

**Draft Somaliland National Development Plan (NDP)
2012 – 2016**

*For
Full recovery and Rapid development*

October, 2011



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FOREWORD

Having taken into consideration the priorities of my new Government and its commitment to achieve rapid economic development and growth, **the Ministry of National Planning and Development (MoNPD) in fulfilling its mandate** has now developed, for the first time, a five year (2012-2016) National Development Plan (NDP) for Somaliland, that focuses on sustainable development and poverty reduction.

The NDP addresses structural and institutional challenges in order to achieve the public, social and economic transformations required to attain the prosperity we aspire to. The NDP aims at creating an enabling environment that is conducive to employment generation especially among the youth, human resource development, technological advancement, effective and efficient governance, increasing competitiveness and rising income levels. This requires higher and sustained Government investment in infra-structure, institutional capacity building, legal and policy reforms.

During the five-year plan period, public investment priorities will include: construction and rehabilitation of our road network, expansion of airports and ports, development of the energy and water sectors, development of agriculture and industry, human resource development, environmental protection and the promotion of science, technology and innovation. The development approach of this NDP intertwines economic growth, social development and environmental sustainability. The achievement of these goals will be pursued in cooperation with the private sector which will remain the engine of growth and development. The government will also seek to reach out to and engage the Somaliland Diaspora who are already an important source of assistance, investment and know-how.

The Government will pursue outward-oriented policies that encourage foreign investment and exports with high added value. It will also pursue sound macroeconomic policies and management practices. 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 NDP and its principles. I urge our public institutions to adopt and implement the policies, programs and projects provided by the plan. I urge the private sector, the Somaliland Diaspora, and the civil society to combine their efforts and work with Government, and I call upon the international community to support us and align their assistance to the priorities of the NDP so that we can achieve our goals and 2030 vision aspirations.

I wish to express my appreciation to the United Nations Development Programme (UNDP) for their support in the formulation of this NDP, and all those who worked tirelessly to produce it.

.....
H.E AHMED MOHAMED SILANYO
PRESIDENT OF THE REPUBLIC OF SOMALILAND

ACKNOWLEDGMENTS

The development of the National development plan has been challenging but enriching experience. The Ministry of National Planning and Development (MoNPD) is grateful to H.E The President of the Republic of Somaliland for his leadership and foresight. We are deeply indebted to the government Ministers, officials and staff in every department and agency we covered for their cooperation and contribution.

I would like to express unreserved gratitude to the NDP team at my Ministry for the sleepless nights they endured to have this Plan researched, developed and written up. I would like to mention in particular the Macro-Economic Management Office (MEMO) head and team Leader Dr. Hassen Ibrahim Worsame, Mr. Ahmed Gazali, public investment program expert, Mrs Kaltun Hassan, gender expert, Mr. Abdirahman Karshe, macro-economist, Mr. Ali Aid Farah, social policy expert, and Mr. Ahmed Abdillahi Nadif, Planning Department Director. I would like to thank Mr. Ahmed Dalal Farah, the former Director General, Mr. Abdirashid Mohamed Guleed, the Director General and Mr. Osman Jama Abdillahi, Admin and Finance Department director for their support.

On behalf of the Government, please also allow me to expresses my gratitude to the United Nations Development Program (UNDP) for the technical and financial support, especially by providing the technical and Advisory services of Mr. Saul KAYE in this process. This has helped us enrich the development planning process, and enhanced the work of my Ministry. I would like to recognize the invaluable technical and financial support we received from IGAD during the consultation and formulation process of the Vision 2030 which forms the foundation of this plan. In addition, I would like to thank Dr. Mohamed Samater for his contribution, advice, guidance, and critical analysis in every step of the way, and Dr. Abdirahman Ahmed Husseinfor his meticulous editing of the plan.

The successful completion of this NDP would not have been possible without the unreserved and fervent support of the people of Somaliland. In presenting this NDP to the country, The President of the Republic of Somaliland H.E Ahmed Mohamed Mohamoud Silanyo and my Ministry, fully understand the arduous task that lays ahead to ensure that the plan is successfully implemented.

