increasingly recognized that incorporating gender perspectives in different areas of development ensures the effective achievement of other social and economic goals. Mainstreaming can reveal a need for changes in goals, strategies and actions to ensure that both women and men can influence, participate in and benefit from development processes. This may lead to changes in organizations – structures, procedures and cultures – to create organizational environments which are conducive to the promotion of gender equality.

4.2.2.2 Policies, Reforms and Legal Frameworks

The Constitution of the Republic of Somaliland has provisions that safeguard women and men's rights these include the following:

Article 8: All citizens of Somaliland shall enjoy equal rights and obligations before the law, and shall not be accorded precedence on grounds of colour, clan, birth, language, gender, property, status, opinion etc.

Article 36: The rights, freedoms and duties laid down in the Constitution are to be enjoyed equally by men and women save for matters which are specifically ordained in Islamic Sharia

Furthermore, the Government of Somaliland has also developed and adopted number of legal apparatus and policies save guarding the rights and development of gender to address the gender

¹¹⁴MoEHS Statistics 2013/2014

disparity. Most of these laws and policies only have a sectorial approach, limiting its capacity to generate long-term change. However, some of the policies such as the gender policy, 2009 can be considered cross-sectorial, therefore, more promising. Table 100 below summarizes Gender and Social laws and policies in Somaliland and other legal frameworks which address gender gaps.

Table 99: Summary of Gender Laws and Policies

Laws and Policies	Key contents
Gender Policy 2009	<ul style="list-style-type: none"> - Establish the framework for gender-responsiveness in all public and private spheres - Address gender dimensions to infection rates by promoting systematic and consistent gender mainstreaming into HIV/AIDS policies, plans and programmes
Draft National FGM Policy 2012	<ul style="list-style-type: none"> - Law that prohibits female genital mutilation, the law is drafted and submitted to the cabinet for approval
Draft family law 2014	<ul style="list-style-type: none"> - Considers and deals with the nature and issues arising from a marriage; civil unions and domestic partnerships; mental and physical abuse of the spouse and/or children; legitimacy, adoption, surrogacy and abduction of children; annulment, divorce, alimony and settlements; and custody -
Gender based violence (GBV) policy	<ul style="list-style-type: none"> - Under discussion and in the process of being formulated
Draft Sexual offense Bill 2015	<ul style="list-style-type: none"> - Policy passed but the act awaiting approval from the Parliament

In addition, the other efforts include the Somaliland Women's network which established a Quota Task Force in collaboration with MoLSA to advocate for women political participation and lobby the approval of the quota bill which the parliament deeply opposed to the move.

Gender specific data - Statistics offer an essential numerical representation of realities and thus provide an important basis for political decisions. It is important that there is gender-disaggregated data to be able to understand the lives and realities of women and men, girls and boys are often shaped very differently. In Somaliland context, gender related data and information are generated by MoLSA and LNGO centres which regularly collect mainly GBV incidents specifically reported rape cases and produces monthly rape reports forwarded to the Ministry of Labour and Social Affairs and then compiled together into GBVIMS. The GBV incidents that are reported to the ministry include early Marriage, sexual harassment and rape.

The use of indicators is important in the countries efforts to deal with gender inequality. In contrast to statistics that reflect the current situation, indicators make reference to changes and objectives, which means that their focus is more on processes. Indicators serve as means to measure the achievement of projects', programmes' and policies' objectives. Gender-differentiated indicators specify whether inequality between the sexes has increased or decreased over time.

4.2.3 Child Protection

4.2.3.1 Situation Analysis

The UNCRC, the Somaliland's Constitution and other local legal instruments as well as religious and traditional customs guarantee the protection of children against all forms of violence and abuses. However, studies confirm that children in Somaliland continue to experience violations against their rights.

Violence against children

The Save the Children study on violence against children in Somaliland (2014) revealed that 95% of children in the study areas had experienced different forms of violence (sexual, physical, and psychosocial) both at home, in schools and in other government and private institutions. Such types of violence are highest among IDPs and unaccompanied children.

Gender Based Violence

Some anecdotal studies indicate that between 2009 and 2010, the documented incidents of sexual violence increased substantially in all areas of Somaliland. Sexual exploitation and abuse are widespread particularly among girls and women in the IDP camps and girls on the streets. Unfortunately, law-enforcing organs often overlooks such cases. Children and affected families are not empowered to demand their rights. Although, some families report cases of rape to the police and local authorities, is often very little response or no actions taken. Save the Children's Child Rights Situation Analyses, 2010, stressed that lack of protection by communities and local organs of the government encourages sexual abuses in their communities

Female Genital Mutilation/Cutting

Children in Somaliland continue to experience violation of their rights through harmful practices, especially FGM. At 98%, FGM prevalence is the highest in the world (MICS 2006). Traditional practitioners, without anesthesia and under unsanitary conditions, often perform it. FGM is mostly prevalent in rural areas and performed by local circumcisers and traditional birth attendants. However, there is medicalization of the practice in urban areas and among affluent people who enlist the services of healthcare personnel out to make an extra income from the practice.¹¹⁵

Child Marriage

In Somaliland, 75% of girls are faced with the threat of early marriage.¹¹⁶ Early marriage denies girls childhood rights and condemns them to a life of ill-health and poverty. Those who marry early are more likely to experience domestic violence, forced sexual relations, reduced levels of sexual and reproductive health, and lower levels of education. There are indications that early marriage has been increasing in recent years and is significantly higher in IDP camps. Poverty, communities' beliefs and religious norms forces girls to marry early.¹¹⁷

Corporal Punishment

Although prohibited by article 24 of the Somaliland's Constitution as well as the Juvenile Justice Act 2007 and Teachers Code of Conduct 2012, Corporal Punishment is still widely used in schools and communities in all regions of Somaliland. Corporal punishment happens at school and at home and there is little action taken by concerned duty bearers to address the problem. The situation is more rampant in Quranic Schools. The UNICEF Multiple Indicator Study (MICS) (2011) showed that 78% of children aged 2-14 years, experience violent disciplining, which includes both psychological aggression and physical punishment

Low Birth Registration

Only 7% of children's births are registered in Somaliland despite the fundamental importance of legal identity and proof of age to realize other child rights. There is no legal or policy framework for birth registration, though UNICEF is supporting the Ministries of Interior and Health to develop a birth registration strategy to put in place a birth registration system.

Child Labour

"About half of Somali children aged between 5 and 14 engage in child labour. The rate is higher for rural than for urban children, and higher for older than for younger children within that age group.

¹¹⁶ Somalia: Desk Review of Child Rights Situation Analysis, 2010

¹¹⁷ Knowledge, Attitudes and Practises on Early and Forced Marriage in Somaliland, Save the Children, 2014

The rate is also lower for children of educated mothers and wealthier households.” (SitAn 2016)

Separation of Children from Families

“In Somaliland, most children separated from their parents are in kinship care with only a small proportion of these receiving help – and that from relatives. (...) Street children tend to be from IDP families or of Somali ethnicity from Ethiopia, with boys more visible than girls.” (SitAN 2016). The main reasons for separation are death of one or both parents, conflict and drought with parents going away or sending children away, child marriage, poverty and loss of livelihoods and large family sizes. At the community and family level, prolonged conflicts, repeated disasters, poor law and order situation and absence of stable governance has led to breakdown of family values

Limited Space for Children’s Participation

Children’s right to be heard has neither been institutionalised into decision-making processes nor has it been popularly promoted. The 2010 Child right Situation Analysis Report for Somaliland noted that awareness of children’s rights to participate in decisions that affect their lives was constantly identified as very low. This applies to all stakeholders, government, non-government bodies, parents, professionals, media, rights holders and duty bearers. Children’s issues are given low priority in the state budget. Children are not involved in budget processes as this is considered beyond their capabilities. The 2014 Save the Children study on child budget analysis in the education sector in Somaliland revealed that the total budget allocated to social sectors (and expenditure for education, health, child protection and social protection) is inadequate compared to the massive education, health, social protection and child protection needs of children. There is the lack of an overarching policy on children and the general lack of awareness on child rights, low resource allocation for the sectors that have high impacts on children’s development and child participation among key stakeholders at all levels

4.2.3.2 Policies, Reforms and Legal Frameworks

Despite all these challenges, there is renewed commitment by the Government of Somaliland to change the dire situations of children through developing policies and laws pertaining children.

The Juvenile Justice Law (2017) has been implemented since 2017. The Child Protection and Alternative Care policies were approved by the Council of Ministers in October 2016.

The Child Act was developed by the MoLSA and MoJ in 2015. The Child Act is yet to be submitted to the parliament for its endorsement.

Other important initiatives are:

- National Plan of Action (NPA) for Children
- Birth Registration
- Sexual Offense Bill
- FGM Strategy
- National Guideline on Child Participation

Although the Government of Somaliland has made great strides to improve the policy and legal environment for children, most of the policies are taking longer time for approval and enforcement of the approved policies and laws is very weak.

4.2.4 Disability

4.2.4.1 Situation Analysis

Persons with disabilities (PWD) include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others¹¹⁸.

Persons with disabilities are not a homogenous group. Their experience of disability varies according

¹¹⁸Convention on the Rights of Persons with Disabilities

to personal and environmental factors. Children with disabilities, women with disabilities, elderly with disabilities, persons with multiple disabilities (more than one impairment) and persons with intellectual and mental impairments are more vulnerable to rights abuse and hence in need of protection than others. Persons with disabilities who live in rural settings are also expectedly more vulnerable than those who live in urban centers.

Latest research facilitated by the WHO and the World Bank suggests that any society has around 15.3-15.6-% of its population living with varying degrees and types of impairments.¹¹⁹ Out of the total global population an estimated 2.2- 2.9% live with severe difficulties. Hence, given the lack of data and statistics from census, based on international figures it is estimated that there are between 535,000 to 546,000 persons with disabilities living in Somaliland.

The Government has made efforts to address issues affecting persons with disabilities by developing a national disability policy passed by the Cabinet of Ministers in October 2013. However, now the disability policy needs to be executed.

The challenges faced by persons with disabilities are not their impediments but rather the obstacles raised by the environmental they live in, the institutions they need to rely on, the attitudes of other and the economic barriers. Those obstacles hinder their contribution as equal citizens in Somaliland.

The main barriers encountered by persons with disabilities in Somaliland revolve around environmental, institutional and behavioural issues.

Environmental Barriers

The majority of private buildings that offer services like health, education or information are widely inaccessible. Moreover, due to inaccessible transports, persons with disabilities are limited in their options to earn an income as well as participate socially equal to their peers. Importantly, most sources of information and orientation for citizens are largely inaccessible due to lack of sign language, audiotapes, Braille, or pictorial provisions. Hence, persons with disabilities are subjected to exclusion and highly restricted in their movements and freedom of association. Consequently, persons with disabilities are among the least nourished, healthy, educated and employed.

Institutional Barriers

These barriers consist directly or indirectly of policies, laws, practices, and procedures which render disability and persons with disabilities invisible or discriminate directly or indirectly. These are adopted by entities such as employers, businesses, and public agencies. They can hinder persons with disabilities to use equally any social structure, services or institutions, such as education, employment, health, law, transport, finance or recreational services, media and civic participation.

Behavioural Barriers

Prejudices, negative sentiments and misperceptions around disability and persons with disabilities are major obstacles in their lives. Persons with disabilities are treated socially according to those misperceptions and frequently wrongly regarded as incapable, resentful, pathetic, tragic, pitiable, aggressive, unhealthy, dependent on charity, costly for society to support, drain on family resources, inferior, childish and unemployable.

These environmental, institutional, and behavioural barriers, as well as many other negative factors are the result of lack of knowledge or prejudice— and can be changed. Therefore, it is imperative that strategies for public awareness be developed to eradicate misconceptions about disability. Only when tackling the barriers persons with disabilities are respected equally and enabled for living independently in Somaliland society with dignity and freedom and contributing to its richness.

4.2.4.2 Policies, Reforms and Legal Frameworks

The National Disability Policy is the only institutional attempt to improve the policy framework in Somaliland to improve the lives of those living with disabilities. The Cabinet passed the policy in 2013.

¹¹⁹2011, WB and WHO: World Report on Disability, p. 27,29

Also in 2013 by presidential Degree all public buildings should become disability accessible.

However, despite of this important step there are still other improvements to be made. Important policies need to become disability inclusive. The main examples are:

- Employment Policy
- Educational Policy
- Child Protection policy
- Juvenile Justice Law
- Child Rights Act

There are also key documents that need to be developed and in some cases also implemented such as the National Disability Act and the National Disability Implementation Plan

4.2.5 Regional Overview

Social protection had not specifically prompted up in the regional discussion. However, cross cutting themes are essential services particularly given that Somaliland is young population with risks to HIV and AIDS, lack of employment and early marriage and gender based violence (GBV).

4.2.6 Social Protection Results Based Management Framework

Social Protection Vision

Reduce extreme poverty, discrimination, inequality and ensure everyone has access to all basic needs/services through an appropriate social protection system

Social Protection SDGs

SDG1

End poverty in all its forms everywhere

SDG2

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

SDG3

Ensure healthy lives and promote well-being for all at all ages

SDG5

Achieve gender equality and empower all women, girls and other marginalized groups

SDG 10

Reduce inequality within and among countries

SDG 16

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

4.2.7 Social Protection RBM Matrix

Table 100: Social Protection RBM Matrix – SDG1

SDG1: End poverty in all its forms everywhere				
Outcomes	Indicators	Baseline (2016)¹²⁰	Final Target (2021)	Priority interventions
1. By 2021, reduce the proportion of men, women and children of all ages living in extreme poverty in all its dimensions according to national definitions by 20%	1.1. Proportion of population living below the national poverty line, by residence, and sex	1.1. 49% Urban 61% Rural 49% Male 52% Female	1.1. 46.55% 57.95% 46.55% 49.4%	<ul style="list-style-type: none"> - Establish and/or strength income generation programmes for poor and vulnerable groups - Develop national strategy to improve national social protection system - Develop and implement child sensitive social safety nets to combat extreme poverty
2. By 2021, 30% of vulnerable population will have access to social protection systems	2.1. Proportion of population covered by social protection systems, by sex, distinguishing children, persons with disabilities, poor and the vulnerable	2.1. Not available	2.1. 30%	<ul style="list-style-type: none"> - Advocate and support school feeding programmes for the poor and vulnerable areas in Somaliland - Advocate and Support the free waiver for gender-sensitive social and protective services for the most vulnerable women, children and other marginalized groups
3. By 2021, proportion of vulnerable people have access to basic services will increase by 5%	3.1. Percentage of population living in households with access to basic services	3.1. 41%	3.1. 46%	<ul style="list-style-type: none"> - Create and adopt poverty reduction strategy for the vulnerable groups - Implement child and gender sensitive

¹²⁰ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

				budgeting for social sectors ministries and other institutions
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Table 101: Social Protection RBM Matrix – SDG2

SDG2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture				
Outcomes	Indicators	Baseline (2016)¹²¹	Final Target (2021)	Priority interventions
1. By 2021, Alleviate the prevalence of undernourishment of rural and urban population by 12%	1.1. Prevalence of undernourishment	1.1. 66%	1.1. 58%	- Cash transfers targeted to households with children to help address childhood poverty and hunger
2. By 2021, reduce the prevalence of food insecurity amongst rural and urban population by 10%	2.1. Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES)	2.1. Urban 9.5%, Rural: 21%	2.1. Urban 8.5% Rural 19%	

¹²¹ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

Table 102: Social Protection RBM Matrix – SDG3

SDG3: Ensure healthy lives and promote well-being for all at all ages				
Outcomes	Indicators	Baseline (2016)¹²²	Final Target (2021)	Priority interventions
1. By 2021, Reduce HIV/AIDS new infection by 10%, and ensure access to information for all	1.1. Proportion of population living with HIV per 1000 population 1.2. Number of pregnant women who were tested for HIV in MCH settings (PMTCT) 1.3. % of young women aged 15–24 who both correctly identify ways of preventing the sexual transmission of HIV	1.1. 3 Per 1000 Population 1.2. 10,229 1.3. 1,855	1.1. 2.7 Per 1000 Population	<ul style="list-style-type: none"> - Mainstream HIV and AIDs into all services /sectors to increase awareness through country education system (curricula), media and mass community awareness - Increase HIV and AIDS centres and diagnostics resources - Strengthening coordination, monitoring and evaluation mechanism/systems - Establish anti-discriminatory policies and legislation in the workplace - Improve strategic information such as surveys and surveillance

¹²² Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

Table 103: Social Protection RBM Matrix – SDG5

SDG5: Achieve gender equality and empower all women, girls and other marginalized groups				
Outcomes	Indicators	Baseline (2016)¹²³	Final Target (2021)	Priority interventions
1. By 2021 Implement legal framework that will reduce all forms of discrimination against all marginalized groups (women, children, minority, people with disability and youth) everywhere	1.1. Legal framework that will reduce all forms of discrimination against all marginalized groups is in place	1.1. Not Available	1.1. Legal framework developed and approved	<ul style="list-style-type: none"> - Conducting awareness raising sessions with community members to reduce discrimination against vulnerable groups - Reinforcement of private sector act, disability policy, alternative care policy, child right policy, and national gender policy - Empowering women and marginalized groups through comprehensive capacity building programmes and economic alternatives - Establishment and strengthening of referral mechanisms - Building the capacity of service providers in case management and GBV principles and guidelines
2. By 2021, reduce the incidence of domestic violence against women by 16%	2.1. Proportion of married women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former husband in the previous 12 months, by form of violence	2.1. 54%	2.1. 36%	
3. By 2021 reduce the incidences of rape and other forms of sexual violence by 50%	3.1. Proportion of women and girls aged 15 years and older subjected to sexual violence by persons other than an their Husband in the previous 12 months, by age and place of occurrence (rape rate: Number of reported cases per 100,000 population)	3.1. 14 per 100,000	3.1. 7 per 100,000	

¹²³ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

4. By 2021, reduce the new incidences of FGM amongst young girls to 8%	4.1. Proportion of girls and women aged 0-14 years who have undergone female genital mutilation/cutting, by age	4.1. 28%	4.1. 8%	
5. By 2021, reduce the new incidence of early and forced marriage by 5%	5.1. Proportion of girls married before the age of 15 years and less	5.1. 11%	5.1 6%	
6. By 2021, the Government of Somaliland will allocate 2% annual budget for the promotion of gender equality and the empowerment of all women and girls at all levels	6.1 Proportion of official budget allocated for gender equality and women's empowerment	6.1. 0	6.1. 2%	

Table 104: Social Protection RBM Matrix – SDG10

SDG10: Reduce inequality within and among countries				
Outcomes	Indicators	Baseline (2016)¹²⁴	Final Target (2021)	Priority interventions
1. By 2021, the Government of Somaliland will enact and adapt non-discriminatory policies and legislations	1.1. Number of non-discriminatory policies and legislations produced and adapted	1.1. 2	1.1. 11	<ul style="list-style-type: none"> - Approve the acts and policies drafted - Establish and strengthened policies and strategies of protecting and eliminating discrimination actions against women, children and people living with HIV and AIDs - Implement all the approved policies and acts

¹²⁴ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

4.2.8 Risks

There are a number of risks that will affect the achievement of Social Protection outcomes over the next 5 years. There are limited resources available from both government and donor funding for Poverty reduction schemes. Government policies and strategies for poverty reduction are minimal with poor coordination in both stakeholder understanding (key concepts) and their delivery. There has been a real challenge to pass social protection policies through Parliament and this may continue during the NDPII period. In relation to key areas such as HIV there is a high cultural sensitivity in Somaliland society to implement effective programs and limited resources to do so. This has made health promotion activity such as including HIV into the national school curriculums difficult to achieve and will be a challenge to overcome in the future. Expertise in referral and support mechanisms for at risk children and women suffering domestic violence is limited and without sufficient capacity built in local agencies during the NDPII period there is a high risk that little impact in relation to outcomes will be achieved.