.....
DR. SAAD SHIRE
MINISTER OF NATIONAL PLANNING AND DEVELOPMENT (MoNPD)

1. EXECUTIVE SUMMARY

Somaliland’s National Development Plan (NDP) provides a medium term framework for achieving the country’s long term development aspirations as embodied in Somaliland Vision 2030, and the Millennium Development Goals. The plan is build on five main pillars:

- i. Economic
- ii. Infra-structure
- iii. Governance
- iv. Social
- v. Environmental

The total capital investment requirement for the NDP programs is USD 924.37 million, as shown in the following table:

Table 1.1 Investment Requirement by Pillar

Sector	USD millions
Economy	220.60
Infrastructure	399.31
Governance	82.60
Social	212.75
Environment	11.01
Total	927.27

Each pillar consists of several sectors. Each sector is in turn analyzed under the following six headings:

- Situation Analysis;
- Challenges and opportunities;
- Priorities and strategies;
- Policy, legal and Institutional Reform;
- Projects and programs; and
- Budget and implementation matrix

ECONOMIC PILLAR

The Economic Pillar consists of ten sectors. These are Macro-Economy, Planning, Agriculture, Livestock, Fisheries, Industry (including Commerce and Tourism), Energy-mining and water, Private, Diaspora and NGOs.

Macro-Economic Sector:

Emphasis will be given to creating the right macroeconomic environment for accelerated development by:

(i) Reforming the Central Bank of Somaliland, (ii) Improving the regulatory framework for commercial banks and other financial institutions, (iii) Improving the exchange rate regime, (iv) Regulating the money exchange and remittance services owing to their importance to the economy and poverty reduction, (v) Enhancing the capacity of the Ministry of Finance, (vi) Transforming the fiscal policy unit into a fully-fledged Macroeconomics office of the Ministry of Finance.

Finance Sector:

The Ministry of Finance is responsible for fiscal policy, taxation, and revenue collection as well as budgeting. The success of the plan depends on the resources made available for its execution, which in turn depends on the ability and performance of the Ministry of Finance. The NDP aims at reforming the Ministry of Finance by:

(i) Improving and strengthening current government revenue policies and systems, (ii) Reviewing and updating all procedures related to the customs/inland Revenue act, (iii) Upgrading customs/inland facilities and equipment, (iv) Introducing and enforcing VAT (value added tax), (v) Enhancing the skills of the staff by establishing a training centre for the Ministry, (vi) Setting up a data bank & ICT centre, (vii) Establishing a tax management information system, (viii) Carrying out a country-wide tax payer survey, and (ix) and undertaking a tax education public campaign.

Agricultural Sector:

In order to accelerate the development of the agricultural sector, the following five broad priority areas will be the focus of the National Development Plan:

(i) Building the institutional capacity of MoA, (ii) Establishing research centres, (iii) Developing training and extension programs, (iv) Improving agricultural support services, (v) Promoting sustainable agricultural and land management methods, (vi) Promoting commercial farming, and (vii) Improving the coordination of the sector programs and activities.

Livestock Sector:

The strategies pursued by the National Development Plan for the livestock sector seek to tackle the main obstacles hampering its development. In line with this, the priority areas for intervention and investment in the next five years will include:

(i) Strengthening institutional capacity of the Ministry in terms of facilities, equipment and human resource development, (ii) Establishing research and training centres, (iii) Introducing extension programs, (iv) Improving veterinary service delivery systems (v) Developing livestock export infrastructure, and (vi) Strengthening monitoring and evaluation of program.

Fishery Sector:

The private sector is expected to take the lead in the development of the sector, but the government will be actively involved in providing leadership, promoting the sector, investing in infra-structure, and developing the right policy and regulatory framework. The main priorities and strategies for the sector can be summarized as:

(i) Developing appropriate fisheries policies and regulations for the industry, (ii) Strengthening the institutional capacity of the Ministry of fisheries, (iii) Establishing cold chain facilities from producing ports to consuming markets, (vi) Building fish markets in the main urban centres to promote consumption, (v) Setting up training and research facilities, (vi) Promoting fish exports to key importing markets, (vii) Supporting and promoting the fish processing and canning industry, (viii) Promoting fish farming and aqua culture, (ix) Rehabilitating local fishing ports, (x) Establishing marine sanctuaries and fish restocking programs.

Industry, Commerce and Tourism Sector:

The NDP aims at achieving sustainable growth in Job creation opportunities and Exports. This will be driven by an ambitious, public investment programme which will systematically reduce the operational cost of doing business in Somaliland, raising productivity, and developing a vibrant Financial Sector. This means heavy investment in “hard infrastructure” by the GoSL which is a key factor in attracting private investment. The main programs and projects to be implemented within the Industry, Commerce and Tourism sector under the current NDP include:

(a) Building the capacities of Ministry of Industry, Commerce and Tourism (MoICT), (b) Formulating business laws and policies that are competitive and meet international standards, (c) Improving access of local produce to international markets, (d) Encouraging investment in manufacturing, (e) Rehabilitating the cement factory, and (f) Promoting tourism.

Mining, Energy and Water Sector:

Mining- is very much underdeveloped, but has the potential to be the driving force behind rapid economic development. The priority areas of the sector include:

(i) Extraction and development of the country’s large coal deposits, (ii) Revising and updating the mining code, (iii) Carrying out a comprehensive cartographic and seismic survey of the country, (iv) Establishment of a modern national laboratory, and (v) Building the capacity of the Ministry.

Energy- plays a vital role in every aspect of the people's livelihood. It is critical to increasing production as it is to social development. The main aim is to increase access to modern, affordable and reliable energy by:

(i) Encouraging investment in power generation, (ii) Consolidating power generation to take advantage of economies of scale in the production, transmission and distribution of electricity, and (iii) Promoting alternative energy sources such coal and wind to reduce pressure on trees as source of fuel.

Access to clean **water** is a right of every citizen. Unfortunately less than 25% of the total population are able to access safe drinking water. Hence, the thrust of sector development will be to ensure the availability of good quality water for every one not just for drinking, but also for sanitation, agriculture and industrial use by:

(i) Building earth dams, (ii) Constructing reservoirs, (iii) Drilling a network of bore holes, (iv) Building communal Berkas (tanks) (v) Promoting rooftop rain water harvesting, (vi) establishing a network of weather stations, (vii) Building water quality testing laboratories, and (viii) Introducing national water policy.

Private sector:

The private sector is very important accounting for over 90% of the GDP. Somalilanders are generally very enterprising people. Urban centred commercial business has experienced phenomenal growth in the last twenty years, yet the sector faces serious obstacles to realizing its potential growth. The government is committed to improving the business climate and creating an environment that is conducive to the sector's development by:

(i) Providing tax incentives to foreign investors, (ii) Streamlining business registration and formation processes, (iii) Proving the regulatory framework required for the development of a strong financial sector, (iii) Encouraging the manufacturing sector with tax concessions, providing technical support and the establishing industrial zones, (iv) Introducing credit schemes and support services for start-ups and small businesses, (v) Developing free trade zones, (vi) Improving infrastructure, (vii) Supporting the chamber of commerce and other business associations, (viii) Expanding the market for domestic products through trade agreements and customs union with neighbouring countries, (ix) promoting exports, (x) providing training and advisory services to private businesses, and (xi) strengthening peace, law and order.

The Diaspora:

The Somaliland Diaspora is an important resource for the country contributing to its social, economic, technological and political development. The Diaspora remits to the country up to \$400 million a year, and there are large numbers of Diaspora professionals and entrepreneurs already in the country creating employment and sharing their expertise. But there are still

challenges in the way of maximizing Diaspora contribution. The government has recognized that and established a special commission for the Diaspora. To further facilitate the flow of Diaspora capital and know-how, the government will encourage Diaspora engagement by:

(i) Establishing National Diaspora development trust fund, (ii) Developing Private investment funds that target the Diaspora, (iii) offering special tax exempt savings accounts for the Diaspora, (iv) Supporting Diaspora community development organizations, (v) Initiating Diaspora youth and professionals volunteers exchange and placement schemes, and (vi) Promoting Diaspora cultural tourism.