4.2.9 Financial Analysis

Table 106 on the next page gives an estimate of the total cost required to achieve the outcomes in each SDG Outcome Group. Costs have been calculated by estimating the cost of delivering each intervention and then summing these together to give the total cost estimate for each SDG Outcome Group.

These are early indicative estimates received from the Sector Technical Team on the cost of delivering each intervention. The actual cost of delivering these interventions is likely to differ from the costs estimated below. The yearly profile of costs is also likely to differ from below depending on when interventions begin to be implemented and the time taken to complete each intervention, which may not be as indicated below. The cost for some interventions have not been included and so the total cost estimate for achieving the Social Protection CCT outcomes is likely to be an underestimate. Where an SDG Outcome Area has no cost estimate for any intervention, it is not shown below.

The below figures should be seen as early indicative cost estimates and serve as the basis for a full, detailed costing exercise to be completed at the CCT strategic plans level.

Currently, we estimate the total cost for achieving the outcomes chosen in the Social Protection CCT to be between **USD 3.4 and USD 6.3 million per year in 2017-21.**

Table 105: Social Protection Financial Analysis (Current USD)

SDG Outcome Group	2017	2018	2019	2020	2021
SDG1: End poverty in all its forms everywhere	3,250,000	2,550,000	2,050,000	1,610,000	1,320,000
SDG2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	600,000	400,000	250,000	200,000	150,000
SDG3: Ensure healthy lives and promote well-being for all at all ages	750,000	550,000	450,000	350,000	250,000
SDG 5: Achieve gender equality and empower all women, girls and other marginalized groups	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
SDG 10: Reduce inequality within and among countries	500,000	500,000	500,000	500,000	500,000
Total Cost	6,250,000	5,150,000	4,400,000	3,810,000	3,370,000

All figures rounded to the nearest thousand.

4.3 Cross-cutting Theme III: Youth

4.3.1 Situation Analysis

The Youth Development is present in the Somaliland Vision 2030 under its pillar of Social Development and NDP was a key in providing guidance and highlighting the main priorities to be addressed in the sector. However, challenges such as low coordination among key stakeholders, fund constraints and recurrent droughts impeded the sector to achieve some of its objectives.

The Vision acknowledges the importance of youth and aspires to achieve:

A nation whose youth are secure, confident, development-oriented and empowered to their potentials.

During the development cycle of the NDP, Youth Development focused on:

- Building the human resource and physical capacity of the Ministry of Youth and Sports
- Promoting youth programs including employment generation and sport activities
- Enhancing and supporting with promoting healthy life style
- Encouraging youth participation in decision making and political life
- Promoting patriotism and sense of national identity through intercultural and inter-regional youth activities
- Encourage greater involvement of the donors and private sector in youth development

Key Stakeholders

The Ministry of Youth and Sport (MoYS) is the main stakeholder providing guidance and coordination for all stakeholders working with the Youth in Somaliland.

There are also other important government and non-governmental institutions working with Youth-related issues such as MoH, MoEHS, MoLSA, Ministry of Interior, MoNPD, SONYO, Shaqadoon, SoS Children's Village, Havoyoco and other youth organizations exists in the country.

International development partners as well as international and local NGOs also contribute for the sector, especially through financial and technical support. The main development partners are UNICEF, UNFPA, ILO, UNDP, IOM, Save the Children, OXFORD, Spark initiative ignites, CARE International, Mercy Corps and African Education Trust (AET).

The sector holds quarterly youth coordination Meetings chaired by MoYS, a platform where all organizations involved in the youth sector meet to exchange valuable information to avoid duplication, overlap and concentration of project activities in certain locations.

Main Characteristics

The National Youth Policy 2010 sets the definition of youth in Somaliland: between 15 and 35 years. These years represent that significant stage in life when most young people move from childhood to adulthood, from school to work and from dependence to independence. It is a period that requires special interventions to ensure these transitions are positive and that each person is able to reach his/her potentials.¹²⁵

According to the Population Estimation Survey (PESS), 72% of Somaliland's populations are below the age of 0-35 years.¹²⁶ Furthermore, 43% are between the ages of 15 to 35 hence, Somaliland experiences a "Youth Bulge"—a situation that if not attended early could undermine any gains in peace and stability made over the last two decades. Additionally, the large and increasing relative share and absolute numbers of youth in Somaliland makes it even more necessary that the nation ensures that they become a vibrant, constructive force that can address social and economic issues and contribute to sustained and just governance and nation building.¹²⁷

¹²⁵ National Youth Policy 2010

¹²⁶ Population Estimation Survey 2014

¹²⁷ Somali Human Development Report 2012

The Somaliland youth policy states the achievement of demographic dividends and to lead an accelerated economic growth that can result from improved reproductive health, an effective family planning, and the subsequent shift in population age structure. With more people in the labour force and fewer children to support, a country has a window of opportunity for economic growth if the right social and economic investments and policies are made in health, education, governance, and the economy.

Main Challenges

Somaliland youth share traits with other developing states: high rates of illiteracy and limited access to formal education and technical skills; poverty and unemployment leading to dependency on external sources such as remittances; effects of conflict and gender based violence; and alienation from positive interactions with adults and the rest of society. These problems have been amplified many times by the cross-cutting nature of Youth-related issues, lack of coordination of interventional efforts and inadequate public investment.

Education and early marriages is another fundamental problem. Females and males married at a young age are less likely to be educated and are more likely to have had only limited exposure to any media communication.

Sexual and Reproductive health is an important component of the overall health of the adult population, but is particularly cogent for the youth population. Youth population require information on sex, and sexual and reproductive health. Unmarried youth in particular face many social barriers to obtaining accurate and complete information on these subjects. Furthermore, ignorance or misinformation on sex related matters could put sexually active youth at a higher risk of sexually transmitted infections, including HIV.

Youth Violence is high in Somaliland's major urban centres. The Observatory of Conflict and Violence Prevention (OCVP) conducted a short study on conflict and security across the major towns and cities in Somaliland between 2012 and 2013. According to the study, the most common types of crimes perpetrated by youth are muggings and rape.¹²⁸ Unemployment is alleged to have a causal effect on the increasing involvement of youth in criminal activities.

Youth employment, economic development and poverty reduction is one of the 12 priorities of the Somaliland National Youth Policy (NYP) which seeks to provide direction and a framework for all institutions committed to youth development. The NYP aims at coordinating existing youth programmes to improve young people's job related skills and employability, participation of youth in employment creation programmes (specially employment in growth and youth friendly sectors), entrepreneurship and making accessible labour market information to young men and women in Somaliland. Somaliland has very low employment-to-population ratios among the youth with 28% for males and 17% for females (15-24 youth in Borama, Hargeisa and Burao).¹²⁹

Youth Migration is not an issue for Somaliland alone; it affects neighbouring regions, the African continent, Europe and beyond. While there are no clear statistics available to draw from, anecdotal evidence is showing that Somaliland youth emigration numbers are significant. The impact of this exodus of youth has resulted in loss of life and human capital; impacting families, communities and the broader Somaliland economy. Addressing this issue requires a combination of increased economic opportunities and education. Somaliland youth requires purposeful employment and entrepreneurial opportunity. Insufficient economic growth is regarded as a fundamental barrier to tackle youth underemployment and unemployment in Somaliland. Without further diversification in Somaliland's economy and increased access to finance, youth will continue to seek out prospects elsewhere. The enabling influences of social media and well established human trafficking networks that are engaging with Somaliland youth are also impacting Youth decisions to emigrate. To counter these influences education is required to inform Youth about the risks and dangers of illegal emigration. Creative social programs that combine both employment opportunity and youth outreach, which not only educate but provide youth with alternative pathways, will be promoted during the NDPII period. Without

¹²⁸ Youth Violence – The Observatory of Conflict and Violence Prevention 2013

¹²⁹ Labour Workforce Survey 2012

realistic alternatives, the temptation to take the financial and personal risk to find a better life will continue.

4.3.2 Policies, Reforms and Legal Frameworks

The Constitution of the Republic of Somaliland stipulates the important of developing young people to fulfil their full potentials. The constitution clearly indicates:

Article 15: To ensure a healthy physical and mental growth of the young, and to improve their wellbeing and maturity, the state shall give special attention to the promotion and encouragement of physical education and sports which will be recognised as one of the basic subjects in the educational curriculum of both state and other schools.

Act 70/2015 (Institutional Governance Arrangement Act) has been approved by the Parliament and the President. The act clearly stipulates that it is the mandate of the Ministry of Youth and Sports is to create job opportunities and employable skills for youth, according to the prevision (41) and sub previsions of the (10, 13 and 14) of the Act:

Sub- prevision 10: Employment skills creation for youth and learning skills

Sub-prevision 13: Setting and executing for the youth development policy

Sub-prevision 14: Coordinating the programs regarding supporting and developing for youth issues

However, there are many components of the Youth related legal framework that are in their draft forms and have not been enacted or implemented, as presented in Table 107.

Table 106: Summary of Youth Laws and Policies

Laws and policies	Key content
National Youth Policy	- Employment creation, Economic Participation and Poverty Reduction
National Youth Employment Strategy	- Set outs the implementation framework for executing the national youth policy aspirations and agenda
The Youth Act	- Draft Act Establish the legal framework to support the National Youth Strategy, defining organizations, mandates and responsibilities, as well as procedures, obligations and interdictions in a general way
Gender Policy	- Seeks to counter act and prevent the female genital cutting of young girls

Source: Prepared by MOYAS

4.3.3 Regional Overview

Youth problems have become a national issue given the proportion of youth in the population and lack of innovation in employment industry to generate employment. All regions had reported lack of access to education particularly TVET, youth unemployment and migration issues, although regions such as Sanaag and Sool have relatively reported extreme youth poverty levels. This also remains a challenging issue in Sahil, Togdheer, Maroodijeex and Sool.

4.3.4 Youth Results Based Management Framework

Youth Vision

A nation whose youth enjoy sustained economic growth, reduced poverty and enhanced basic societal needs

Youth SDGs

SDG 1

End poverty in all its forms everywhere

SDG 3

Ensure healthy lives and promote well-being for all at all ages

SDG 4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

SDG 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SDG 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

SDG 17

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

4.3.5 Youth RBM Matrix

Table 107: Youth CCT's RBM Matrix – SDG1

SDG1: End poverty in all its forms everywhere				
Outcomes	Indicators	Baseline (2016)¹³⁰	Final Target (2021)	Priority interventions
1. By 2021, will reduce the number of youth aged 15-35 living in poverty based on Somaliland definitions by 15%	1.1. Proportion of youth aged 15-35 years who live under international poverty line	1.1. 30% Urban 37% Rural	1.1. 25.5% Urban 31.5% Rural	<ul style="list-style-type: none"> - Start-up business programs for youth aged 15-35 using micro-financing Mechanisms - Develop youth national employment and entrepreneurship strategies and programmes - Cross-Ministry Youth Development Fund that will provide opportunities to development and implement youth specific projects that promote poverty reduction - Youth Policy Development
2. By 2021, 2% of youth aged 15-35 will be able to access financial services and microfinance	2.1. Proportion of youth age 15-35 years accessing financial services and micro financing	2.1 Not available	2.1 2%	
3. By 2021, the Government of Somaliland with international partners will establish a cross-ministry Youth and Sports Development Fund	3.1. Amount secured for Youth and Sports development fund	3.1. Not available	2.1 Fund Established	
4. By 2018, The Government of Somaliland will have a pro-poor and gender sensitive Youth Policy	4.1. Pro-poor and gender sensitive youth policy is in place	4.1. Not available	4.1 Policy completed	

¹³⁰ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

Table 108: Youth CCT's RBM Matrix – SDG3

SDG3: Ensure healthy lives and promote well-being for all at all ages				
Outcomes	Indicators	Baseline (2016)¹³¹	Final Target (2021)	Priority interventions
1. By 2021, 50% of Somaliland Youth aged 15-35 will be aware of preventative measures to avoid contracting AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases	1.1. Proportion of youth aged 15-35 years who know preventative measures	1.1. 25 % perception Survey	1.1. 75%	<ul style="list-style-type: none"> - Nationwide health promotion campaigns targeting youth - Establishing youth friendly health centres - Include Physical Education within national school curriculum - Expand and upgrade sports facilities; promoting sport as an alternative to drug use – link sporting events to anti-drug (Khat/tobacco) messaging
2. By 2021, 50% of Somaliland Youth aged 15-35 will be aware of the negative effects of Khat and other narcotic drugs including opportunities for treatment	2.1. % of youth who know of the negative effects of Khat 2.2. % of youth who know where to receive treatment	2.1. Not available	2.1 50% 2.2 50%	
3. By 2021, The Government of Somaliland will seek to reduce the number of traffic related deaths amongst Youth aged 15-35 by 25%	3.1. Traffic Related Deaths per 100,000	3.1. 4/100,000	3.1. 3/100,000	
4. By 2021, 60% of Somaliland youth will engage in sport, physical exercise and productive leisure activities	4.1. % of youth engaged in physical activity more than once a week	4.1 N/A	4.1 60%	

¹³¹ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

Table 109: Youth CCT's RBM Matrix – SDG4

SDG4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all				
Outcomes	Indicators	Baseline (2016)¹³²	Final Target (2021)	Priority interventions
1. By 2021, 30% of Somaliland Youth aged 15-35 will have access to an accredited vocational or higher education training course	1.1. Proportion of youth aged 15-35 years accessing an accredited vocational training course 1.2. Proportion of youth aged 15-35 years accessing an accredited higher education training course	1.1. 21% Female N/A Male 1.2. Not available	1.1. 30% 1.2 30%	<ul style="list-style-type: none"> - Increase TVET training course opportunities for Rural Youth populations with particular emphasis on women and those with disabilities - Strengthen existing TVET Centres to cater towards Urban Youth vocational Needs - Establish a network of Internet Cafes in Regional Centres to enable Youth Access to ICT - Joint Literacy-Vocational programs especially for vulnerable Youth Populations - Career guidance counselling services (matching skills with industry needs)
2. By 2021, 30% of Somaliland Youth aged 15-35 will have basic ICT skills and literacy	2.1. Proportion of youth aged 15-35 years have basic ICT skills and literacy	2.1. Not available	2.1. 30%	
3. By 2021, reduce proportion of youth in the vocational training and tertiary education access disparities between male and female Youth by 20%	3.1. Tertiary education gender parity Index	3.1. 51 female/100 males	3.1. 61 female/100 males	
4. By 2021, reduce proportion of youth in the vocational training and tertiary education access disparities between rural and urban Youth by 15%	4.1. Proportion of youth age 15-35 years in vocational training and tertiary education by location (Rural/Urban)	4.1. Not available	4.1 TBD	

¹³² Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

5. By 2021, reduce proportion of youth in the vocational training and tertiary education access disparities between those Youth with and without disability by 10%	5.1. Proportion of youth age 15-35 years in vocational training and tertiary education including disability persons	5.1 Not available	5.1 10%	
6. By 2021, 62% male Youth aged between 15-35 will be literate	6.1. Male youth literacy rate	6.1. 51.6%	6.1. 62%	
7. By 2021, 57% female Youth aged between 15-35 will be literate	7.1. Female youth literacy rate	7.1. 44.2 %	7.2. 57%	

Table 110: Youth CCT's RBM Matrix – SDG8

SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all				
Outcomes	Indicators	Baseline (2016)¹³³	Final Target (2021)	Priority interventions
1. By 2019, Somaliland will have a functioning Youth Job Creation and Entrepreneurship Policy	1.1. Job creation and Entrepreneurship Policy is in place	1.1. Non-existent	1.1. Policy developed and approved	<ul style="list-style-type: none"> - Promote and strengthen sport professionalism pathways as a source of income generation for Youth. - Integrate entrepreneurship skills training in education and training programmes - Outreach programmes aimed at
2. By 2021, 40% of female and 70% of male Somaliland youth aged 15-35 will be in some form of employment, education or training	1.2. Proportion of youth in Employment, education or training	1.2. 18% Female 32% Male	1.2. 40% Female 70% Male	

¹³³ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

3. By 2021, the Government of Somaliland will have an effective and practical policy prohibiting human trafficking	1.3. Human trafficking prohibited policy created and approved	1.3. Non-existent	1.3. Policy developed and approved	reducing youth school drop-out rates - Regional Conferences on Youth Employment and Skill Sharing Develop a national strategy to promote Youth engagement in employment, education and training - Private and Public Volunteer and Internship Programs
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Table 111: Youth CCT's RBM Matrix – SDG16

SDG16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels				
Outcomes	Indicators	Baseline (2016)¹³⁴	Final Target (2021)	Priority interventions
1. By 2021, the Government of Somaliland will have reduced individual participation in youth violence by 25%	1.1. Youth violence rate	1.1. 32% National 34% Male 29% Female	1.1. 24% National 26% Male 22% Female	- Community Awareness Campaigns Against Youth Violence - Community and Religious Leader Engagement (National Conference) - Peer to Peer Programs for Youth - Further research programs into what motivates and prevents Violence
2. By 2021, reduce female youth exploitation and rape by 50%	2.1. Incidence of youth female rape	2.1. 16%	2.1. 8%	

¹³⁴ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

3. By 2021, will seek to have 30% of Somaliland political decision making positions (Local Government/Parliament/MDAs) being youth aged 15-35	3.1. % of Youth aged 15-35 in Government decision making positions	3.1. Not available	3.1. 30%	amongst Youth - Female youth self-defence programs - Youth Fast tracking in Civil Service
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Table 112: Youth CCT's RBM Matrix – SDG17

SDG17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development				
Outcomes	Indicators	Baseline (2016)¹³⁵	Final Target (2021)	Priority interventions
1. By 2021, the Government of Somaliland will hold 5 National Youth Development Coordination and Monitoring Conferences	1.1. Number of annual national youth Conferences	1.1. 0	1.1. 5	- Annual National Youth Conference (Rotated Regionally)

¹³⁵ Data for 2016 is used whenever possible and when missing the most recent data is applied. Please refer to Appendix II for more details about statistics.

4.3.6 Risks

In relation to Youth improving their economic circumstances in broader macro-economic factors such as regional trade; inflation; corruption; misuse of funds and brain drain will have a significant effect and provide a potential risk for achieving outcomes. Continued limited investment by financial institutions will prevent youth being able to access financing and limit youth entrepreneurship. Financial reforms will need to be institutionalized to improve youth access to finance to mitigate this risk. Health risks on achieving outcomes included being exposed to increased drought and continued cultural constraints in relation to certain kinds health messaging.

Minimal frontline youth health service providers compound what is a large social acceptance of some drug use (Khat) which has significant health effects. A continued limitation on sports facilities, fields, playgrounds and positive social activity may have impact on achieving outcomes related to youth crime and health. In relation to achieving outcomes related to training and employment TVET is expensive with limited resources available to support it. There is also the risk of not addressing the insufficient number of qualified trainers to meet demand. If no standardization or proper accreditation of education and training achieved, there is a significant continued risk that youth will continue to not be ready for the job market. There is also the continued risk of the Private sector not willing to invest in training, and youth not willing to take advantage of training opportunities when they do become available. Internet access is also expensive for most Youth which restricts opportunities to engage in the online economy.

There is also a conflict in mandate regarding the roles and responsibility of youth employment between MoYS and MoLSA. This will require both Ministries to coordinate closely through a formalized mechanism to address Youth employment along with other Ministries and Agencies such as Education, Energy and Extractives, Production, among others, who all have a role to play in addressing this issue.

4.3.7 Financial Analysis

Table 114 on the next page gives an estimate of the total cost required to achieve the outcomes in each SDG Outcome Group.

Costs have been calculated by estimating the cost of delivering each intervention and then summing these together to give the total cost estimate for each SDG Outcome Group.