Table 1.2: Economic Pillar: Capital Investment Requirement by Sector

Sector	USD millions
Economy	
Finance	15.30
Banking	3.58
National Planning	10.48
Agriculture	23.28
Livestock	14.98
Fisheries	5.83
Tourism, Industry and Trade	78.60
Mining	0.41
Energy	15.17
Water	48.34
Private	2
Diaspora	2.65
Total	220.62

INFRASTRUCTURE PILLAR:

Good infrastructure is crucial for achieving sustainable and balanced growth, which will ensure shared prosperity for the whole country. Unfortunately, Somaliland has a large infrastructure deficit. The objective of the five year (2012 – 2016) National Development Plan (NDP) is to undertake the necessary investment and interventions required for the development of critical infra-structure, including the construction, rehabilitation and development of:

(i) Berbera-Wajaale corridor road, (ii) Erigavo-Afmoobe road, (iii) Dilla-Borama road, (iv) Burao-Hargeisa road, (v) Bridges, (vi) Hargeisa, Berbera, Burao, Borama and Erigavo airports, (vii) Berbera, zaila, Maydh and Las Qoray ports, (viii) the national postal service system, (ix) telecoms spectrum and interconnection facilities, (x) the fibre optic cable from Djibouti, (xi) national internet domain, (xii) Local area network for the government ministries and agencies, (xiii) national public radio, and (xiv) power stations.

Infrastructure projects are costly undertakings that are normally financed through long term loans provided by international development banks. In the absence of such facility, the government expects both the international community and the private sector to contribute.

Table 1.3 Infra-structure Pillar: Capital Investment Requirement by Sector

Sector	USD millions
Infrastructure	
Roads	235.37
Housing and transport	16.77
Post and telecommunication	9.32
Civil aviation	44.40
Information	10.05
ICT	7.08
Berbera Port	18.63
Somaliland Electricity	24.73
Hargeisa Water	32.96
Total	399.31

GOVERNANCE PILLAR

Good governance, democracy and the rule of law are critical to security, stability and development. Somaliland has succeeded in building democratic institutions and managed to maintain peace and security in a troubled region. But we need to consolidate and strengthen the advances made by:

(i) Reforming the judicial system, (ii) Building adequate number of police stations and courts, (iii) Modernizing the penitentiary system, (iv) Building institutional capacity and upgrading

judicial competence, (v) Establishing a police academy, (vi) Building a strong immigration service, (vii) Formulating appropriate policies, (viii) Promoting cooperation and good relations with neighbouring counties, (ix) Strengthening party and parliamentary institutions, (x) Encouraging citizens to participate in the decision making process, (xi) Upholding human rights and civil liberties, (xii) Mainstreaming women’s political, economic and social participation, (m) Strengthening the election process, (n) Accounting for public resources, (o) Strengthening regional and district administrations (p) Monitoring and evaluating public services, and (q) Deepening peace and strengthening security Institutions.

Table 1.4 Governance Pillar: Capital Investment Requirement by Sector

Sector	USD millions
Governance	
Justice	14.72
Human rights	3.94
Internal Affairs	23.70
Mine Action Development	0.64
National defense	4.85
National demobilization	13.39
Foreign relations and International cooperation	6.02
Good governance and anti-corruption	5.25
Quality Control commission	3.75
Civil Service Commission	1.78
Parliament	4.06
Civil Society(NGOs)	1.5
Total	83.60

SOCIAL PILLAR

Social Protection:

It is imperative upon every society to protect and support the vulnerable among its community. In Somaliland people rely mainly on traditional social protection structures. During the course of the National Development Plan these structures will be bolstered by:

(i) Strengthening existing institutions such as orphanages, and community based support services, (ii) Institutionalizing child protection services, (iii) Establishing family centres, (iv) Setting up a national social security fund, and (v) Introducing a pension scheme for public and private workers.

Health:

Access to affordable health care is a right, but that is a privilege beyond the reach of many citizens in Somaliland. The National Development Plan aims at improving health care services by:

(i) Building the institutional capacity of the Ministry, (ii) Introducing District Health Care Management Systems to six selected Districts, (iii) Establishing basic health-care facilities in rural areas, (iv) Rehabilitating and upgrading existing referral hospitals, (v) Extending Antiretroviral Treatment (ART) and Voluntary Counselling and Testing (VCT) services, (vi) Expanding and improving access to nutrition counselling for pregnant and lactating women through community based health service structures, (vii) Undertaking a systematic training and human resource needs assessment of the health sector for the next 10 to 15 years, (viii) Introducing a drug quality control system, (ix) Establishing a health information database, and (x) Carrying out health promotion and awareness campaigns.

Education:

Since 1991, the country has taken great strides in the development of education. Yet literacy and primary enrolment rates are very low. The plan aims at expanding and raising the quality of education by:

(i) Building the institutional capacity of the Ministry, (ii) Developing appropriate education policies, (iii) Initiating teacher training programs, (iv) Expanding capacity by building more classrooms and schools, (v) Building boarding schools in rural areas, (vi) Increasing primary and secondary school enrolment rates, (vii) Revising and upgrading school curriculum, (viii) Establishing commission for higher education, (ix) Introducing accreditation and quality control systems for higher education, (x) Expanding women’s education, (xi) Increasing the number of technical vocational training institutions (TVET), and (xii) providing policy guidelines for privately-run TVET centres;

Youth:

Special attention is given, in the NDP, to the challenges and opportunities facing young people. In order to strengthen youth participation in the social, cultural, economic and civic development of Somaliland, the government will put emphasis on:

(i) Providing youth employment training, (ii) supporting youth business start ups, (iii) Creating sports and recreational facilities, (iv) Establishing youth and cultural centres, and (d) developing youth volunteering programs.

Table 1.5 Social Pillar: Capital Investment Requirement by Sector

Sector	USD millions
Social	
Health	117.49
Aids commission	15.84
Primary and secondary education	26.46
Higher education	11.28
Labour	4.09
Social affairs	4.37
Youth and sports	27.85
Religious affairs	5.37
Total	212.75

ENVIRONMENTAL PILLAR

Given the numerous and severe challenges facing the natural environment of Somaliland, decisive measures are urgently required before the problem goes out of hand. Hence, taking into consideration the importance of conserving the environment for national development and the well-being of the society, the following programs and interventions will be undertaken:

(i) Substitution of charcoal as the main source of energy with other sources such as coal, gas, solar and wind, (ii) Enforcement of ban on charcoal exports, (iii) Improvement of rangeland utilization and environmental conservation, (iv) Empowerment of rural communities to look after their environment (v) Registration of land and adoption of appropriate land tenure systems, (vi) Conservation of soil and water, (vii) Reforestation, (viii) Preservation of biological diversity (ix) Rehabilitation of degraded areas, (x) Managing new settlements in line with rural and urban land use and environmental protection, (xi) Development of strategies for disaster preparedness and management, (xii) Formulation of appropriate environmental policies, and (xiii) Building the institutional capacity of Ministry of Environment and Rural Development.

Table 1.6 Environmental Pillar: Capital Investment Requirement by Sector

Sector	USD millions
Environment	
Environmental protection	7.92
Disaster research and prevention (Nerad)	3.09
Total	11.01

2. SOMALILAND VISION 2030

The Vision

“A Stable and Democratic Somaliland Where Citizens Enjoy High Quality of Life by 2030”

The government is determined to achieve economic prosperity and social well being for its people while consolidating the nation’s accomplishments in building stability, maintaining security and developing democratic institutions. Our aim is to create an empowering environment where all citizens can feel that they have a stake and a role to play in national development. To achieve the nation’s aspirations, the government has drawn up a National Vision for 2030. This was developed by asking:

Where are we coming from?

Where are we today?

Where are we going to? and

What kind of society we would like Somaliland to be by the year 2030?