These are early indicative estimates received from the Sector Technical Team on the cost of delivering each intervention. The actual cost of delivering these interventions is likely to differ from the costs estimated below. The yearly profile of costs is also likely to differ from below depending on when interventions begin to be implemented and the time taken to complete each intervention, which may not be as indicated below.

The below figures should be seen as early indicative cost estimates and serve as the basis for a full, detailed costing exercise to be completed in the future.

Currently, we estimate the total cost for achieving the outcomes chosen in the Youth CCT to be between **USD 10.2 and USD 35.8 million per year in 2017-21.**

Table 113: Youth CCT Financial Analysis (Current USD)

SDG Outcome Group	2017	2018	2019	2020	2021
SDG1: End poverty in all its forms everywhere	5,290,000	7,500,000	10,500,000	15,650,000	20,900,000
SDG3:Ensure healthy lives and promote well-being for all at all ages	1,270,000	1,780,000	2,190,000	3,800,000	4,800,000
SDG4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	2,450,000	3,850,000	5,250,000	6,200,000	8,250,000
SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	870,000	1,580,000	2,340,000	450,000	560,000
SDG 16:Sector Strategy Objective Five: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	315,000	490,000	705,000	910,000	1,200,000
SDG 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	50,000	50,000	50,000	50,000	50,000
Total Cost	10,245,000	15,250,000	21,035,000	27,060,000	35,760,000

All figures rounded to the nearest thousand.

4.3.8 Data Requirements

Timely, coordinated, quality and representative data is indispensable approach in formulating and designing national development plan. It also functions as a feedback mechanism by assessing and measuring what has been done so far at the end of the plan.

The current data available for youth is very limited and mainly relies on the work of government institutions, development partners, NGOs and the private sector. Usually, government institutions in this cross-cutting area collect limited administrative data on a regular basis. Development partners with this area also collected some primary data. Despite that, there are huge data gaps that directly impact the work and plan of the youth cross-cutting area. Many indicators in the RBM do not have baseline data. In some cases, although data is available the frequency that it is collected is not ideal. Moreover, dissemination and use of the existing data is another obstacle. Oftentimes stakeholders do not share the data they are collecting and valuable information is not used for planning and policymaking. The bellow table summarizes, youth required data, source, current status and the possible intervention.

Table 114: Youth CCT's Data Requirements

No	Data requirement	Data Sources	Status	Required Interventions
1	Youth population	Youth Survey/census	Available with limited scale	Conduct Youth Survey/census
2	The ratio of young people in the total population	Youth Survey/census	Available with limited scale	Conduct Youth Survey/census
3	Mean age of young people leaving the parental household	Youth Survey/census	Not available	Conduct Youth Survey/census
4	Early leavers from education and training	Administrative data/Youth Survey	Not available	Compilation of data on early leavers/Conduct youth survey
5	Rate of Low achievers in reading, mathematics and sciences	Administrative data/Youth Survey	Not available	Compilation of data on low achievers/Conduct youth survey
6	Tertiary education attainment level	Administrative data/Youth Survey	Available with limited scale	Compilation of data on tertiary enrolment /Conduct youth survey
7	Proportion of young people (20-24) having completed at least upper secondary education	Administrative data/Youth Survey	Not available	Compilation of data on secondary graduates /Conduct youth survey
8	Youth unemployment rate	Youth Survey/Labor survey	Available with limited scale	Conduct Youth Survey/labor survey
9	Proportion of Self-employed youth	Youth Survey/Labor survey	Not available	Conduct Youth Survey/labor survey
10	Proportion of youth who would like to set up their own	Youth Survey/Labor	Not available	Conduct Youth Survey/labor survey

	business	survey		
11	Young employees with a temporary contract	Youth Survey/Labor survey	Not available	Conduct Youth Survey/labor survey
12	Rate of Regular smokers	Youth Survey/health survey	Not available	Conduct Youth Survey/health survey
13	Rate of Alcohol use	Youth Survey/health survey	Not available	Conduct Youth Survey/health survey
14	Rate of chewing Khat among youth	Youth Survey/health survey	Not available	Conduct Youth Survey/health survey
15	Causes of death of young people	Youth Survey/health survey	Not available	Conduct Youth Survey/health survey
16	Rate of Psychological distress among youth	Youth Survey/health survey	Not available	Conduct Youth Survey/health survey
17	Injuries: road traffic: self-reported incidences among youth	Youth Survey/health survey	Not available	Conduct Youth Survey/health survey
18	Youth At-risk-of-poverty rate	Youth Survey/household survey	Not available	Conduct Youth Survey/household survey
19	Proportion of Young people not in employment, education or training	Youth Survey	Not available	Conduct Youth Survey
20	Participation rate of sports clubs, youth clubs/associations or cultural organizations	Youth Survey	Not available	Conduct Youth Survey
21	Young people's participation rate in political or community/environmentally-oriented NGOs	Youth Survey	Not available	Conduct Youth Survey
22	Young people using internet for accessing or posting opinions on websites	Youth Survey	Not available	Conduct Youth Survey
23	Rate Young people's engagement in voluntary activities	Youth Survey	Not available	Conduct Youth Survey

Chapter 5: Resilience and Human Rights

5.1 Building Resilience in Somaliland

5.1.1 Overview

Somaliland has a very vulnerable environment which has been recurrently afflicted by the negative impacts of climate change. Its economy is still extremely dependent on livestock; therefore, droughts and other climate-related disasters have devastating direct effects on large numbers of Somaliland communities and ultimately on the whole country. Loss of livestock and livelihoods, hunger, displacement and even conflict are some of the results of the impacts of climate change in Somaliland. Climate change effects are also aggravated by the consequences of human activities such as poor management of land and water resources, which in many cases are the result of ineffective coping strategies.

The challenges posed by climate change will neither decrease in number nor intensity in the years to come. Therefore, building resilience against climate change-related impacts means:

- Strengthening existing mechanisms of disaster preparedness and management;
- Strengthening, and creating when necessary, effective communities' coping strategies; and
- Supporting communities to adapt to new realities

NDPII is committed to build the resilience of Somaliland communities to face climate change-related challenges through all its CCTs and Sectors.

5.1.2 Causes of Vulnerability in Somaliland

The causes of vulnerability in Somaliland are interconnected and, therefore, singling them out is not an easy and straightforward task. Some of those causes rest upon direct impacts of climate change, whether others on the inadequacy or completely absence of effective coping strategies of the local communities to deal with these impacts.

However, there are some major causes that can be highlighted as more strategic to be addressed in order to build resilience in Somaliland:

- **Environmental degradation:** Somaliland's environment is undergoing an intensive process of degradation and has already reached a dire situation. The environment's current situation is characterised by biodiversity loss, soil erosion, deforestation, and water degradation. This situation is the result of both climate change impacts as well as of human activities.
- **High dependency on livestock:** Somaliland's communities are still very dependent on livestock especially in rural areas. Livestock is both source of food for own consumption as well as source of income for households. It also the major contributor to the country's GDP and negative any impact on livestock has a direct effect on the whole economy.
- **Food insecurity:** Besides affecting livestock, which are the major source of food consumption for many Somalilanders, climate change-related disasters as well as human activities causing land and water resources' degradation are both reducing crop production in the country.
- **Limitations of existing traditional mitigation strategies:** Although Somalilanders have made successful use of traditional mitigation strategies such as *Xoolo-Goyn* – when families of a rural community contribute with a minimum of one animal to a family that lost all its livestock – the frequency and the magnitude of droughts are limiting the impact of these strategies.

- **Lack of Diversification:** Still deeply connected to its pastoralist traditions, there are few opportunities not related to livestock activities in rural communities. This limits the possibilities of diversifying sources of incomes and of being more resilient to shocks that directly affect livestock.
- **Displacement:** Internal displacement of families and individuals, as a result of direct impact of climate change, ends up contributing to propagate negative effects to other regions that were not directly affected. Driven out from their communities by natural disasters, migrating families put increasing pressure on natural resources from other localities ultimately generating tensions with host communities.

5.1.3 Areas of Intervention

Building and strengthening resilience against climate change cannot be achieved through a limited and isolated approach. Rather, to ensure that communities be well prepared and adapted to face climate change-related challenges, an effective resilience-based approach needs to look at major causes as well as most pressing impacts of climate change.

Such approach needs to integrate climate change resilience into development planning. It must also enable development planners to balance what needs to be done with what can be done within available structures, institutional capacity and resources.

The resilience-based approach has been reflected in the below areas of interventions which have been permeated across the outcomes of NDPII CCTs and Sectors:

- Strengthening mechanisms of disaster preparedness and management
- Strengthening effective coping strategies against climate change-related impacts
- Creating market opportunities for livestock and agriculture production
- Diversifying sources of income
- Pro poor and vulnerable groups' support schemes (which includes IDP rehabilitation and re-integration)
- Investing in human capital development with particular focus on productive skills
- Improving enabling environment for business in sectors not easily affected by climate change-related impacts
- Increasing food security through establishing food reserves

5.1.4 Mainstreaming Resilience

Some Sectors will be particularly more relevant for building resilience against the negatively results of climate change. Environment, Production and WASH Sectors are directly affected and therefore are the ones that should be better prepared and adapted to face those challenges.

However, other Sectors can also play a role in preparing communities to be more resilient. Education and Health are particularly relevant to improving human capital indicators and preparing Somalilanders to be well equipped to increase the productivity of and better adapt economic activities that are more affected by the impacts of climate change. Economy, Energy and Infrastructure will help creating a more conducive environment for business and consequently a more diversified economy. Governance will ensure that the government at central and local levels will engage with communities strengthening their coping strategies and improving government response to climate change-related disasters in a timely manner.

5.2 Human Rights Based Approach

5.2.1 Overview

For the Republic of Somaliland to achieve sustainable development results, it must ensure that the human rights of its citizens are protected based upon suitable and culturally appropriate actions guided by internationally recognized Human Rights Principles. While there are several interpretations to how a human rights-based approach to development should be defined, the UN High Commissioner for Human Rights explains it most concisely:

“A rights-based approach to development is a conceptual framework for the process of human development that is normatively based on international human rights standards and operationally directed to promoting and protecting human rights.’ ‘It is about empowering people to know and claim their rights and increasing the ability and accountability of individuals and institutions who are responsible for respecting, protecting and fulfilling rights”¹³⁶

There is no standardized or universal recipe for how a human rights-based approach should be applied to development planning but, UN agencies have nonetheless agreed a number of essential attributes which the NDP II has sought to adapt:

1. As development policies and programmes are formulated, the main objective should be to fulfil human rights.
2. A human rights-based approach identifies rights’ holders and their entitlements and corresponding duty-bearers and their obligations, and works towards strengthening the capacities of rights-holders to make their claims and of duty-bearers to meet their obligations.
3. Principles and standards derived from international human rights treaties should guide all development cooperation and programming in all sectors and in all phases of the programming process.

Current approaches of integrating human rights into development also require clear distinctions between civil and political rights and social and economic rights. Civil and political rights include gender equality (the rights of women); the rights of minority groups; the rights of poor and marginalized communities. Advancement of historically disadvantaged groups to equally benefit and have the protection of the law. Similarly, the population groups should have equal access to public resources and opportunities; and treated with mutual respect and dignity all the other people enjoy. Other civil and political rights practiced by democratic societies include freedom of expression, freedom of association, the right to make political choices, fair labour practices, and religious freedom. Strengthening these rights is a basis for the Cross-Cutting Themes of Youth and Social Protection and is a critical component of the NDP II Pillar 3 Good Governance. Social and Economic Rights are a central underpinning issue for a country’s socio-economic development. Socio-economic rights include rights to access quality education, basic health care, food and water security, social security, employment and housing. These are critical elements to development that underpin the NDP II Pillars of Economic Development (P1) and Social Development (P4). This distinction on human rights (civil and political/social and economic) though does not mean they are to be addressed separately and require mutually reinforcement and complementary action:

“The struggle to achieve economic and social rights should not be separated from the struggle to achieve civil and political rights ... the two need to be pursued simultaneously” (UNDP 2000)

5.2.2 Human Rights in Somaliland

There are several Articles in Somaliland’s Constitution (21-36), which relate directly to fundamental rights and freedoms. These Articles are interpreted by Somaliland Constitutional Law to be consistent with international conventions and international laws on human rights. Both civil, political, economic and social rights are included in the Constitution covering areas on security; education and free health

¹³⁶ UN High Commissioner for Human Rights

services, liberty and dignity to every Somaliland citizen. The Constitution also guarantees fundamental rights and freedoms on civil and political rights, cultural rights and other collective/group rights such as the right to peace, development and clean/healthy environment.

To ensure compliance with the human rights and freedoms awarded by the Somaliland's Constitution, the Government of Somaliland issued a Presidential Decree in April 2006 which established the NHRC. The NHRC is an independent Human Rights public institution, whose core mandate is to further the protection and promotion of fundamental human rights and freedoms in Somaliland. As aligned to the systems of other country institutions the NHRC audits the Government's progress on human rights, providing transparency and accountability.

The NHRC has been active towards promoting Human Rights through government laws and systems since 2012. It has reviewed 10 laws which had some provisions contrary to international human rights standards including the Citizenship Law, Anti-drug Act, Public Order Law etc.). Three of these laws were amended based on the Commission's recommendations; the Advocates Act, Judicial Administration Act and Political Association and Parties Act. The Commission advocated for creation of certain laws pertaining to human rights that were successfully drafted and passed into law i.e. the Prisons Law and Public Health Law. In 2017, the Commission is part of a working group with other civil society organizations drafting future bills such as the Sexual Abuses Bill, HIV/AIDS Bill (now before Parliament) and the Anti-FGM Bill. The SLNHRC has conducted many forums and training to local police; community and religious leaders; members of Parliament; Ministries and civil societies on issues related to Gender Based Violence; FGM and rights in general. Other areas of progress include increased support services for women effected by gender based violence; securing the release of prisoners whose human rights had been violated and promoting civic education in schools.

Human Right in Somaliland is not without its challenges. There is still lack of understanding of what fundamental human rights are at all layers of the society. Some laws regarding the protection of human rights have not been passed by the parliament and those that are passed are not always enforced. Collaboration and coordination of key stakeholders and law makers on human rights issues is also weak and will need to be strengthened during the NDPII period.

5.2.3 Human Rights Approach to NDPII

The Government of Somaliland will over the period of NDPII seek to promote Human Rights further on three key levels

1. **At the Policy level**, integration of the human rights-based approach and key issues for action into the NDPII and the other strategic plans including the Human Rights Strategic Plan
2. **At the Implementation level**, Sectors and CCT within the NDPII will address human rights issues through Sector Coordination Groups and further address in High Level Aid Coordination Fora. Capacity built within the Somaliland NHRC and other governmental institutions to fulfil their respective mandates and obligations to human rights. Advocacy and human rights training should also be provided to other local Human Rights Centres.
3. **At the level of Civil Society Organizations (CSOs)**, promote the professionalism of human rights civil society institutions to strengthen public discourse and consensus building on human rights. Mobilize civil society organizations involved in Human Rights to actively participate in Human rights education at community, district and national levels.

At all three levels the Government of Somaliland will recognize and further incorporate the following key Human Rights principles across all of its development plans and frameworks:

Universality and inalienability: Human rights are universal and inalienable, the entitlement of all people everywhere in the world. An individual cannot voluntarily give them up. Nor can others take them away. As stated in article 1 of the Universal Declaration of Human Rights, "All human beings are born free and equal in dignity and Rights."

Indivisibility: Human rights are indivisible. Whether civil, cultural, economic, political or social, they are all inherent to the dignity of every person. Consequently, they all have equal status as rights and cannot be ranked in a hierarchy.

Interdependence and interrelatedness: The realization of one right often depends wholly or in part, on the realization of others. For example, realization of the right to health may depend on realization of the right to information.

Equality and non-discrimination: All individuals are equal as human beings, and by a virtue of inherent dignity of each person, are entitled to their rights without discrimination of any kind. A rights-based approach requires focus on addressing discrimination and inequality. Safeguards need to be included in development instruments to protect the rights and well-being of marginalized groups.

Participation and inclusion: Every person and all peoples are entitled to active, free and meaningful participation in, contribution to and enjoyment of civil, economic, social, cultural and political development, through which human rights and fundamental freedoms can be enjoyed.

Empowerment: Empowerment is the process by which people's capabilities to demand and use their human rights grow. They are empowered to claim their rights rather than simply wait for policies, legislation or the provision of services.

Accountability and respect for the rule of law: A rights-based approach seeks to raise levels of accountability in the development process by identifying 'rights holders' and corresponding 'duty bearers' and to enhance the capacities of those duty bearers to meet their obligations. These include positive obligations to protect, promote and fulfil human rights, as well as negative obligations to abstain from rights violations.¹³⁷

The NDPII will consider this full range of indivisible, interdependent and interrelated rights and call for further accountability in relation to Somaliland's development through specific and improved monitoring efforts. For example, human development, human rights and the rule of law are interwoven, complementary and reinforce good governance. These interactions and cross-Sector collaborations should be monitored in relation to how they impact specific NDPII targets.

Examples for how Human Rights has been practically incorporated in the NDPII across CCTs and Sectors include:

Governance

- Deepening women's rights to live, educate, to own property, to earn income, to be free from violence and discrimination as affirmed Article 36 of the constitution of the country or shown in the Convention on the Elimination of All Forms of Discrimination against Women
- Making sure every citizen to participate in the civil and political life of the society without discrimination or repression as pointed out Article 22 of the Somaliland constitution
- Reinforcing equality among the people before the law without any discrimination to find out equal protection as stated Article 8 of the Somaliland constitution and Article 7 of the Universal Declaration of Human Rights (UDHR).
- Processing the implementation of the national human rights act, bill of rights and other laws of the country by the various sectors of the government with the mandate of execution as clearly written Article 21 of the Somaliland Constitution.
- Better exercising to the freedom of expression and association without fear of government retaliation censorship as referred to Article 30 of the constitution and Article 19 of the universal declaration of human rights
- Adopting comprehensive, coherent and coordinated policies supporting human rights-based approach by the government

¹³⁷ Human Rights in UNDP Practice Note April 2005

Health

- Supporting equal access to all medical services, sanitation, adequate food, decent housing, healthy working conditions, and a clean environment as mentioned Article 17 of the Somaliland constitution and Article 25 of the universal declaration of human rights
- Promoting children's rights to life, health care, protection and all the other fundamental rights as appeared in the convention on the rights of the child.

Education

- Ensuring access to quality schools and education that is directed towards the full development of the human personality as stipulated Article 15 of the Somaliland constitution and Article 26 of the universal declaration of human rights
- Improving human rights education as a means of empowering all people to be active citizens with rights, expectations and responsibilities

Social Protection

- Equal involvement of boys and girls in exercising family life by fairly expressing their individual rights of Education, Health, voting, employment, life and the similar rights in regards of the culture and the Articles in the constitution of the country and UDHR
- Preserving the rights of the minority, disadvantaged and people with disability by the local community as shown in Articles 8 and 19 of the Somaliland constitution and Article 7 of the UDHR.

Employment and Labour

- Considering the rights of the citizens to equal chance of employment in the different sectors/ministers of the government as stated Article 20 of the Somaliland Constitution and Article 23 of the UDHR

Cutting Across All Sectors

- Respecting, protecting and fulfilling all human rights including civil and political, or economic, social and cultural rights throughout Somaliland in Accordance with the constitution of the Country, UDHR and NHRC human rights approaches
- Building a wide range of strategic partnerships and alliances between the central government and the international community to realize and sustain human rights
- Creating an enabling environment of accountability, in which all rights of citizens and development beneficiaries are preserved, treated equally and universally.