Somaliland Vision 2030 is built on an in-depth analysis of the country’s strengths and weaknesses, the opportunities it has and the threats it faces. The vision emerged from intensive consultations with a wide spectrum of the society and it reflects the aspirations of all Somalilanders and the mission of their political leadership.

Vision 2030 inspires Somalilanders to focus on commonly owned goals concerning their future, shared values and principles around which they could rally to build a prosperous nation. The vision maps out the route which the country will take to achieve sustainable development while balancing the interests of the present and future generations. It will:

- Enable the country to take ownership of its development agenda;
- Inspire the nation and its leadership to mobilize resources, and overcome development challenges to attain higher standard of living
- Guide development partners to align their assistance with national priorities and aspirations
- Provide a framework upon which national strategies and implementation plans will be anchored.

Guiding Principles

Seven principles were established as the guiding principles in achieving Vision 2030. These are:

1. Citizen participation

All citizens must participate in the development and political process

2. Self-reliance

We must rely on our resources and resourcefulness for our development

3. Sustainability

Our development must be sustainable environmentally and economically

4. Competitiveness

We should adopt new technologies to raise our productivity and competitiveness

5. Fairness

Citizens should be equal before the law and should have equal access to opportunities

6. Good governance

The government should be democratic, transparent, accountable, and efficient

7. Preservation

We should preserve our cultural heritage and religious values

Somaliland Vision 2030 rests on the following five pillars:

1- Economic Development

2- Infra-structure Development

3- Governance and rule of law

4- Social Development

5- Environmental Protection

Each pillar represents a major area which supports the national Vision 2030. The vision pillars and their corresponding sectors are summarized in the following table:

Table 2.1 Vision by Sector

Vision 2030: A Stable and Democratic Somaliland Where Citizens Enjoy Sound Quality of Life by 2030			
Pillar	Vision	Sector	vision
Economic Development	A nation whose citizens enjoy sustained economic growth and a reduced poverty level	Agriculture, livestock and fisheries	A country with an efficient, advanced agricultural sector (including livestock and fisheries) that ensures food security and self sufficiency
		Trade and Financial Services	A state with a vibrant free market economy and efficient financial institutions that contribute to economic growth and higher living standards
		Tourism	A county with a thriving tourist industry that is culturally and environmentally friendly
		Manufacturing	A country with an advanced manufacturing sector that contributes to job creation and wealth generation
		Mining and drilling	A nation with a strong and growing mining sector which exploits the rich mineral seams of the country and contributes significantly to national income and employment
		Private Sector	A nation with a well developed private sector that creates employment, and provides sustained livelihoods
		Diaspora	A country where the Diaspora contributes to the long term economic development of the country.
		Civil Society	A state with strong and active Civil society organizations
Infra-structure	A Nation with an advanced infrastructure network that facilitates economic and social development	Transport	A nation interconnected and linked to neighbouring countries through a network of roads, railways, airports and seaports
		Communication & ICT	A nation with an advanced telecommunication and ICT system by 2030
		Energy	A state where all citizens have access to affordable energy from local and renewable sources
		Water	A nation which is water secure, where every citizen has access to clean affordable water throughout the year
		Solid waste	A nation with an advanced waste disposal system which is sustainable and environmentally friendly
Governance and Rule of Law	A cohesive society enjoying good governance, stability, peace and security	Democracy and Good Governance	A politically stable democratic Somaliland that adheres to principles of good governance
		Justice	A nation where justice and the rule of law prevail
		Security and Defence	A country where people live in a safe, secure, and stable environment
		International Cooperation	A state guided by sound foreign policy based on mutual respect and cooperation
		Public Sector Administration	A nation with an effective, efficient, transparent and accountable public sector that guarantees Inclusiveness and equity