Chapter 6: Implementing the NDPII

6.1 Financing Planning and Development

Current projections indicate that financial resources available for development expenditure from the central government are likely to be limited, at around USD 81 million in total between 2017 and 2021. By contrast, the current estimated cost of NDPII interventions and outcomes is around USD 2 billion in total (and this figure is likely to be an underestimate of the total cost). The Government's Public Financial Management (PFM) Reform programme will assist in NDPII implementation by integrating NDPII priorities and interventions into the budget preparation process, increasing domestic revenue and providing greater oversight of government expenditure.

6.1.1 Current NDPII Resource Envelope & Finance Gap Analysis

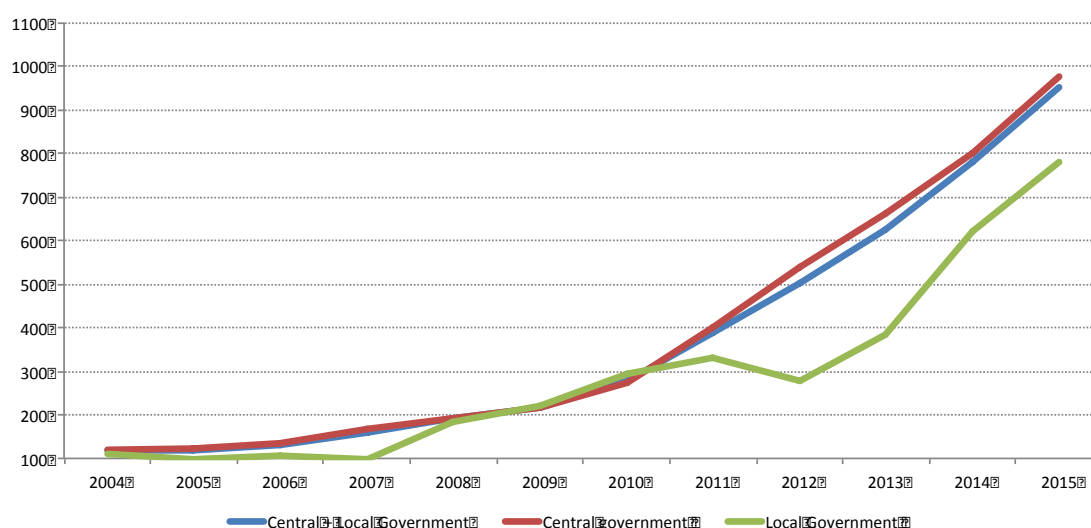
Although domestic financial resources have risen dramatically over the previous decade, Central Government spending is still low and external aid makes up the majority of public funding going to each NDPII sectors. However, many sectors receive large amounts of funding from the private sector. There is a large financing gap between the current estimated financial resource required to implement NDPII interventions and the amount that is projected to be available from the Central Government. The extra funding required to be on course for reaching selected SDGs by 2032 is much larger than the estimated funding required for the NDPII interventions.

6.1.1.1 Domestic Revenue – Economic Growth, Increased Taxation and Debt Management Practices

A stable and secure environment have created the conditions required for sustained economic growth that, in turn, has led to greater domestic resources available for development expenditure. The continued safety and security of Somaliland has created an environment that is conducive for businesses to invest and operate within the country. The NDPII, by identifying reforms and interventions that will increase human development and economic growth, will lay the foundation for increased economic output and, consequently, domestic revenue.

The Government of Somaliland has seen remarkable revenue growth over the past decade with central and local government revenue increasing by around ten-fold. Figure 33 below shows the growth in revenue since 2004 in current dollars. Due to a lack of a long run time series on inflation, it is not possible to calculate the increase in constant dollars. The Government of Somaliland has seen a large increase in revenue in the recent past. This progress will be built upon as a result of the PFM reform programme that is outlined in more detail in section 6.1.2.

Figure 33: Domestic Revenue Growth (2004-15)



The Government's strong fiscal position, with approximately zero debt, leaves it in an excellent position to borrow funds for funding national development priorities. As part of the PFM reform programme, the government will explore policies to issue bonds and increase borrowing in order to ensure that it is able to leverage increased extra resources for expenditure on NDPII priorities.

6.1.1.2 Central Government Revenue & Expenditure Projections

The Government currently forecasts a slowdown in revenue growth in 2018 (due to the livestock ban and current drought) with greater revenue growth in 2019 and beyond. As part of the PFM Reform programme, the government has utilised its new forecasting model to give a projection of central government revenue over the implementation period of the NDPII (2017-21). Table 116 below gives the results of this modelling. We foresee a slowdown in revenue growth in 2018 as the after effects of the drought and livestock ban take hold before a marked improvement in revenues in 2019 and beyond. The Central Government is projected to receive around USD 315 million in 2021 (from the central scenario). All revenue forecasts have been made using conservative assumptions to ensure that in the case of a negative shock to the economy or revenue collection efforts, the government will not have to make sudden, unplanned cuts to expenditure that would damage policy delivery in future years.

Table 115: Central Government Revenue Projections 2017-21 (Current USD)

	2017	2018	2019	2020	2021
Optimistic		271,979,000	299,415,000	322,491,000	347,345,000
Central	258,867,000	260,103,000	273,511,000	293,194,000	314,293,000
Pessimistic		259,463,000	268,864,000	282,723,000	297,296,000

All figures rounded to nearest thousand

6.1.1.3 External Aid – Disbursements in previous years

External Aid funding has been around USD 125 million between 2015 and 2017 with the majority (60%) of funding going to the Governance, Health and WASH Sectors. As can be seen in Table 117 below, the amount of external aid can vary widely from year to year with a 10% rise between 2015 and 2016 followed by a subsequent 11% fall between 2016 and 2017. The data on external aid below is an underestimate of the amount actually spent by development partners in Somaliland for two reasons. Firstly, some external aid partners are unable to disaggregate their spending on programs in

Somaliland and Somalia and so are not included below. Secondly, humanitarian aid is not included in these estimates.

Table 116: External Aid by Sector (Current USD)

	2015	2016	2017	Average (2015-2017)
Economic	2,265,000	3,907,000	5,487,000	3,886,000
Education	5,416,000	7,531,000	6,110,000	6,352,000
Energy and Extractives	125,000	2,843,000	5,218,000	2,729,000
Environment	4,173,000	4,862,000	6,108,000	5,048,000
Governance	33,886,000	36,618,000	16,967,000	29,157,000
Health	20,891,000	27,999,000	24,454,000	24,448,000
Infrastructure	11,239,000	10,653,000	8,519,000	10,137,000
Other	14,060,000	14,672,000	6,600,000	11,777,000
Productive	4,333,000	8,806,000	11,136,000	8,092,000
WASH	27,236,000	16,132,000	30,581,000	24,650,000
Total	123,623,000	134,024,000	121,180,000	126,276,000

All figures rounded to nearest thousand

6.1.1.4 Current Expenditure by Sector

The central government spends over twice as much as external aid partners in Somaliland but most NDPII sectors receive the majority of their public funding from external aid partners. It should be noted that there are large amounts of private sector investment in each NDPII sector that is not included in the below estimates. The government will require greater co-ordination with external aid partners to ensure both effective service delivery and an increase in capacity for the government to deliver development programs in the country. It should be noted that the amount allocated to infrastructure below is greater than is currently presented in the Somaliland annual budget as we have reallocated infrastructure expenditure that is currently executed through the General Treasury Fund.

Table 117: Spending per sector in 2017 (Current USD)

	Central Government	External Aid	Total
Economic	3,371,000	5,487,000	8,857,000
Education	18,286,000	6,110,000	24,395,000
Energy and Extractives	1,045,000	5,218,000	6,263,000
Environment	2,541,000	6,108,000	8,649,000
General Fund	53,791,000	0	53,791,000
Governance	65,396,000	16,967,000	82,363,000
Health	10,839,000	24,454,000	35,293,000
Infrastructure	11,180,000	8,519,000	19,699,000
Other	11,622,000	6,600,000	18,223,000
Productive	4,571,000	11,136,000	15,707,000
Security	74,247,000	0	74,247,000
WASH	1,980,000	30,581,000	32,561,000
Total	258,867,000	121,180,000	380,047,000

All figures rounded to nearest thousand

Public spending per person is very low in Somaliland with most sectors receiving less than USD 5 of expenditure per person. Table 118 below shows the current spending per person in each sector. Governance, Health, Infrastructure and WASH sectors are the only sectors where more than USD 5 per person will be spent from both the central government and external aid partners in 2017. When we exclude security expenditure, spending from external aid partners and central government partners will be around USD 80 per person in 2017.

Table 118: Spending per person in each NDPII Sector - 2017 (Current USD)

	Central Government	External Aid	Total
Economic	0.86	1.40	2.27
Education	4.68	1.56	6.25
Energy and Extractives	0.27	1.34	1.60
Environment	0.65	1.56	2.21
General Fund	13.77	0.00	13.77
Governance	16.75	4.34	21.09
Health	2.78	6.26	9.04
Infrastructure	2.86	2.18	5.04
Other	2.98	1.69	4.67
Productive	1.17	2.85	4.02
Security	19.01	0.00	19.01
WASH	0.51	7.83	8.34
Total	66.29	31.03	97.32

6.1.1.5 Forecasting NDPII Expenditure

We have projected the expenditure that may go on NDPII expenditures from the Central Government. For the central government, we assume that an increasing percentage of government revenues will go to NDPII sectors in 2017 – 21. Government expenditure not going to NDPII sectors includes expenditure to the Security Sector, the General Treasury Fund and to Other Expenditures. In total, 46% of government expenditure goes to NDPII sectors whilst 54% goes to non NDPII Sector expenditure (i.e. to the General Fund, Security and Other Expenditure). Total central government revenue in each year is given by the central revenue forecast in Table 118 above.

We then assume that 10% of expenditure going to NDPII Sectors will be available for expenditure on NDPII Intervention expenditure in 2017 and that this will rise to 15% in 2021 i.e. the Central Government spending on NDPII interventions will be 11.25% in 2018, 12.5% in 2019, 13.75% in 2020 and 15% in 2021 of Central Government Revenue. This assumption was based on the fact that around 7% of Central Government Expenditure is currently allocated toward capital expenditure. In addition, some of the interventions outlined on this plan will come from recurrent expenditure. In addition, reforms that are currently underway such as, for example, the Civil Service Strengthening Project should help to streamline government and make more resources available for spending on NDPII Interventions over the next 5 years.

The actual amount spent in each sector by the central government is likely to be different from the below projections due to both political decisions and subsequent changes in revenue forecasts. Table 119 below shows the projected expenditure and the amount that *may* be available for NDPII intervention expenditures from the Central Government.

Table 119: Projected Expenditure by Sector from the Central Government and Available for NDPII Expenditure (Current USD)

NDPII Sector/Non-NDPII Sector Expenditure		2017	2018	2019	2020	2021
NDPII Sector Expenditure	Central Government	119,208,000	119,777,000	125,951,000	135,015,000	144,731,000
	NDPII Intervention Expenditure	11,921,000	13,475,000	15,744,000	18,565,000	21,710,000
Non-NDPII Sector Expenditure	Central Government	139,660,000	140,327,000	147,560,000	158,179,000	169,562,000
Total	Central Government	258,867,000	260,103,000	273,511,000	293,194,000	314,293,000
	NDPII Intervention Expenditure	11,921,000	11,978,000	12,595,000	13,501,000	14,473,000

All figures rounded to nearest thousand

Our projections indicate that the level of investment available from the central government will be low with around USD 12m available in 2017 and USD 81 million over 5 years. This reinforces the need to leverage more external funding for the NDPII as well as ensure all development resources are utilised in the most efficient and effective manner possible. This includes leveraging more financial resources from the private sector but unfortunately, we are currently unable to monitor or forecast due to a lack of available data.

6.1.1.6 Total Cost of NDPII Interventions/Outcomes

Table 120 and Figure 34 below shows the current estimated total cost of achieving the NDPII objectives by sector. As stated in each Sector's financial analysis, most of the costs were calculated by giving an estimate of the cost of delivering each intervention and summing these by SDG Outcome Group.

These costs are early, indicative estimates and are likely to change after a full, detailed costing exercise is undertaken in each sector. In addition, some interventions and outcomes do not currently have cost estimates included in the NDPII. **Therefore, it is likely that the total cost estimate below is an underestimate of the total cost required to deliver all of the interventions and achieve all of the outcomes chosen by the NDPII Sectors and CCT Technical Teams.** In particular, the costings for both the Governance and Economic sectors are likely to be significant underestimate of the financing required as many interventions have not yet been costed.

Currently, we estimate the total cost for achieving the outcomes chosen in NDPII to be between USD 368 and USD 460 million per year in 2017-21.

Table 120: Current Estimated Cost of Achieving NDPII Objectives by Sector/CCT (Current USD)

CCT/Sector	2017	2018	2019	2020	2021
Employment	5,446,000	5,246,000	5,086,000	4,966,000	4,946,000
Social Protection	6,250,000	5,150,000	4,400,000	3,810,000	3,370,000
Youth	10,245,000	15,250,000	21,035,000	27,060,000	35,760,000
Economy	5,032,000	7,157,000	7,107,000	3,832,000	2,982,000
Energy & Extractives	11,060,000	24,990,000	15,250,000	14,650,000	8,300,000
Production	49,585,600	60,660,800	54,967,800	52,330,800	51,540,800
Infrastructure	151,302,000	151,070,000	204,690,000	192,480,000	182,450,000
Governance	11,125,000	19,350,000	16,350,000	14,475,000	14,600,000
Education	23,719,000	25,345,000	26,297,000	27,610,000	30,666,000
Health	65,298,000	61,872,000	60,649,000	52,691,000	54,006,000
WASH	24,226,000	33,536,000	33,225,000	32,865,000	31,190,000
Environment	4,950,000	7,790,000	11,300,000	8,540,000	11,150,000
Grand Total	368,238,600	417,416,800	460,356,800	435,309,800	430,960,800

All figures rounded to nearest thousand

Using the above estimates, the sectors that require the most funding to achieve their objectives are the Infrastructure, Production and Health Sectors. Currently, we estimate that around 35-45% of the total NDPII cost in each year is from the Infrastructure sector alone. This may be an underestimate of the Infrastructure portion of the total NDPII costs given that not all interventions in the infrastructure sector had cost estimates.

Figure 34: Current Estimated Cost of Achieving NDPII Objectives by Sector/CCT (Current USD)

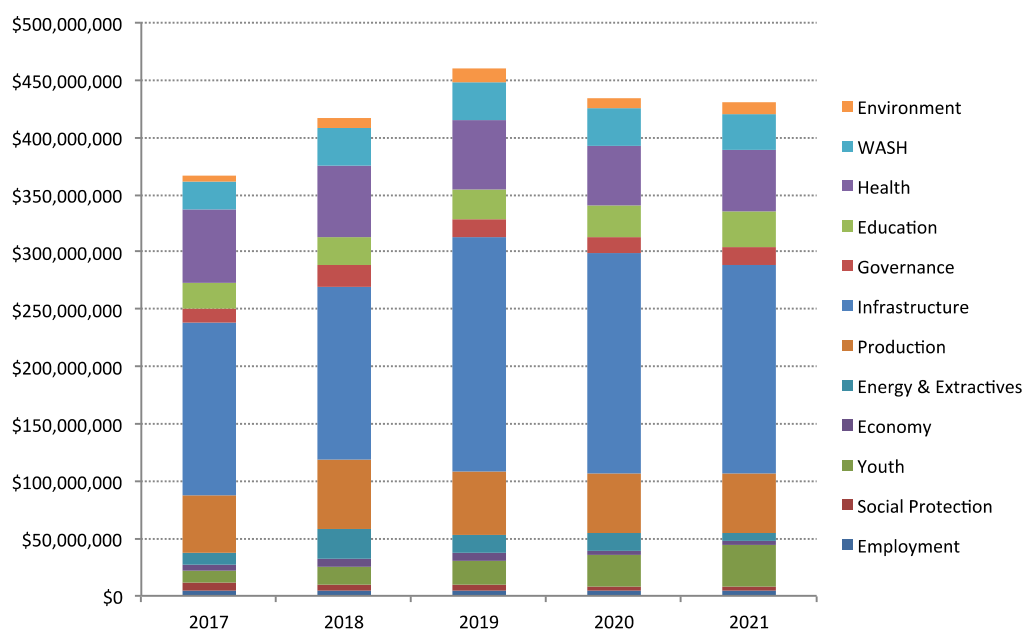


Table 121 below shows the NDPII cost estimates by SDG Outcome Area and Sector/CCT in 2017-21. Unsurprisingly, the SDG Outcome Area with the highest costed interventions is Infrastructure (SDG 9) followed by the Health SDG Outcome Area (SDG3), Food Security (SDG2) and Education (SDG4). The investments required within an SDG Outcome Area are rarely confined to investments coming from one NDPII Sector/CCT. For example, the interventions in the NDPII that will contribute to having a

healthier population include investments in the WASH, Social Protection, Youth and Education Sectors/CCTs as well as investments in the Health Sector itself. As noted above, some interventions have not yet been costed and so the below costs are likely to be an underestimate of the costed interventions within some SDG Outcome Areas.

Table 121: Current Estimated Cost of Achieving NDP II Objectives by SDG Outcome Area and Sector/CCT (Current USD)

SDG Outcome Area	Sector/CCT	2017	2018	2019	2020	2021	Total
SDG1	Total	10,397,000	12,082,000	14,582,000	19,142,000	24,102,000	80,305,000
	Employment	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
	Social Protection	3,250,000	2,550,000	2,050,000	1,610,000	1,320,000	10,780,000
	Youth	5,290,000	7,500,000	10,500,000	15,650,000	20,900,000	59,840,000
	Economy	782,000	907,000	907,000	782,000	782,000	4,160,000
	Governance	75,000	125,000	125,000	100,000	100,000	525,000
SDG2	Total	47,670,000	57,750,000	49,407,000	49,220,000	48,880,000	252,927,000
	Social Protection	600,000	400,000	250,000	200,000	150,000	1,600,000
	Production	47,070,000	57,350,000	49,157,000	49,020,000	48,730,000	251,327,000
SDG3	Total	68,151,000	65,499,000	64,570,000	58,101,000	60,213,000	316,534,000
	Social Protection	750,000	550,000	450,000	350,000	250,000	2,350,000
	Youth	1,270,000	1,780,000	2,190,000	3,800,000	4,800,000	13,840,000
	Education	600,000	600,000	600,000	600,000	600,000	3,000,000
	Health	65,176,000	61,739,000	60,500,000	52,521,000	53,808,000	293,744,000
	WASH	355,000	830,000	830,000	830,000	755,000	3,600,000

SDG4	Total	25,629,000	30,655,000	33,257,000	35,520,000	39,876,000	164,937,000
	Employment	260,000	260,000	260,000	260,000	260,000	1,300,000
	Youth	2,450,000	3,850,000	5,250,000	6,200,000	8,250,000	26,000,000
	Energy & Extractive	200,000	2,200,000	2,450,000	2,450,000	1,700,000	9,000,000
	Education	22,719,000	24,345,000	25,297,000	26,610,000	29,666,000	128,637,000
SDG5	Total	2,272,000	2,783,000	2,799,000	2,820,000	2,848,000	13,522,000
	Social Protection	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	5,750,000
	Governance	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	7,000,000
	Health	122,000	133,000	149,000	170,000	198,000	772,000
SDG6	Total	23,871,000	32,706,000	32,395,000	32,035,000	30,435,000	151,442,000
	WASH	23,871,000	32,706,000	32,395,000	32,035,000	30,435,000	151,442,000
SDG7	Total	9,300,000	19,750,000	9,850,000	9,800,000	4,400,000	53,100,000
	Energy & Extractives	9,300,000	19,750,000	9,850,000	9,800,000	4,400,000	53,100,000
SDG8	Total	10,856,000	13,241,000	14,091,000	9,306,000	8,646,000	56,140,000
	Employment	4,186,000	3,986,000	3,826,000	3,706,000	3,686,000	19,390,000
	Youth	870,000	1,580,000	2,340,000	450,000	560,000	5,800,000
	Economy	4,250,000	5,625,000	5,575,000	3,050,000	2,200,000	20,700,000
	Energy	0	250,000	550,000	300,000	400,000	1,500,000
	Governance	1,550,000	1,800,000	1,800,000	1,800,000	1,800,000	8,750,000

SDG9	Total	128,022,000	125,500,000	176,110,000	163,180,000	154,650,000	747,462,000
	Energy & Extractives	1,520,000	2,730,000	2,400,000	2,100,000	1,800,000	10,550,000
	Infrastructure	126,102,000	122,370,000	173,310,000	160,680,000	152,450,000	734,912,000
	Education	400,000	400,000	400,000	400,000	400,000	2,000,000
SDG10	Total	3,900,000	7,250,000	2,300,000	2,425,000	2,550,000	18,425,000
	Social Protection	500,000	500,000	500,000	500,000	500,000	2,500,000
	Governance	3,400,000	6,750,000	1,800,000	1,925,000	2,050,000	15,925,000
SDG11	Total	25,200,000	28,700,000	31,380,000	31,800,000	30,000,000	147,080,000
	Infrastructure	25,200,000	28,700,000	31,380,000	31,800,000	30,000,000	147,080,000
SDG12	Total	3,170,000	3,170,000	4,980,000	4,060,000	3,980,000	19,360,000
	Production	2,370,000	2,370,000	2,370,000	2,370,000	2,370,000	11,850,000
	Environment	800,000	800,000	2,610,000	1,690,000	1,610,000	7,510,000
SDG13	Total	2,540,000	3,260,000	3,450,000	2,500,000	3,250,000	15,000,000
	Energy & Extractives	40,000	60,000	0	0	0	100,000
	Environment	2,500,000	3,200,000	3,450,000	2,500,000	3,250,000	14,900,000
SDG14	Total	145,600	940,800	3,440,800	940,800	440,800	5,908,800
	Production	145,600	940,800	3,440,800	940,800	440,800	5,908,800
SDG15	Total	1,650,000	3,790,000	5,240,000	4,350,000	6,290,000	21,320,000
	Environment	1,650,000	3,790,000	5,240,000	4,350,000	6,290,000	21,320,000

SDG16	Total	5,265,000	9,215,000	11,380,000	9,610,000	9,900,000	45,370,000
	Youth	315,000	490,000	705,000	910,000	1,200,000	3,620,000
	Governance	4,950,000	8,725,000	10,675,000	8,700,000	8,700,000	41,750,000
SDG17	Total	200,000	1,125,000	1,125,000	500,000	500,000	3,450,000
	Youth	50,000	50,000	50,000	50,000	50,000	250,000
	Economy	0	625,000	625,000	0	0	1,250,000
	Governance	150,000	450,000	450,000	450,000	450,000	1,950,000
Grand Total	Total	368,238,600	417,416,800	460,356,800	435,309,800	430,960,800	2,112,282,800

6.1.1.7 Financing Gap Analysis

The financing gap between the funding that we project that the central government will provide to each sector and the cost of the NDPII interventions is around USD 2 billion over the next 5 years. Table 122 below shows the financing gap between the cost of delivering the NDPII interventions (column a) and the total Central Government Funding to NDPII sector Interventions (Column b). We do not report CG NDPII expenditure by sector below. Table 123 shows the same financing gap in per person terms for Somaliland.

Table 122: Financing Gap for reaching NDPII Targets 2017-21 (Current USD)

NDPII CCT/Sector	a) NDPII Cost (2017-21)	b) CG NDPII expenditure	NDPII Financing Gap (a-b)
Employment	25,690,000	-	-
Social Protection	22,980,000	-	-
Youth	109,350,000	-	-
Economy	26,110,000	-	-
Energy & Extractives	74,250,000	-	-
Production	269,085,800	-	-
Infrastructure	881,992,000	-	-
Governance	75,900,000	-	-
Education	133,637,000	-	-
Health	294,516,000	-	-
WASH	155,042,000	-	-
Environment	43,730,000	-	-
Grand Total	2,112,282,800	81,413,693	2,047,814,800

Table 123: Financing Gap per person for implementing NDPII Interventions in 2017-21 (Current USD)

NDPII CCT/Sector	a) NDPII Cost (2017-21)	b) CG NDPII expenditure	NDPII Financing Gap (a-b)
Employment	6.22	-	-
Social Protection	5.57	-	-
Youth	26.50	-	-
Economy	6.33	-	-
Energy & Extractives	17.99	-	-
Production	65.20	-	-
Infrastructure	213.72	-	-
Governance	18.39	-	-
Education	32.38	-	-
Health	71.36	-	-
WASH	37.57	-	-
Environment	10.60	-	-
Grand Total	511.83	19.73	496.21

The financing gap can be met by funds from a number of different sources including additional funding from the Central Government, the private sector, External Aid, remittances and community participation. Although external aid may be required to fund a significant portion of the financing gap, there is significant scope for other sources of

finance to play a significant role. Given the large role of the private sector in the Somaliland economy, it may be the case that the majority of funding comes from non-government and donor sources.

The degree to which private finance can help to fill the financing gap differs by sector with a large scope for private funding in some sectors (e.g. infrastructure) and a much smaller role in other sectors (e.g. health). Private funding for implementing NDPII interventions should not need to be limited to only being provided through Public Private Partnerships (PPPs). General private sector investments that do not require government co-financing or oversight (e.g. in increasing agricultural productivity and food security) can also be used to help reach NDPII interventions in each sector.

Other alternative financing sources such as from the Diaspora and community participation could also play a significant role. Given the large role of remittances in the Somaliland economy, these funds can be utilised for NDPII expenditure going forward. Somaliland can, given its low level of domestic resources, utilise funds from local communities for projects that can directly benefit them. In short, *finding funds to fill the financing gap for funding NDPII interventions is not limited to leveraging funding from external donors.*

6.1.1.8 SDG Costs

Below we present an estimate of the extra required funding required for Somaliland to reach selected SDGs by 2032. Using global estimates of the required funding to achieve these SDGs, we estimate that Somaliland will require around USD 11.7 billion in extra funding over the next 5 years to meet the selected SDGs by 2032.

Table 124 below shows the estimated extra cost required for Somaliland over the next 5 years for the country to be on course for reaching the selected SDGs by 2032. For example, we currently estimate that Somaliland will require around USD 700m extra over the NDPII period to be on course for reaching the health SDGs included below by 2032 (SDGs 3.1 – 3.5, 3.7-3.9, 3.b, 3.c.).

Table 124: Estimated cost of reaching SDG by Investment Area (Current USD)

SDG Investment Area	SDGs directly Addressed	NDPII Sector	Extra per capita funding required per year to reach SDGs (2017-32)	Additional Funding Required in Somaliland (2017-21)
Health	SDG 3 (SDG 3.1, 3.2, 3.3, 3.4, 3.5, 3.7, 3.8, 3.9, 3.b, 3.c)	Health	33.92	700,435,000
Education	SDG 4 (4.1, 4.2, 4.5, 4.6, 4.7, 4.a)	Education	45.79	945,642,000
Agriculture and Food Security	SDG 2 (2.1,2.2, 2.3, 2.4, 2.5, 2.a)	Production	84.13	1,737,343,000
Access to electricity and cooking fuels	SDG 7 (7.1)	Energy and Extractives	120.87	2,496,056,000
Power Infrastructure	SDG 7 (7.1)	Energy and Extractives	79.87	1,649,376,000
Basic Water Supply and Adequate Sanitation	SDG 6 (6.1, 6.2)	WASH	14.38	296,888,000
Transport Infrastructure	SDG 9 (9.1)	Infrastructure	123.53	2,551,035,000
Telecommunications Infrastructure	SDG9 (9.c)	Infrastructure	58.57	1,209,543,000

Ecosystems incl. biodiversity	SDGs 14, 15	Environment	5.32	109,958,000
Total			566.39	11,696,277,000

All figures rounded to nearest thousand

In order to calculate the extra investment required to meet the SDGs in Somaliland by 2032, we take the extra estimated per capita expenditure required for an LIC in each year to reach these SDGs by 2032 and then multiply this by the Somaliland population. This follows the analysis in Schmidt-Traub (2015)¹³⁸, which presents the best estimates available for an LIC to reach selected SDGs in 15 years. Spending is grouped into 8 different SDG investment areas (e.g. health, education etc.). These estimates include a per capita estimate of the additional spending required per person in an LIC to reach certain SDGs over the next 15 years. The extra funding required per person to reach these SDGs are multiplied by Somaliland's projected population to give an indicative estimate of the required extra funding over the next five years for Somaliland to be on course for achieving the SDGs shown above by 2032.

These estimates are subject to a substantial degree of imprecision. Several different sources and papers were used to calculate these costs, some SDGs are not considered in these estimates and some interventions do not match the ambition of meeting the SDGs. There is substantial variation in the suitability and robustness of the estimates used above for meeting the SDGs. The estimated costs do include costs for the mitigation and adaption against climate change. Finally, even by the standards of LICs, Somaliland performs poorly on many development indicators and this may indicate the actual amount required will be greater than outlined above.

However, this is still as a useful exercise to give an indication of the level of resources that may be required to achieve certain SDGs over the next 15 years. Table 6.9 above shows which SDGs are linked to each investment area and the additional funding that would be required in each SDG investment area over the next 5 years to be on course for meeting those SDGs in Somaliland by 2032. For example, in order to reach the selected health SDG outcomes in 2032 would require an *extra* USD 31.85 to be spent per person per year in Somaliland until 2032. This comes to around USD 140 million extra to be spent on healthcare per year until 2032 to achieve these health SDGs (not taking into account population change). For the next 5 years, this works at to around USD 700 million extra to be spent on healthcare to reach these SDGs in Somaliland by 2032.

It is not possible to provide a cost for achieving each specific SDG for the following reasons. Firstly, investments to achieve one SDG often help to contribute to achieving another one, leading to double counting. For example, investments in food security will help to improve health indicators (as malnutrition leads to disease). Secondly, extra resources alone are insufficient to achieve the SDGs. The macroeconomic environment, policy design and government efficiency will all significantly affect the ability of the Government of Somaliland to achieve the SDGs. For example, reducing poverty does require investments in health and education but it also requires economic growth. Thirdly, some SDGs simply do not have available estimates that would allow us to calculate the extra funding that would be required to meet them, e.g. affordable housing.

Using these figures, we can compare the cost of achieving the selected SDGs shown above in Table 124 and the cost of delivering the NDPII interventions above. Somaliland requires at least USD 2,300 more per person to be on course for achieving the SDGs by 2032 as shown in Table 125 below. We calculate the total cost required over the next 5 years to achieve certain SDGs by 2032 by multiplying the SDG costs shown in Table 124 above by 5. The NDPII Cost given per person is around USD 510 per person over the next 5 years. As noted previously, both of these figures are likely to be underestimates of the amount required to achieve both the NDPII outcomes and the SDGs by 2032 as certain NDPII interventions and SDGs are not included in the below estimates.

¹³⁸Schmidt-Traub, Guido, and A. Shah. "Investment Needs to Achieve the Sustainable Development Goals." Paris and New York: Sustainable Development Solutions Network (2015).

Table 125: Cost per person of achieving selected SDGs by 2032 and NDP II Outcomes (2017-21) (Current USD)

NDP II CCT/Sector	SDG Cost per person	NDP II Cost per person
Employment		6.22
Social Protection		5.57
Youth		26.50
Economy		6.33
Energy & Extractives	1,003.71	17.99
Production	420.65	65.20
Infrastructure	910.53	213.72
Governance		18.39
Education	228.96	32.38
Health	169.59	71.36
WASH	71.88	37.57
Environment	26.62	10.60
Grand Total	2,831.96	511.83

6.1.2 Public Financial Management Reform

The Public Financial Management (PFM) Reform program's main goal is to, "ensure the efficient, effective and accountable use of public resources as a basis for economic development and poverty eradication through improved service delivery." These reforms will help the Government of Somaliland achieve NDP priorities in three ways: 1) By effectively planning and co-ordinating expenditure toward NDP II priorities, 2) By increasing the amount of domestic resources available for expenditure on NDP II priorities and 3) ensuring effective oversight of public expenditure. A detailed discussion of the PFM reform programme can be found on the Government of Somaliland's PFM Reform website (www.somalilandpfm.org).

6.1.2.1 PFM Legislation

The implementation of the PFM strategy ensures that appropriate legal framework is in place to ensure fiscal discipline, the allocation of resources to government priorities and greater oversight of expenditure. The Government of Somaliland has recently, as part of its PFM Reform programme, passed 4 key pieces of PFM legislation with one bill being currently debated by Parliament. The four pieces of legislation that have been passed by Parliament and signed into law are The PFM Accountability Act, The Customs Act, The Revenue Act, and The Audit Act. The Procurement Bill is currently being debated by parliament.

Each piece of legislation will help to further the Government of Somaliland's covers a different area of the PFM reform program. The PFM Accountability Act sets out the legal requirement for the development of an economic and fiscal framework, improving financial management and enshrining the responsibilities of those entrusted with financial management in law. The Customs and Revenue Act both provide a coherent, unified legal framework for tax policy and revenue collection. Finally, the Audit Act sets out the role and responsibility of the Auditor General's Office as the Supreme Audit Institution and other audit regulatory requirements.

6.1.2.2 Budget Planning and Preparation

The Government of Somaliland will be implementing reforms to the budget planning and preparation process. The NDP II outcomes and interventions outlined in this plan will play a crucial role in the central government's budget allocation over the next 5 years.

An improved budget planning and preparation process will lead to the effective management and allocation of resources to NDPII programs over the medium term. The NDPII will be integrated into the budget preparation process with MDAs being instructed to prepare a budget that is aligned with the National Development Plan. The NDPII will be the guiding document for line ministries when preparing their sector strategic plans and will be the basis for the Ministry of Finance to assess budget submissions.

The move to Medium Term Budget Frameworks will help ensure economic stability over the medium term and assure line ministries that they will have the necessary financial resources to implement policies. The two new key medium term budget frameworks will be the Medium Term Macroeconomic and Fiscal Framework (MTMFF) and the Medium Term Budget Framework (MTBF). The MTMFF shall outline the government's macroeconomic and fiscal policies that will ensure continued economic stability and that the government is able to afford its expenditure plans over the coming three years. By giving each line ministry and sector a clear indication of the amount of resources they can expect to receive from the central government, it allows them to formulate policies and plans that they will be able to implement over the medium term.

Setting out the government's expenditure plans over the medium term will give a clear signal to both external development partners and the private sector as to what projects and policies could be funded to help achieve NDP outcomes. The medium term budgeting framework will constitute the first building block in formulating Public Investment Plans (PIPs) for each sector. It will link available funding to policy delivery and lead to an increase in the capacity of MDAs to design and implement policies. It should also help MDAs to leverage increased resources from both the central government and other sources.

6.1.2.3 Domestic Resource Mobilisation

The Government has an on-going reform programme to improve Revenue Policy and Administration. This program has had notable successes and will lead to an increase in central government funding available for spending on NDPII priorities.

There have been significant achievements in improving Somaliland's Revenue Policy and Administration including passing key legislation, improving the capacity of the current revenue administration and revenue policy departments. The Government has ensured the passage of the two key pieces of legislation, the Revenue and Customs Act, which ensure that Somaliland's tax system has legislation that guarantees clarity for all individuals and businesses operating in the country. The processes and procedures of the Inland Revenue and Customs Departments have undergone significant improvements with an increased ability to assess and collect revenues. The Ministry of Finance's analytical ability to forecast and design tax policy changes has also been enhanced as a result of the reform program.

The next phase of the Revenue Mobilisation project is due to begin later this year, 2017 and should build upon previous reforms in this area. These measures will help to increase the effectiveness of Revenue Administration and Policy making abilities in Somaliland and, ultimately, lead to an increase in revenues. This includes establishing new revenue administration and policy institutions, building the capacity of local staff to assess and collect taxes as well as increase the ability of the Ministry of Finance to analyse the effect of and suggest changes to tax policy.

6.1.2.4 Oversight and Evaluation

There is on-going and planned work to build the capacity of government and parliament to oversee and evaluate central government revenue collection and expenditure execution. These programs will increase the efficiency of each dollar spent by the central government on NDPII priorities and interventions.

The Somaliland Financial Management Information System (SLFMIS) is currently being deployed to central and local government and will ensure a real-time reporting of government expenditures. The SLFMIS is an automated system that will provide a clear monitoring system for both revenue and expenditure. Revenue collection and expenditure requests, warrants and disbursements will be logged into an online, computer-based system reducing

the scope for error or fraud. It provides the government with greater oversight and, ultimately, greater control of expenditures and revenue. The SLFMIS system is already being used to process expenditure and will be fully operational by the beginning of 2018.

The capacity of both the Auditor General and the PAC to audit and hold the government to account will increase as the result of programs planned to begin later this year. Current planned work includes building the capacity and ability of the Auditor General to act as the Supreme Audit Institution (SAI) as well as increasing the technical ability of audit officers in, for example, Risk Based Auditing procedures. There is also planned work to build the capacity of the PAC and Economic committees in Parliament to hold hearings and scrutinise the work and national accounts of the Government. Both of these programs will ensure a more effective evaluation of government expenditure, increasing their efficacy in future years.

6.2 Regional and District Development Plans

In the NDP era, in line with the decentralization policy, seven regional development plans for the major six regions and Gabiley have been formulated under the leadership of the MoNPD. This initiative ensured that the regional development priorities were decided at regional level and made that district governments and community endeavours for social and economic development were streamlined to the country's national vision and the national development plan. There were also district development plans and framework in the JPLG districts. District planning process was led by the Ministry of Interior (MoI) in collaboration with UN agencies and decentralization champion office under Vice President. MoNPD had no role in district planning process. This means, national development plan and the regional development plans on the one hand, and district planning process on the other hand, were disconnected.

MoNPD conducted a review exercise on sampled three regional development plans. The review was aimed at assessing the level of utilization and implementation of the regional development plans. The review came up with serious challenges which hindered the regional development plans to be materialized. The following were, but not limited to, the major reasons of not achieving significant level of implementation and utilization for the regional development plans:

- Regional authorities representing the central government are mainly coordination bodies but not implementation. They do not have a budget for implementing the development projects outlined in the regional development plans. Projects to be implemented in regional level by both government institutions and development partners are decided in the head quarters and regional bodies are not mainly consulted.
- District development plans and regional development plans were separate and disconnected and fall under the leadership of different government bodies which do not have proper coordination in place. Districts have their own budget generated through district level domestic revenue, fiscal transfer from the central government and external resources from the international development partners, particularly the JPLG districts. Development projects decided by the districts were not in harmony with the regional development plans which left them simply a document in the shelf.
- Sector strategies were not reflecting on the priorities outlined in the regional development plans. This means sector ministries come with their own interventions without referring to the regional development plans.
- Established regional development committees for the implementation of the regional development plans are inactive due to institutional and structural problems.
- Regional development plans were written in English. Significant proportion of the regional and district public sector workers are not well acquainted in English which leaves the regional development plans difficult to understand.
- There was no proper coordination and M&E mechanisms between the national, regional and district levels to make sure that the country's planning process is harmonized.