Social Development	A caring society upholding shared values and aspirations for equitable social development	Education	A nation whose citizens enjoy equitable quality education
		Health	A nation whose citizens enjoy quality health care and social well being
		Housing/Shelter	A nation whose citizens have access to adequate and affordable housing
		Religion and Culture	A nation whose citizens uphold their Islamic and cultural values and are tolerant with others
		Social Protection	A nation with an effective social protection system that cares for vulnerable and marginalized groups
		Water and Sanitation	A society whose citizens enjoy access to safe and sufficient water
		Youth and Sports	A nation whose youth are secure, confident, development-oriented and empowered to their potentials.
Environmental Protection	A State with a healthy and well managed environment that provides the necessary goods and services	Land Resources	A state ensuring a balanced stewardship of its public lands and resources
		Coastal and Marine Resources	A State able to sustainably utilize costal and marine resources to provide maximum benefits to its people
		Forests and Woodlands	A State with productive and ecologically robust forests and woodlands that provide the necessary goods and services;
		Biodiversity and wildlife	A State with fully mapped (inventoried) and well managed biodiversity and wildlife resources

Realizing the vision is no means an easy task. It is very challenging and requires the sustained and combined effort of the government, the private sector and the citizenry. It will also require the sustained support of Somaliland's development partners.

3. CROSS-CUTTING THEMES

Overview

Given the importance and the role of government institutions in national development, the priorities for the medium-term will include the establishment and strengthening of the organs of state and public administration. A firm foundation will be laid for good governance, ensuring popular and community participation, as well as appropriate legal and regulatory framework. Focus will be also on building human resources capacity for policy formulation and execution, strengthening oversight institutions, and safeguarding human rights and freedom of expression.

The development of effective administrative and governance structures that respond to and meet the needs of the people is one of the most critical national priorities. Decentralization and public participation are crucial to mobilizing the regions and civil societies.

The importance of a legislative reform agenda cannot be overstated as vital to the nation's ability to establish a society based on the rule of law, foster domestic and foreign investment, and protect the rights and interests of the citizenry and private enterprises. Appropriate policies for each sector will be drawn up in the next five years to restore and nurture public confidence in government and its ability to manage public finances. The government will ensure that the requisite legislation is passed and that necessary public sector reforms are effected expeditiously.

The following cross cutting themes will apply in the implementation of all the programmes and projects in each of the five pillars of the plan. In the longer-term, rapid development can be achieved only on the basis of these cross cutting issues, which include:

- Appropriate policies and the right legal framework;
- Capacity building and institutional strengthening;
- Research, technology and innovation.

Appropriate Policies and the Right Legal Framework

At the present time there are gaps and weaknesses in policies and legal framework in all sectors. But sound policies, clear rules and regulations are fundamental for the speedy and efficient implementation of sector programmes.

The attainment of vision 2030 goals and the *NDP targets* depend to a large extent on public sector institutions playing their central role in the delivery of social services, the provision of necessary infra-structure and the creation of an enabling environment for the private sector to realize its full potential. Thus, public sector performance is an important factor in the realization of vision aspirations and programme objectives. The cardinal challenge facing the government

is the successful introduction and implementation of critical national policies at the macro and micro-sector levels.

Cognizant of the need to provide efficient and effective public services capable of meeting the high aspirations of the people, the government has already initiated reform programs in key areas such as the civil service, public finance and the legal system.

Capacity Building and Institutional Strengthening

The limited capacity of public institutions is a major obstacle that stands in the way of implementing the national development plan and the realization of Vision 2030. The national capacity in terms of the effectiveness of institutions, and the quality of human resources available is low and must be addressed strategically. The strategy must aim at building the capacity of central government institutions, local governments, private sector enterprises and community organisations. There have been many capacity building projects supported by international organizations over the years. Unfortunately, these have been fragmented, ineffective and often non-aligned with national development priorities.

Research, Technology and Innovation

Research, technology and innovation are vital for development and play a critical role in addressing the country's pressing economic, social and environmental challenges. Lack of capacity to develop, access and utilize science and technology is a major obstacle to benefiting from the enormous advances made in these fields which lifted many countries out of poverty in just the last four decades. To follow suit, we need to:

- promote science and technology
- build national research and development capabilities
- increase public and private sector participation in research, development and innovative activities;
- build a competitive, skilled, entrepreneurial workforce

Many of the appropriate technologies required to reduce poverty, add value to our natural resources, and upgrade the proficiency of local industries have already been developed. They have been adopted by all the rapidly industrializing countries. To adopt the same strategy, we need to build our capacity to discern, test, adapt and absorb new technologies. This will require investing in education and training, research and development, supporting industrial innovation, promoting lifelong learning, and fostering policies that provide incentives to the private sector to invest in science, research and innovation.