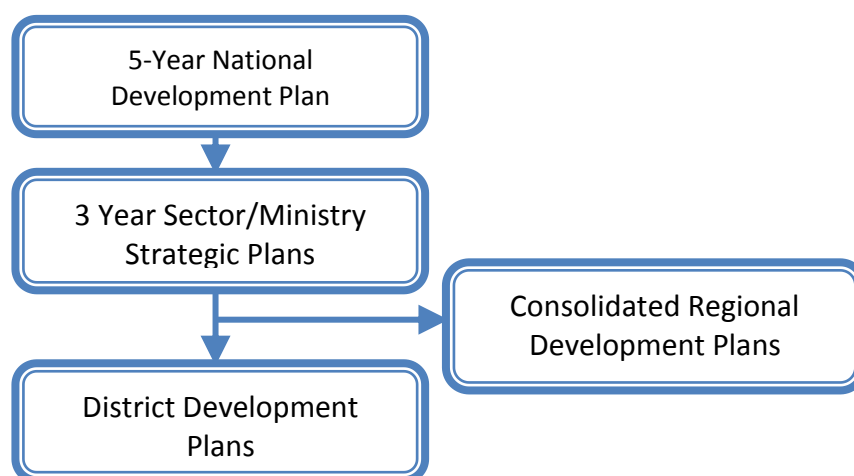
- Community awareness and community resources mobilization for implementing the development projects stipulated in the regional development plans were minimal. Local communities mainly relied on external funding from the international development partners which is barely available and this jeopardized the local community ownership of the regional development plans. Initially, regional communities were supposed to mobilize resources both from within and from the Diaspora community to spearhead implementing regional development plans but it didn't work well.

Referring to the abovementioned findings from the regional development plans review, a paradigm shift in formulating regional development plans will be devised. Instead of putting stand-alone regional development plans in place, in NDPII era, the major focus will be to develop district development plans in line with the national decentralization policy. Consolidated district development plans will form the regional development plans.

District development plan and district development framework used by the JPLG beneficiary districts will be adapted and up scaled to a national district planning framework. This planning framework will be rolled out to the entire major districts and each district should have district owned development plan. The district planning process will be as inclusive and participatory as possible where central government, regional authorities, district governments and local communities will devise the plan together.

To avoid duplication of efforts and make sure that country's planning process is harmonized from national level to district level, sector/ministry strategic plans and district development plans will be in harmony with each other. This is because any development project, whether you call it national, regional or district, projects ends up being implemented in a certain district across the country.

Figure 35: Development Planning Architecture



6.3 Somaliland Coordination Architecture

The Somaliland's Coordination Architecture supporting the NDPII will be a platform for the Government of Somaliland, international partners, national organizations, civil society and private sector to align and harmonize development and humanitarian activity across Somaliland at various institutional levels. The Somaliland NDPII architecture will utilize and build upon the different bodies and their functions within the existing Somaliland coordination architecture. The architecture presented will aim to be a transparent institutional mechanism that will enable programs to be prioritized and aligned directly to NDPII outcomes and targets; ensure that aid is being

delivered effectively and efficiently and provide for strong opportunities in cross-institutional and sectoral cooperation.

6.3.1 History of Aid Coordination in Somaliland

The first recognized policy in Somaliland that emphasized the importance of effective aid coordination was the 2007 Concept Paper on Aid Management and Coordination. Since then a number of governmental acts and policies have been adopted to strengthen coordination in Somaliland, among them the Presidential Decree on the Establishment of a National Aid Coordination Forum (NACF) which evolved into the Somaliland Inter-Ministerial Aid Coordination Committee. The IMACC's sole responsibility was to address policy and strategic issues related to aid delivery in Somaliland. While a very important step for Somaliland aid coordination, the architecture and level of stakeholder participation was limited to Ministers only.

Following this decree and the establishment of the IMACC a more comprehensive aid coordination policy was developed in 2010, with the MoNPD being responsible for its implementation. In 2011, a specific Department of Coordination (DoC) was established within the MoNPD. The DoC established the first initial frameworks of an coordination architecture in Somaliland with different sector coordination forums formed, initially focused on education, health, water, economic, ICT and production. In direct support of the Somaliland National Vision 2030, and National Development Plan, these coordination sector forums have further evolved into the foundation of Somaliland's current coordination architecture, coordinating various stakeholders to achieve these two-policy's vision, goals and priorities.

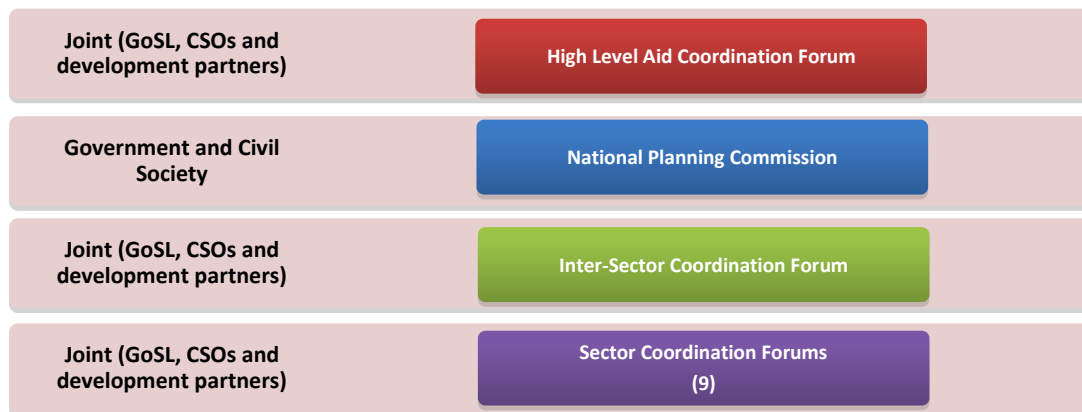
Other important parts of the Somaliland's Coordination Architecture also began to form in-line with the establishment of Sectors. The High-Level Aid Coordination Fora (HLACF) has become a platform where all key stakeholders from government, international community and civil society are able to review progress being made in regards to Somaliland's development and key reforms. The National Aid Coordination Committee has also evolved into the National Planning Commission (NPC) whose functionality has increased with the alignment of the multi-partner financed Somaliland Development Fund (SDF). The SDF utilized the NPC as the peak government decision making body for the prioritization and selection of large scale development projects.

To further strengthen the role of Sectors within the Somaliland's Coordination architecture and to create improved linkages across the coordination platform, in 2015, a performance review was conducted focusing on the functionality of existing Sectors. It found that while some Sectors were performing well, there were serious inconsistencies in functionality in others. It is worth re-emphasizing the importance of individual sector coordination meetings and to modify the current coordination architecture to include humanitarian clusters. This resulted in humanitarian clusters being officially merged into Sectors and a new Somaliland Aid Coordination Policy being released by the MoNPD at the beginning of 2016.

6.3.2 Somaliland Aid Architecture and Aid Coordination Model

The Somaliland Aid Architecture and Coordination Model will directly support the implementation of the NDPII through the application of four distinct coordination layers (Figure 36). Each layer provides an opportunity for all development and humanitarian stakeholders in Somaliland to engage directly with the NDPII in the alignment and harmonization of development and humanitarian programming. It will provide an opportunity for government, civil society, private sector, Diaspora and international partners to coordinate, prioritize programming, critically assess progress, address challenges and share information.

Figure 36: Current Coordination Mechanism in Somaliland



Layer 1: Sector Coordination Fora

The first layer consists of nine Sector Coordination Forums that include an amalgamation of both development and humanitarian thematic areas:

- Economic
- Education
- Energy
- Environment
- Governance
- Health
- Infrastructure
- Production
- WASH

Each Sector engages with working level stakeholders responsible for the delivery of the NDPII. Stakeholders include representatives from government institutions, UN agencies, International and local nongovernmental organizations and private sector institutions who all work within the same sector. The SCFs are chaired by Government Ministries that are directly associated with the Sector and co-chaired by selected representatives from UN agencies, development partners, and international organizations.

Each Sector is responsible for the development, management, monitoring and reporting of their sector component within the NDPII. To achieve these tasks each Sector will require its stakeholders to align and coordinate their programming towards the achievement of sector specific goals, objectives and targets as set by the Sector itself within the NDPII. SCFs will aim for an improved level of harmonization of Sector programming through the sharing of activity and program information; avoiding duplication and ensuring a balance on the geographical distribution of projects. Making sure that no social group is neglected or denied access to the social and economic development envisioned through the NDPII.

Layer 2: Inter-Sectoral Coordination Fora

The second layer is the Inter-Sectoral Coordination Meeting which is a representation of the nine Sector chairs (Ministerial DGs) and Sector co-chairs (UN, INGOs, Development Partners). The meeting itself is chaired by the Minister of National Planning and Development. The ISCM's function within Somaliland's Coordination architecture is to promote inter-sector exchange of aid development information, priorities and cross-sectorial

coordination.

The ISCM will provide an opportunity for sector chairs and co-chairs to gain a direct understanding of how each sector is progressing towards NDPII achievement. As a cross-sectorial forum, the ISCM provides an opportunity for sector leads to identify and address any challenges that are common across sectors; to share best practices and identify potential areas for further cross-sector collaboration. This can include fostering and identifying areas for multi-ministry project collaboration on key issues such as drought, youth and gender.

The ISCM is also an important conduit for information sharing, prioritization of issues and decision making between the Sectors and key national decision makers at the National Planning Commission and High Level Aid Coordination levels.

Layer 3: National Aid Coordination Committee/National Planning Commission

The third layer of coordination is the NPC is currently made up of 13 key development orientated Ministers whose Ministries are central to delivering the strategic direction of NDPII. The Committee meetings also include representation from other key government agencies such the Governor of the Central Bank and Dean of Economics at the University of Hargeisa. Civil Society is present as an observer.

The NPC is the peak government institution for ensuring that aid and humanitarian projects are aligned to the NDPII and immediate national development priorities. It aims to provide an oversight function to aid delivery in Somaliland, where its members can collectively review and evaluate whether aid is being delivered effectively. Ensuring that aid delivered in Somaliland complies with international principles such as transparency, harmonization, alignment and accountability. It is the responsibility of the NPC to monitor the overall flow and effectiveness of aid coming into Somaliland.

In a continuation of its role within the program prioritization process of multi-partner trust funds such as the Somaliland Development Fund, the NPC will continue to be the main government body in Somaliland to assess, prioritize and approve key national development flagship programs. The NPC will engage closely with fund managers and bi-lateral donors to ensure that available aid envelopes are not only aligned to the NDPII but generate a sense of government ownership through inclusive decision making processes. National development funding priorities identified through the NPC will be signposted for discussion at the High-Level Aid Coordination Fora.

Layer 4: High Level Aid Coordination Fora

The fourth and final layer is the High-Level Aid Coordination Fora. The HLACF is a bi-annual, multi-lateral event that enables senior government representatives; international partners and civil society to discuss and act on key development and humanitarian priorities for Somaliland.

Historically, the HLACF has primarily been a platform for dialogue; an opportunity for the Government of Somaliland to brief the international community on national reforms and the development progress being made across Ministries and Sectors. The Fora has provided a direct communication line for government representatives to publicly inform the international community about pressing development priorities and humanitarian emergencies. It has also allowed for an open environment for dialogue that allows the international community to also present its concerns, inquiry about certain areas of progress and ask questions in more detail regarding particular development and humanitarian issues.

The HLACF will take a stronger role in regards to joint and transparent oversight in delivery of the new NDPII. As the NDPII will be more outcome and target oriented than previous plans, the HLACF will be seen an increased opportunity for all senior stakeholders in Somaliland's development to review progress against benchmarks and appraise whether aid is being delivered effectively and efficiently. It will also be an opportunity to address concerns and strategize on new joint solutions where progress is not being achieved in certain areas of the NDPII.

6.4 Aid Effectiveness and New Deal

The NDPII is Somaliland's central policy document for aid and development but to succeed will require an architectural framework that is strongly supported by its aid development partners. The NDPII will seek to strengthen its relationship with international partners based on the common principles of the Paris Declaration on Aid Effectiveness and reinforced through further alignment to the Busan New Deal TRUST principles.

6.4.1 Aid Effectiveness

The NDPII envisions a partnership with international and national development partners that is supported by the aid effective principles of:

Ownership: Somaliland must lead its own development policies and strategies, and manage its own development work on the ground. Somaliland's ownership of its development agenda is essential if aid is to contribute towards true sustainable development. Through the direction of the NDPII, international partners must support Somaliland in strengthening its capacity to exercise this kind of leadership by utilizing and reinforcing local expertise, institutions and management systems. Multi-Partner Trust Funds such as the Somaliland Development Fund must be further promoted and utilized by international partners not only as vehicles for aid delivery but as a tool for strengthening these systems as highlighted.

Alignment: It is critical that the international community and civil society deliver and align their aid and programs firmly behind the outcomes and targets of the NDPII. Wherever possible, they must use local institutions and procedures for managing aid in order to build sustainable government structures. Building on agreements made in the Paris Declaration on aid effectiveness, international partners will be strongly encouraged to utilize Somaliland's procedures for PFM, accounting, auditing, procurement and monitoring. Where these systems are in the process of being institutionalized or not yet firmly established to sufficiently manage aid effectively, Somaliland expects further assistance to strengthen them. To assist the functionality of the NDPII and to address potential gaps in its delivery greater predictability of aid and improved aid flow reporting to Somaliland will be required. This will require the international community to further untie its aid to Somaliland from Somalia.

Harmonisation: The NDPII and its supporting architecture will seek to encourage international partners' to further improve their coordination of development work in Somaliland to specifically avoid duplication and to reduce transaction and administrative costs. The NDPII will seek to reinforce international partner participation in Somaliland's coordination architecture at the country and sector levels. This will ease the strain on the Government of Somaliland in relation to energy spent on coordinating international partners; reducing the large numbers of duplicate field missions and ensure that international coordination efforts are harmonized to the delivery of the NDPII. Harmonization towards the NDPII outcomes and targets will for example extend to pooled funding support mechanisms to sector and cross-sector strategies such as multi-partner trusts, national education plans, national energy strategies and drought prevention; with an effort to prevent fragmentation into multiple individual projects with separate administrative costs.

Managing for results: The NDPII will place more focus on the resulting impact of aid and the tangible difference it makes in affecting the lives of Somalilanders. The NDPII will be outcome and target indicator focused, linked directly to a results-based management framework which will allow all stakeholders in Somaliland's development to measure and track the impact of aid and public investment. The NDPII will seek to drive more direct investment in the development of better government led monitoring, evaluation and statistical systems and tools in support of this.

Mutual accountability: Somaliland and its international partners will account more transparently to each other in the use of aid funds, and to their citizens and parliaments for the impact of their aid. NDPII reporting procedures and tools will be enhanced to report back openly on Somaliland's development results. Somaliland's aid will be used as a mechanism to openly discuss NDPII results transparently; hold stakeholders to account; highlight successes and to seek solutions to challenges faced in achieving results. Somaliland will also seek to have a direct

mutual accountability aid agreement with the international community to ensure that aid delivery is effective and transparent.

6.4.2 New Deal

As a guiding framework for the Somaliland Special Arrangement and building on the original principles of the aid effectiveness agenda, some elements of the Busan New Deal will continue to guide the direction and implementation of the NDPII. In particular, the NDPII will continue to build towards achieving mutual TRUST with its international partners. As with the NDP and the SSA, the NDPII will further attempt to see aid resources be managed more effectively and better aligned to achieve measurable results. The NDPII will continue to seek increased transparency and improved risk management through using country systems. It will aim to strengthen national capacities and the timeliness of aid; improving the speed and predictability of funding to achieve timely results. The New Deal TRUST principles will be applied in Somaliland as follows:

Transparency

Aim to ensure a much more transparent use of aid (ODA and non-ODA) implemented progressively in Somaliland over the next 5-years. This will be done by monitoring, overall resource flows through a dedicated Somaliland AIMS and tracking this international assistance against the SDG aligned NDPII outcomes and targets. The Government of Somaliland will seek to strengthen national reporting and planning systems that take into account elements such as budgets, transparency portals or AIMS. They should also provide support to domestic oversight mechanisms including national parliaments, and should solicit citizens' views to assess the transparency of domestic resources and aid.

Risk Sharing

While Somaliland has for many years now progressed into a post-conflict development stage there are still risks associated with the implementation of development programming across the country. The NDPII encourages the international community to continue its engagement directly with Somaliland. Emphasising further that the risks associated with no or reduced engagement with Somaliland will outweigh almost any risk of increasing direct engagement further. The NDPII further encourages context-specific, joint donor-government risk-mitigation strategies that will include joint assessments of the specific risks associated with achieving the targets set out within the NDP II and priorities identified in Sector Strategies. This will help identify and use joint mechanisms to reduce and better manage risks so as to build the capacity of, and enhance the use of, country systems.

Use and Strengthen Country Systems

Somaliland with its international partners will jointly through Somaliland's Coordination Architecture provide oversight and accountability required to enhance confidence in, and to enable the expanded use and strengthening Somaliland's country systems. With the support from international partners, Somaliland will take reasonable measures to strengthen its public financial management systems and increase transparency. With added assistance fiduciary and administrative capacity within Somaliland's institutions will be at national and local levels. During the period of NDPII, international partners will be encouraged to increase the percentage of aid delivered through its country systems on the basis of measures and targets jointly agreed between the Government of Somaliland and International Partners at the country level. As Somaliland's economy and revenues matures it will look to increase public expenditure funded by domestic revenues.

Strengthen Capacities

Somaliland will seek to build the critical capacities of civil and state institutions in a balanced manner and will continue to encourage and increase in the proportion of funds towards capacity development through jointly administered and pool-funded facilities such as the SDF. External technical assistance will be further targeted and aligned to building institutional human resource and system capacity based upon and reporting directly to the needs and directions of relevant government institutions.

Timely and Predictable Aid

Aid flow predictability and reporting during NDP was a significant and persistent challenge for Somaliland particularly in relation to the political sensitivities of Somaliland being integrated within Somalia's AIMS. The Somaliland NDPII will require its own locally managed, simple and accountable Aid Information Management System that is linked directly to NDPII outcomes and targets. For the NDPII to be managed effectively and efficiently as a planning and policy tool it will require international partners to commit to increasing the predictability of aid through reported three-to five-year indicative forward estimates linked directly to the NDPII Sector's Results Based Management Frameworks (as committed in the Accra Agenda for Action).

6.5 Public Private Partnerships

Since 1991, the people of Somaliland have made a stride of progress development in Reconstruction, Rehabilitation and Recovery (RRR) towards the development of national assets such as schools, health facilities, water infrastructure and other socio-economic programmes. But reconstruction has not been isolated to public investment with private sector contributions also being made in education, health, energy, telecommunications, production and the construction of private households and business buildings.

The results of Somaliland's development have been gained through the efforts of both Public sector (Government and Non-Governmental Organizations) and Private sector (Local and International) investment. Each has unilaterally provided significant resources and ongoing investment but through their nature has not been properly coordinated to reach mutually agreeable goals. The NDPII therefore notes that if Somaliland communities can achieve and implement unilaterally successful local to national development initiatives what kind of results can be gained if the private and public sectors can join hands and formally work together.

Public Private Partnerships (PPP) are a contractual arrangement between a public agency (national, state or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility.

PPPs are already being executed in Somaliland through Pilot programs such as the Borama Water Project and most recently the Berbera Port redevelopment. Major lessons are already being learned from these initiatives, particular in relation to the effectiveness of PPP to provide critical social and economic services and infrastructure to Somaliland communities. However, the current challenges faced by the early application of PPPs in Somaliland highlight the need for more investment in proper legal documentation, policy and establishment of public asset values. To attract the potential financial resources available locally and internationally for investing into the public-sector service delivery, the following PPP norms¹³⁹ will be applied:

Political Security and Stability is a critical norm for the local and international investors to have with the incumbent government. In another words, there must be a transparent, accountability and free of corruption in the PPP facility Management and without the influence of politicians;

Public Sector Champion

Recognized public figures should serve as the spokespersons and advocates for the project and the use of a PPP. Well-informed champions can play a critical role in minimizing misperceptions about the value to the public of an effectively developed PPP. The MoNPD with support from the Government Executive will develop a more detailed "Marketing & Communication Strategy"; after identifying the volume of public sector programmes that can be designated as suitable for a PPP investment portfolio.

¹³⁹ National Council for Public Private Partnerships <http://www.ncppp.org/ppp-basics/7-keys/>

Statutory Environment

There should be a statutory foundation for the implementation of each partnership formed in Somaliland. Transparency and a competitive proposal process should be delineated in this statute. However, unsolicited proposals can be a positive catalyst for initiating creative, innovative approaches to addressing specific public sector needs based on NDPII outcomes. Key stakeholders in the Economic and Governance Sectors will collaborate to provide this statutory foundation and develop policy and regulations to guide PPP over the next 5-year period.

The Public Sector's Organized Structure

The Government of Somaliland will create a dedicated authority for PPP projects or programs called the National Public Private Partnership Agency (N-PPP-A). This Agency will be involved from conceptualization to negotiation, through final monitoring of the execution of the partnership. The Agency will also develop Requests For Proposals (RFPs) that include performance goals, not design specifications. Consideration of proposals will be based on best value, not lowest prices. Thorough, inclusive value for money (VFM) calculations will provide a powerful tool for evaluating overall economic value. Oversight of this agency will be provided by a joint-coordination body consisting from the public sector (MoTI, MoNPD, MoF, MoI, MoPWH&T and Association of Somaliland Local Governments) and Private sector (Somaliland Chamber of Commerce, Agriculture, Industry and Services, Financial Service Industry, Association of Lawyers, Charter Accountants and Engineers).

Detailed Contracts (Business Plans)

A PPP is a contractual relationship between the public and private sectors for the execution of a project or service. PPP contracts developed in Somaliland will include a detailed description of the responsibilities, risks and benefits of both the public and private partners. Such agreements will increase the probability of success of the partnership. Realizing that all contingencies cannot be foreseen, PPP contracts will include clearly defined methods of dispute resolution.

Clearly Defined Revenue Streams

While the private partner may provide a portion or all of the funding for capital improvements, there must be an identifiable revenue stream sufficient to retire this investment and provide an acceptable rate of return over the term of the partnership. The income stream can be generated by a variety and combination of sources (fees, tolls, availability payments, shadow tolls, tax increment financing, commercial use of underutilized assets or a wide range of additional options), but must be reasonably assured for the length of the partnership's investment period.

Stakeholder Support

Many Somaliland communities and stakeholders will be affected by a partnership than just the public officials and the private sector partner. Affected employees, the portions of the public receiving the service, the press, local business and labour associations and relevant interest groups such as international partners will all have opinions, and may have misconceptions about a partnership and its value to all the public. The Government will communicate openly and candidly with these stakeholders to minimize potential resistance to establishing a partnership. This will be part of the Marketing and Communication Strategy.

6.6 NDPII Monitoring and Evaluation

There is a growing international consensus that facts and figures are crucial in the development planning process and that the development efforts of many countries have been weakened by the fact that they have not focused on results. Monitoring & Evaluation (M&E) is internationally recognized as a mechanism that helps governments and their international partners improve performance and achieve results. It assists governments to measure policy results through a variety of different models that generally take into account the themes of context, inputs, processes, outputs, outcomes, and impacts.

In Somaliland, M&E is a legal and mandatory process which must be executed by all Government institutions. The

National Constitution and the National M&E policy requires efficient public institutions, which serve the people of Somaliland and embody the principles of good governance, transparency, accountability, and participatory decision making. Thus, to ensure transparency, accountability and the effectiveness of all policies, programs and projects implemented in Somaliland by government, humanitarian agencies and development partners, they must be subjected to rigorous M&E protocols.

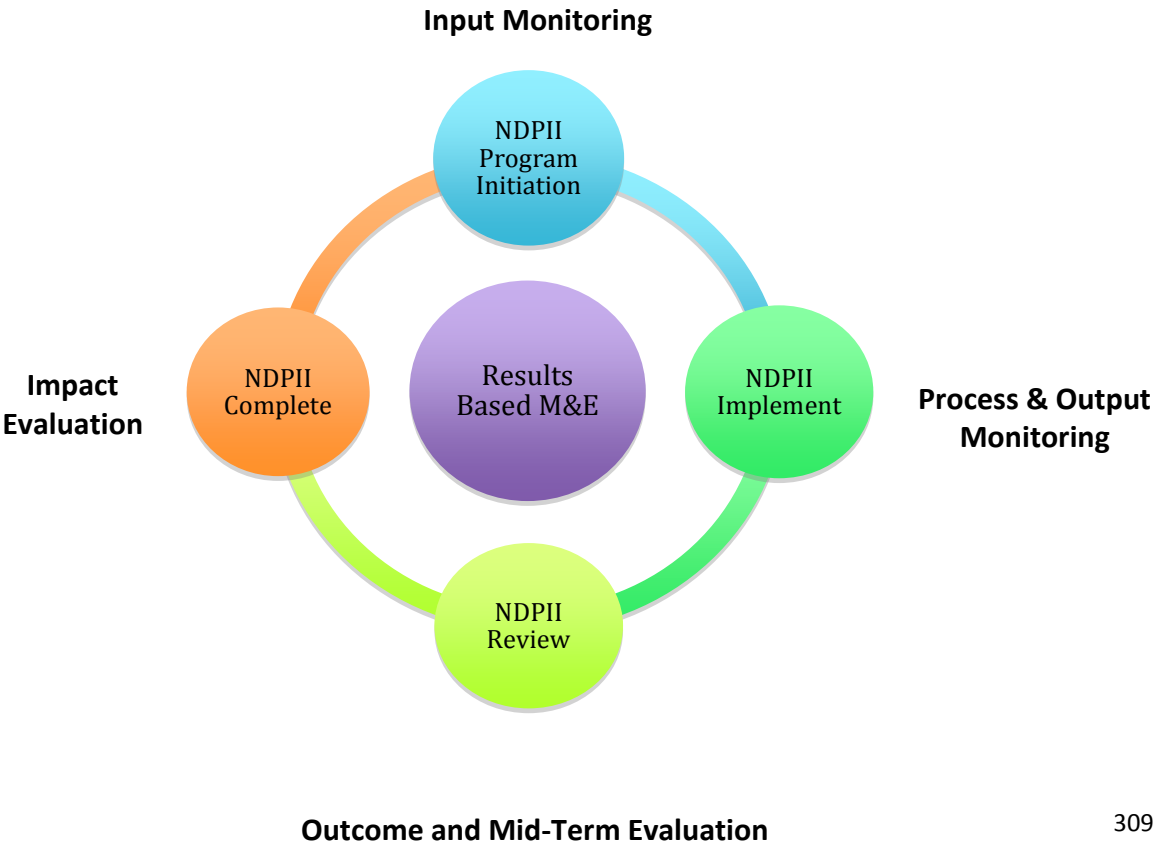
The NDPII as a result oriented national planning policy will require an M&E framework which will systematically assess the nation’s development over the 2017-2021 period. This will be achieved primarily through comparing baseline and target indicators as a means of assessing achievement towards National and Sector SDG aligned objectives and outcomes. The NDPII M&E Framework is directly aligned to the Somaliland National M&E Policy, which if resourced appropriately, will track the level of sustainable results achieved by the Government of Somaliland and Development Partners and provide valid data for future national development policy and programmatic decision making.

The MoNPD will be responsible for coordinating and implementing the NDPII M&E Framework. This Ministry will facilitate and collect periodical data and progress from Sectors; analysing and compiling into national reports. At the sectoral level, the Ministry Sector Chair will be responsible for the sectoral implementation and application of the NDPII M&E Framework with secretarial support provided by each Ministry’s Department of Planning.

6.6.1 M&E Framework

The NDPII will be reviewed at various levels periodically using a standardized results chain with clear steps at both the Monitoring and Evaluation levels.

Figure 37: NDPII M&E Framework



6.6.2 Monitoring

6.6.2.1 Input Monitoring

The monitoring of NDPII inputs will be carried out through regular collective analysis of the national budget; external aid assistance; private and Diaspora investment; linked directly to the NDPII. The collection of input data will be led by the MoNPD and Ministry of Finance. NDPII Input Monitoring Reports will assist with the development of future NDPII aligned national, sector and institutional annual budgets and plans (ensuring that aid is on-plan and on-budget); measuring NDPII delivery effectiveness, cost-effectiveness, and the relevance of resource allocations across Sectors and geographical locations. A Somaliland specific AIMS shall be developed, established and maintained within the MoNPD. The online system will allow the government and various stakeholders to track development multi-year aid flows and projects linked to specific sectors.

6.6.2.2 Process Monitoring

Mandatory implementation of process monitoring must be carried out through regular joint reviews of NDPII operation's and programs. It will seek to achieve monitor the operationalization of the NDPII to ensure accountability and transparency at the sectoral and national levels. Such process monitoring will include assessing whether reported activities are delivered as planned and have reached the target population; it will ascertain that NDPII aligned projects and resources are used appropriately and that the relevant activities have been carried out by Sectors both in quantum and in qualification. It will review how the NDPII is working through the application on Somaliland's Coordination Architecture. This will also cover the area of government and development partner relationships which is further outlined in the NDPII sub-chapter related to Partnership Principles

At the intervention level process monitoring will involve the MoNPD M&E arm and Sectors (including Government Line Ministries and Implementing Partners) jointly monitoring NDPII aligned intervention operations, on an agreed to schedule. This may involve visiting intervention project sites, contacting beneficiaries as well as submission of project progress reports to the MoNPD and Line Ministries.

6.6.2.3 Output (Intervention) Monitoring

Output Monitoring involves tracking the completion of interventions implemented within NDPII Sectors. Emphasis will be place on Sectors reporting on whether interventions have been completed as planned and on time. It may also include joint-monitoring site visits to confirm the completion and quality of specific interventions.

6.6.2.4 Evaluation

Results-Based Evaluation is an assessment to determine the extent to which NDPII have achieved the anticipated outcomes and targets; and to find out why these were (or were not) produced successfully.

6.6.2.5 Outcome Evaluation

In support of regular output monitoring completion, the MoNPD will lead an annual national and sectoral development outcome evaluation. The evaluation will examine the extent to which the short-term outcomes have been achieved and whether Sectors are on track to meet 5-year targets. It will outline the challenges and any other additional resources required. The results of this outcome evaluation will contribute to annual NDPII reviews, be presented at High Level Aid Coordination Fora and guide Sectors to improve future practice.

6.6.2.6 Mid-Term Evaluation

The Mid-Term evaluation will be conducted externally, independently but in cooperation with the MoNPD. It will be used to evaluate the NDPII, examining impartially the extent to which the medium development outcomes have been achieved. It will involve comparing pre-determined Sector outcome target indicators and the current level indicators at the half-way of the development planning period (i.e. 2-3 years). It will signal the progress made towards the 5-year development outcomes and allow for policy makers and development partner stakeholders to make necessary adjustments to plans and programming.

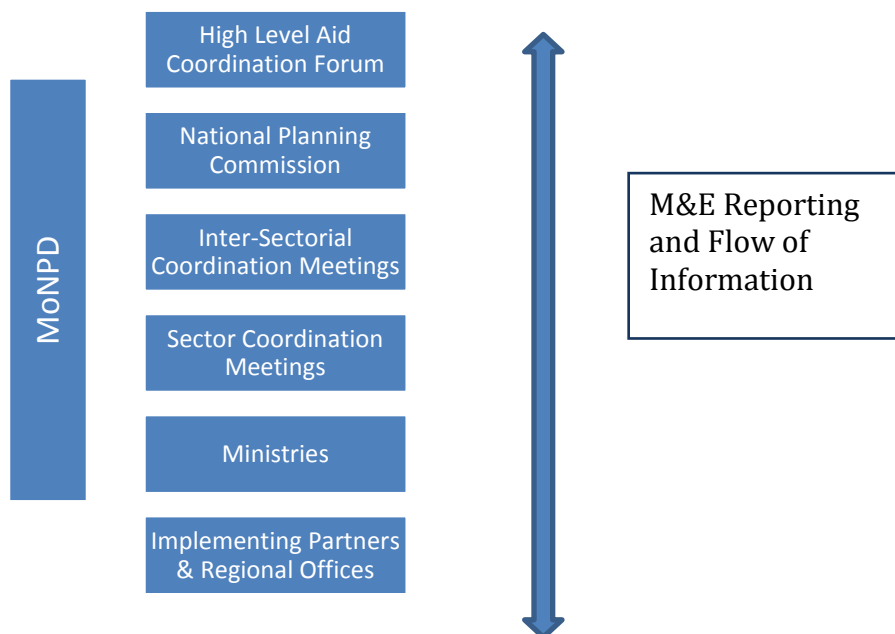
6.6.2.7 Impact Evaluation

The NDPII impact evaluation will be an independent and external evaluation that examines the extent to which the 5-year NDPII Sector development objectives and outcomes have been reached. It will compare the expected Sector outcome target indicators and their currently prevailing indicators at the end of the development planning period. This will be an external evaluation exercise that will adhere to the Organization for Economic Cooperation and Development (OECD), Development Assistance Committee (DAC) Criteria for Evaluating Development Assistance. The Impact Evaluation will assess the NDPII using the criteria of Relevance, Effectiveness, Efficiency, Impact and Sustainability. The results, analysis and recommendations generated from the Impact Evaluation will provide the foundation for the next cycle of National planning; policy and program development.

6.6.3 Reporting and Information Sharing

NDPII reporting and information sharing flow and structure will be directly aligned to Somaliland's Coordination and Coordination Architecture Framework. A bottom up – top down reporting and information flow approach will be applied. As national reporting mechanisms are currently in their infancy the MoNPD will be initially responsible for facilitating the flow of reporting and information between the different levels. While sources of reporting and information can originate at various levels there will be flexibility in information being passed either up or down depending on the type of reports and information being shared. The MoNPD will work directly with each reporting entity to ensure that NDPII reports are submitted on time and to the appropriate level.

Figure 38: M&E Reporting and Information Sharing



6.6.3.1 Implementing Partners

Implementing Partners will be required to report on project and program progress to the line Ministries or Government Agency that they are coordinating with. Reporting will be based on the reporting schedules already included within each individual program and project. Implementing Partners will also provide updates on projects at Sector Coordination Meetings and participate in Joint Monitoring and Evaluation activities with their line Ministries and the MoNPD. Information on NDP aligned national initiatives and development opportunities can be passed on to Implementing Partners by Ministries and through participation in Sector Coordination Meetings

6.6.3.2 Regional Offices

Regional Offices will be required to report to respective line Ministries in relation to their progress being made on Regional and District Development Plans linked directly to achieving NDPII outcomes. This reporting should be held on a bi-annual basis and presented at Sector Coordination Meetings. Regional Offices should be regularly updated on NDPII aligned national initiatives and development opportunities by the Ministry of National Planning and Development and through participating regularly in Sector Coordination Groups.

6.6.3.3 Ministries and Government Agencies

Ministries and Government Agencies will be responsible for collecting and compiling indicator data, program and financial information in relation to NDPII Sector Outcomes. Once compiled, this information will be formally reported on a bi-annual basis to the MoNPD and Ministry of Finance. Presentations of reports will be provided at the Sector Coordination Meetings.

6.6.3.4 Sector Coordination Meetings

Sector Coordination Meetings will be primarily a space where information related to the NDPII and Sector programs and activities can be presented, shared and discussed. Ministries, Development Partners, Multi-Partner Trust Funds and Implementers can present status updates on their programs and projects related to the Sector and ensure that development and humanitarian initiatives are aligned to appropriately to the NDPII. Lead Ministries in the Sector with assistance from the MoNPD will provide Sector annual reports and status updates in regards to how the Sector is progressing against targeted NDPII outcome indicators.

6.6.3.5 Inter-Sectorial Coordination Meetings

The Inter-Sectorial Coordination Meetings will promote the sharing of information across and between Sectors in relation to NDPII progress and challenges. It will also be a forum for discussing cross-cutting theme areas such as youth, social protection, labour/employment and humanitarian issues. The ISCG is an intermediary platform that will allow for and promote information flow between Sectors, the National Planning Commission and High Level Aid Coordination Fora. It will also be the key entry point for introducing NDPII reporting, monitoring and evaluation procedures for Sectors.

6.6.3.6 National Planning Commission

The National Planning Commission is the peak government institutional body for deciding on development priorities in Somaliland. To ensure that the NDPII is applied and decisions and priorities are results-based, it is essential that all Sector reports are not only submitted to the NPC but regular technical briefings and analyses are provided by the MoNPD. Key issues and priorities identified by the NPC will be reported and shared with development partners and multi-partner trust funds bi-laterally and multi-laterally; particularly through the High-Level Aid Coordination Fora.

6.6.3.7 The High-Level Aid Coordination Forum

The High-Level Aid Coordination Forum is a mandatory bi-annual national development conference led jointly by the Government of Somaliland and international development partners to share, discuss, and endorse progress across various fields of humanitarian aid and development. During the NDPII it will be the peak coordination body that draws upon various NDPII monitoring and evaluation reports to make collective and results-based decisions on funding; aid and policy reforms; and methods for improved NDPII harmonization and coordination.

6.6.4 Statistics

Reliable statistics describe the reality of people's everyday lives. It informs decision makers and the broader community with critical information on the socio-economic status of the population; their needs; challenges and imbalances in relation to equity. It highlights where resources are most needed, and provides the means to track progress and assess the impact of different plans and policies. Valid and current statistics also improve the transparency and accountability of government policy making, both of which are essential for good governance, by enabling electorates to judge the success of government policies and to hold their government to account in relation to the impact of those policies.

6.6.4.1 Role of Statistics in measuring SDG aligned NDPII Objectives and Outcomes

Timely, complete, accurate and reliable statistics is critical tool for the future measurement of national development and growth linked the NDPII. Without viable infrastructure for information generation, dissemination and usage, the NDPII will be severely handicapped in the monitoring and evaluation of outcome targets and associated programs. In addition, policy decision makers and development stakeholders will be restricted in relation to sound evidence in the development of future policy formation and planning.

The NDPII will become a permanent and foundational part of major government decision making. The integration of the entire components of the plan including outcomes, indicators and, flat area interventions necessitates the exercise of a highly organized and well-developed statistical system. Without which NDPII as a planned intervention will become unmanageable. A statistical system which supports the NDPII will need to make available an integrated mass of accurate data at different degrees of aggregation, which can be used at each stage of the planning implementation process. Especially since ongoing review and planning decisions related to the NDPII will rely very heavily on high quality statistical data.

A specific area where statistics will play an important role includes the monitoring of SDGs and target aligned outcomes within the NDPII. A set of indicators has been developed to measure progress towards the SDGs and NDPII outcomes and, in turn, these indicators will rely on information from robust and reliable national statistical systems. Monitoring NDPII aligned indicators will be a continuous process that requires regularly collected and valid data which when generated, will assist in establishing whether planned outcomes are progressing; likely to be achieved or not. During the Evaluation phases of the NDPII, statistical data will be applied to see if the NDPII CTT and Sector anticipated outcomes and targets have been achieved; and if not, why?

6.6.4.2 Challenges and Data Gaps

Somaliland like many other developing countries still lacks the capacity to produce, analyse and use the range and quality of statistics required to monitor, evaluate and analyse effective and efficient development progress. There are significant data gaps that directly impact many outcomes in the CCT and Sector RBMs. Many do not have the required indicators and baseline data available to measure progress. In some cases, where the data is available, the frequency that it is collected is not ideal. Dissemination and the application of the existing data is another obstacle where stakeholders do not regularly share the data they are collecting. Valuable evidence and information is therefore not used for planning and policymaking decision-making.

The Government with support from key development stakeholders will review these data gaps early during the NDPII implementation period and ensure that investment is directed to address these gaps. As new data and

information is generated they will be included in future NDPII reiterations (after Mid-term Review); ensuring the NDPII's functionality and utilization.

6.6.4.3 Institutionalizing NDPII Data Management

The Central Statistics Department (CSD) in MoNPD will act as the prime coordinator and supervisor of all cross-Sector and CCT statistical activities as endorsed by law in the Somaliland Statistical Act. The CSD will have the main responsibility of managing the data related to all NPDII and SDGs outcome and indicators. The CSD and CCT/Sectors, in partnership with international partners and the private sector, will conduct broad integrated surveys including but not limited to: household surveys; demographic health surveys (DHS); labour survey; livestock and agriculture survey and fertility survey. Most importantly a formal proposal and request will be developed to conduct a nationwide population and housing census; the statistical basis for most national planning initiatives worldwide. The Government of Somaliland is also expected to establish and apply a vital registration system which will be another critical tool for data generation.

All government Ministries, Municipalities and autonomous government institutions will reinvigorate and expand their Planning and Statistical Departments (PSDs). In combination with focused and need based capacity building, PSU's will collect and compile administrative data, in relation to NDPII Sector Outcomes. Once compiled, this information will be formally reported on a quarterly basis to the CSD in preparation for NDPII analysis and reporting. At the Regional and District levels, Planning and Statistics Offices in the Regions will compile regional and district level reports in relation to NDPII progress towards specific outcomes.

There are significant expectations that the National Statistical System (NSS) will improve in capacity and functionality to provide data for the monitoring and evaluation of NDPII targets. The Government of Somaliland will therefore prioritize and urgently address with its partners, the challenges already identified through strategic statistical capacity building, based on need, across all government institutions. Data gaps need to be quickly addressed and a comprehensive plan for NDPII data management will be developed. All sectors and associated Ministries will establish Management Information Systems (MIS) to facilitate the capture, storage and use of data within each Sector. Similarly, the CSD will require database development support to improve its information management and dissemination systems.

6.6.5 M&E and Statistical Resources

To ensure that the NDP is sufficiently monitored and evaluated a significant amount of resources will need to be secured and local capacity built not only within the MoNPD but across all key Sectors and Regions. Resources will need to be secured in relation to data management; on-sight program monitoring and in the outsourcing of external mid-term reviews and final NDPII impact evaluations. Significant capacity needs to be built within Ministries and in the MoNPD M&E and Statistics arms to collect, manage, validate and analyse NDPII outcome data indicators. Formal reporting mechanisms also need to be strengthened and institutionalized. While most of the operational costing of the NDPII M&E framework will be covered by the Ministry of Finance, international development partners will be encouraged to contribute and direct a proportion of their annual development budgets into joint government monitoring and evaluation activities; capacity building and institutionalization of the NDPII M&E framework into a functioning system.

6.7 Communication

Communication regarding the NDPII will involve dissemination of relevant NDPII development information to key development partners and the people of Somaliland both at home and abroad. Throughout the NDPII period Somaliland public institutions will need to engage and educate citizens about public service delivery through the provision of information and outreach engagement. Communicating the NDPII effectively will promote public participation in Somaliland's development process and allow communities a voice on issues affecting them.

Communicating the NDPII effectively will enhance citizen awareness on government service delivery, priorities and expenditure.

It is acknowledged that development plans, policies and programs succeed when they are well understood and supported by all stakeholders. However, such plans, policies and programs are placed at risk when the institution steering the changes fails to put in place adequate mechanisms to secure support for interventions amongst stakeholders. The NDPII must therefore respond directly to Stakeholder expectations through a deliberately articulated Communications Strategy. By doing so, Somaliland public institutions implementing NDPII will be in a better position to articulate their NDPII aligned policies and programs; contributing effectively to the realization of the goals of NDPII.

6.7.1 Target Audiences

The primary target audiences for the NDII Communication is the people of Somaliland, at home and abroad. Respective Communities, as, those in urban, rural, nomadic and hard to reach communities should be engaged and be involved in all aspects of development initiatives implemented in their localities and should be engaged with and communicated to through appropriate channels. Development stakeholders including international partners and civil society will be regularly engaged and updated on the NDPII through Somaliland's Coordination Architecture

6.7.2 Strengthening Government Communication Capacity

The communications capacity of public institutions requires strengthening. Currently there are no formal public relations or communications departments established within public government agencies and ministries. "Communication Units" should be established and should be trained and tasked to prepare, review and disseminate relevant NDPII CCT/Sector information to target audiences and the general public.

6.7.3 Communication Methods

A number of communication methods can be applied in relation to informing the public and key stakeholders regarding key NDPII developments and progress

Radio

Radio is the most powerful, widely available medium of communication and source of information for the Somaliland society, and as such, public agencies and institutions should consider radio as the primary channel for reaching wider audiences including remote communities and pastoralists. Radio messages should be formulated in way consumable to the public, including radio programs, spots and talk shows. Messages should be interactive, entertaining and dramatized.

TV

Use of TV for delivering public information helps government to engage urban and Diaspora communities, however, public institutions should identify the appropriate channels based on their target group of audiences.

Websites

Public institutions should have their own interactive websites to showcase their service delivery and engage citizens. Websites can be designed in way that not only informs about Ministry progress against the NDPII outcomes but accommodates community participation through comment and feedback section.

Social media

Public institutions should have active social media accounts (Facebook, YouTube and twitter) the account should be connected to the institutions website and regularly entertain, educate and collect feedback from citizens regarding NDPII progress.

Mobile Cinema

Mobile Cinema is a perfect and powerful tool for community sensitization and awareness raising, using prerecorded digital content. The government should employ this tool to engage communities in hard to reach localities, as well as specific communities in both urban and rural areas to educate them about specific issues.

Newspapers

Public institution should consider newspapers for engaging literate stakeholder groups in main towns by publishing articles and development stories of respective CCT/Sectors on regular basis.

Brochure

Brochure is an informative paper document and should be used to showcase specific development intervention to inform specific development stakeholder groups.

Exhibition events

Public events and exhibitions on CCT/Sectors can showcase progress of services and products. The events can be held at national, regional and district levels.

Conferences

Conferences are an effective way for improving public communication and for providing constructive debate on key development issues. Government institutions can organize sector conferences to inform and consult relevant sector stakeholders including local and Diaspora communities. Conferences are an excellent medium for measuring public perceptions regarding NDPII progress in a formal setting.

APPENDIX 1: CCT/Sector Alignment to SDGs

SDGs	CTTs/Sectors
SDG1: End poverty in all its forms everywhere	- Employment & Labour - Social Protection - Youth - Economy - Governance
SDG2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	- Social Protection - Health - Production
SDG3: Ensure healthy lives and promote well-being for all at all ages	- Social Protection - Youth - Education - Health - WASH
SDG4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	- Employment & Labour - Youth - Education - Energy
SDG5: Achieve gender equality and empower all women and girls	- Social Protection - Governance - Health
SDG6: Ensure availability and sustainable management of water and sanitation for all	- WASH
SDG7: Ensure access to affordable, reliable, sustainable and modern energy for all	- Energy
SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	- Employment & Labour - Youth - Economy - Energy - Governance
SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	- Economy - Education - Energy - Infrastructure
SDG10: Reduce inequality within and among countries	- Social Protection - Governance - Economy
SDG11: Make cities and human settlements inclusive, safe, resilient and sustainable	- Infrastructure
SDG12: Ensure sustainable consumption and production patterns	- Environment - Production

SDG13: Take urgent action to combat climate change and its impacts	- Education - Energy - Environment
SDG14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	- Production
SDG15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	- Environment
SDG16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	- Social Protection - Youth - Governance
SDG17: Strengthen the means of implementation and revitalize the global partnership for sustainable development	- Youth - Economy - Governance

APPENDIX 2: NDPII Data Sources by CCT/Sector

Economy Sector:

- 1) Somaliland Household Frequency Survey 2016
- 2) Somaliland Enterprise Survey 2013
- 3) Somaliland in figures 2016
- 4) Somaliland Household survey 2012
- 5) African Development Bank Report

WASH Sector:

- 1) Multi-Indicator Cluster Survey (MICS 2014)
- 2) Somaliland Inter-Agency Needs Assessment 2016
- 3) WASH KAP Survey 2015
- 4) Administrative data from Ministry of Water Resources
- 5) Millennium Development Goals (MDG) Report 2013
- 6) Somaliland Water and Food Security Strategy 2011

Production Sector:

- 1) Somaliland Household Frequency Survey 2016
- 2) Multi-Indicator Cluster Survey (MICS 2014)
- 3) Millennium Development Goals (MDG) Report 2013
- 4) Somaliland in figures 2016
- 5) FAO/FSNAU data set 2016
- 6) Administrative Data from Ministry of livestock
- 7) Somaliland Development Fund (SDF) financial management and accounting manual 2014
- 8) Consumer Price Index (CPI) Report 2016
- 9) Administrative Data from Ministry of Fishery and Marine Resources
- 10) Somaliland Water and Food Security Strategy 2011

Health Sector:

- 1) Health Management Information System (HMIS) 2016
- 2) Administrative data from Ministry of Health
- 3) Multi-Indicator Cluster Survey (MICS 2014)

Education Sector:

- 1) Administrative data from Ministry of Education
- 2) Education Management Information system (EMIS)
- 3) Somaliland in Figures 2016

- 4) Population Estimation Survey (PESS 2014)

Energy Sector:

- 1) Administrative Data from Ministry of Energy and Extractives
- 2) Population Estimation Survey (PESS 2014)

Environment Sector:

- 1) Administrative data from Ministry of Environment
- 2) Somaliland Energy Policy 2010

Governance and Public Administration:

- 1) Administrative data from Civil Service Commission (CSC)
- 2) Administrative data from Ministry of Foreign Affairs

Infrastructure Sector:

- 1) Administrative data from Somaliland Road Authority
- 2) Administrative data from Ministry of Aviation
- 3) Somaliland in figures 2016
- 4) Administrative data from Ministry of Finance

Employment and Labour Cross-cutting Area:

- 1) Somaliland Household Frequency Survey 2016
- 2) Population Estimation Survey (PESS 2014)
- 3) Labour Force Survey 2012

Social Protection Cross-cutting Area:

- 1) Somaliland Household Frequency Survey 2016
- 2) Somaliland Household survey 2012
- 3) Health Management Information System (HMIS)
- 4) Administrative data from Ministry Labour and Social Affairs
- 5) Multi-Indicator Cluster Survey (MICS 2014)
- 6) Somaliland in Figures 2016

Youth Cross-cutting area:

- 1) Health Management Information System (HMIS) 2016
- 2) Somaliland Household Survey 2012
- 3) Administrative data from Ministry of Youth and Sports
- 4) Somaliland Perception Survey 2015
- 5) Multi-Indicator Cluster Survey (MICS 2014)
- 6) Somaliland in Figures 2016

- 7) Population Estimation Survey (PESS 2014)
- 8) Somaliland youth violence and youth Role in peace building: Baseline survey 2015
- 9) Administrative data from Ministry of Education

APPENDIX 3: NDPII Prioritization Workshops – Technical Teams

Ministry of National Planning and Development& Ministry of Finance		
Technical Team	Ministry/Agency	Position
Mubareg Abdulahi Ibrahim	MoNPD	Director of Planning& NDPII Technical Team Leader
Abas Ahmed Adami	MoNPD	Planning Team
Hussein Abdilahi Suleiman	MoNPD	Statistics Team
Dr. Osman Hussein Warsame	MoNPD	Senior Adviser
Hussein Mohamed	MoNPD	Statistics Team
Umulkhyar Jama	MoNPD	Planning Team
Amina Hassan	MoNPD	Planning Team
Brett Rapley	MoNPD	Senior Adviser
Abdikarim Mohamoud Omer	MoNPD	Planning Team
Mohamed Ismail Mohamed	MoNPD	Planning Team
Hibo Hussein Farah	MoNPD	Planning Team
Hassan Hussein	MoNPD	Planning Team
Mohammed Ismail	MoNPD	Planning Team
Guilherme Suedekum	MoNPD	Economic Adviser, NDP Technical Team
Khadar Mohammed Gahayr	MoNPD	Statistics Team
Ahmed M. Diriye	MoNPD	Consultant
Mona Abdi	MoNPD	Statistics Team
Dr. Mohamed Samater	MoF	PFM Coordinator
Jeevun Sandher	MoF	PFM Adviser

Youth NDPII		
Technical Team	Ministry/Agency	Position
Abdirashid Aideed	Ministry of Youth	Director of planning and Statistics department
Ibrahim Abdirazaq	Ministry of Youth	Consultant
Ismail Omar	Shaqadoon	LLEAD Coordinator
Ahmed Mihile	UNFPA	Population Program Specialist
Mohamed Aideed Ali	SONYO	Livelihood Program Officer

Health Sector NDPII		
Technical Team	Ministry/Agency	Position
Saed Solomon	MoH	Consultant
AbdilahiAbdi Yusuf	MoH	Head of HMIS
Asia Osman	WHO	Senior Officer
Shahid Mahbub	UNICEF	Nutrition Specialist
Awil H Gure	UNICEF	Health Specialist
Adam Haibe	UNFPA	Reproductive Health Specialist

Abdi Gurey	NHPC	Executive Director
Dr Abdirisaq Yusuf	SMA	Chair
Jitendra Panda	HPA	Head of office
Dr.DeriaEreg	UoH	Dean, Faculty of Health
Hamda Ali Abdillahi	SLNMA	Programme Coordinator

Environment Sector NDPII		
Technical Team	Ministry/Agency	Position
Shukri H Ismail	MoERD	Minister
Abikarim Adan	MoERD	Director of Planning
Abdallah Gaafar	MoERD	Consultant
Mohamed M Mirreh	NERAD	Consultant
Sharmarke Abdi Musse	University of Hargeisa	Researcher and Lecturer
Ismail Mohamed Ahmed	Havoyoco	Fund Raising Adviser
SadiaMusse Ahmed	PENHA	Country Representative
Mohamed Nagueyeh Amin	World Vision	Food Security and Livelihood Project Coordinator
Ahmed Ibrahim Awale	Candlelight	Chair

Employment & Labour CCT NDPII		
Technical Team	Ministry/Agency	Position
Abdulkadir Daud Egeh	MoLSA	Director of Labour
Warsame Mohammoud Ahmed	University of Hargeisa	Director, Research and Community Service
Siyad Omer Ali	AYODA	Executive Director
Mohamoud Abdillahi Giire	MoEHS	
Jacob Omolo	ILO	Consultant

Economy Sector NDPII		
Technical Team	Ministry/Agency	Position
Ahmed Aden Ibrahim	Ministry of Industry	Director of Planning
Barkhad Abib Hassan	Ministry of Trade	Officer
Jacfar Mohamed Gadaweyne	SONSAF	Program Director
Sahra Mohamed Hashi	Diaspora Agency	Consultant
Khadar Farah Hussein	Ministry of Culture and Tourism	Director of Planning
Abdirahman Muse Abdi	Central Bank	Director of Supervision
Abdikarim Ibrahim Suleiman	Ministry of Finance	Director of Planning
Jeevun Sandher	Ministry of Finance	Adviser
Abdiwahab Muhumed Garaad	University of Hargeisa	Lecturer

WASH Sector NDPII		
Technical Team	Ministry/Agency	Position

Abdirahman Darwiish	MoWR	Director of Planning
Abdirahman Ali	MoWR	
SaeedWarsame Ismail	HoR	
Ahmed Dalmar	Hargeisa Water Agency	Director of Planning
Ali Ismail	FAO/SWALIM	
Hassan Jama	CARE	
Ann Thomas	UNICEF	
Hassan Egal	UNICEF	

Infrastructure Sector NDPII		
Technical Team	Ministry/Agency	Position
Anisa M.H	Ministry of Civil Aviation	Director of Planning
Issa Mohamoud	Ministry of Public Works	Director of Planning
Eng. Abdillahi Jama	Berbera Port Authority	Deputy Director
Abdi	Ministry of Post	
Mohamed Hassan Saed	Hargeisa Municipality	Consultant
Eng. Abdirahim	RDA	
Asha Mohamed	UN-Habitat	
Jama Mohamed	ICT Commission	
Mohmoud Mohmed Esse	University of Hargeisa	

Social Protection CCT NDPII		
Technical Team	Ministry/Agency	Position
Luul Adan Geidi	MoLSA	Director of Social Protection
Asiya Osman Ahmed	WHO	
Sahra Adan Guleid	SOLNAC	
Ayanle M.Omar	UNICEF	
Mustafe Ahmed Hassan	NEGAAD	
Ismail Mohamed	Save the Children	
Awale Mohamed Musse	MoLSA	Director of Planning

Energy and Extractives Sector NDPII		
Technical Team	Ministry/Agency	Position
Liban Mohammed Mahamoud	MoEM	Director of Energy
Omar Abdillahi Farah	MoEM	Director of Minerals
Ahmed M Adan	MoEM	Director of Petroleum
Omer Yussuf Omer	MoEM	Head of Geosciences
Khadar Mohamed Gulaid	MoEM	Legal Consultant
Abdifatah Omar Abdillahi	MoEM	Planning Coordinator
Marc Sellies	ESRES	Secretariat Team Leader
Ron Verraneault	GEEL	Team Leader - Energy

Education Sector NDPII		
Technical Team	Ministry/Agency	Position
Ahmed Omar Qulle	MoE&HS	Director of Planning department
Mohamed Abdi Mohamed	MoE&HS	Director of Planning H/Education
Rahma Ibrahim Amin	MoE&HS	Director of Primary Education
Mustafe Mohamed Jama	MoE&HS	Technical Advisor
Hussein Abdi Ali	MoE&HS	SDG4 Focal Point/ Head of M&E
Amiin Mohamed Ahmed	MoE&HS	Deputy of Planning department
Warda Mohamoud Ali	MoE&HS	TVQA Secretariat
Abdikadir Abdi Hassan	MoE&HS	Statistics Specialist
Safia Jibriil Abdi	UNICEF	Head of Education
Fadumo Dahir Duale	CARE International	Education Project Manager
Sarah Wragg	Save the Children	Basic Education Advisor
Abdifatah Rashid Mohamed	Norwegian Refugee Council	Education Project Officer
Mohamed Hussein Rooble	CANDLELIGHT	Education Project Manager

Governance Sector NDPII		
Technical Team	Ministry/Agency	Position
Omer Roble Idereh	Ministry of Foreign Affairs	Director of Planning
Mustafe Ahmed Mohamound	Civil Service Institute	Deputy Director
Nimo Hussein Farah	Civil Service Institute	Officer
Abdiqani Suleiman Jama	Civil Service Commission	Consultant
Sa'ad Mohamoud Haddi	Quality Control Commission	Director of Planning
Asma Abdi Jama	Quality Control Commission	Officer
Ahmed Ismail Hussein	Ministry of Information	Director of Planning
Daha Dagal	Good Governance Commission	Director of Good Governance
Hassan Mohamed Askar	National Tender Board	Director of Procurement
Mohamoud Abdi Jama	SOLJA	Chairman
Mohyadin Ibrahim Farah	CSC	Officer
Jacfar Mohamed Gaadawayne	SONSAF	Program coordinator
Dahir Essa Mire		

Mohamed Ahmed Axdar	Ministry of interior	
Abdiqadir Ahmed Hindi	Ministry of interior	
Yaasir Osman Ahmed	Ministry of interior	
Mohamud Abdirisak Abdi	MoD	Director of planning dept.
Col Mohamed Isse Mohamed	Immigration	
Abdisamad Sa'ad	NHRC	
Barkhad Omar Ali	AGO	Director
Abdirahman Ma'alin Muse	MRR&R	
Abdilaahi Nouh Hassan	NDRC	
Mukhtaar Abdi Ismail	MoJ	Consultant
Yaasin Mohamed Abdi	MoJ	Director of Planning