The education system must instil a science and technology culture right from the start. Basic sciences and mathematics must be accorded significant importance in keeping with the

demands of the modern technological age. Awareness about the applications of Science and technology in all facets of life and their role in development should be raised through continuous public education process.

4. DEVELOPMENT STRATEGY

Overview

Somaliland is a low income country with clear disparities between regions, urban and rural communities, the poorest and the relatively rich classes. Such disparities can only be addressed through an integrated and inclusive approach to economic development which seeks to strike a balance between economic growth, social equity and environmental sustainability. Thus, strategies to stimulate economic development must be pursued in a manner that ensures poverty reduction, balanced growth, and environmental sustainability.

Poverty can be reduced rapidly by skilling people and creating an enabling environment for entrepreneurs and investors to generate wealth, while ensuring that all geographic, ethnic and economic groups are able to participate and benefit from the development process. This can be best achieved by investing in infrastructure, human resource development, rural development, agriculture, industry, tourism and mining. The public sector will provide a conducive environment for investment, while the private sector will be the main engine of growth.

The two over riding strategic goals are to:

- Promote rapid sustainable economic growth, and
- Reduce poverty in all sections of society and regions to achieve MDG goals,

The following table summarizes the two sets, in terms of sectors and interventions, which will drive economic growth and poverty reduction.

Table 3.1 Growth and Poverty Reduction Poles- NDP 2012-2016

Economic Growth Poles:- Sectors that will drive the growth process	Poverty Reduction Poles: -Public sector action areas that will reduce poverty
<ul style="list-style-type: none"> ✓ Macroeconomic policies/fiscal framework ✓ Infrastructure ✓ Agriculture, Livestock and Fisheries ✓ Industry and Tourism ✓ Financial Services ✓ Trade and services ✓ Mining and minerals ✓ Private sector 	<ul style="list-style-type: none"> ✓ Rural development ✓ Local government/decentralization ✓ Social services <ul style="list-style-type: none"> ▪ Health ▪ Education ▪ Water and sanitation ▪ Social protection ▪ Housing and shelter ✓ Employment ✓ Food security, and ✓ Disaster Risk Management.

Economic growth

Economic growth is the foundation on which Somaliland's prosperity and steady improvement in livelihoods will be built upon. This will require the adoption and maintenance of prudent economic policies coupled with transparent and efficient management of the economy and public finances.

Fiscal and Monetary Framework

Fiscal and financial management policy issues are equally important for the successful implementation of the National Development Plan. The government will pursue medium term fiscal and monetary policies that ensure stability and induce strong private sector growth. To this end, the focus will be on:

- Achieving macroeconomic stability through sound fiscal and monetary policies built on public finance discipline and timely monetary policy decision-making.
- Reforming tax collection and administration
- Balancing government finances,
- Broadening and deepening the tax base to increase revenue. The government should account for at least 10% of the GDP to meet its social service obligations and finance the National Development Plan.
- Rendering public expenditure more transparent and reflective of government priorities;
- Achieving a growth rate that is sufficient to support the objectives outlined in NDP, identify the sectors that will drive the growth process; and the implementation of appropriate public policy measures that are necessary to ensure this drive;

Agriculture, livestock and fisheries

The agricultural sector, including livestock, is top priority since the majority of the population derive their livelihoods from it. The key position of agriculture in the economy means that there remains a strong imperative to develop the sector to ensure food security, employment, income generation, and increased export of agricultural produce. Agriculture has the potential to spur growth, reduce poverty, and enhance food security. The development of agriculture is vital for meeting the Millennium Development Goals.

Industry and Tourism

Currently, Somaliland's manufacturing sector is very small, dominated by bottling plants. There are many small metal and furniture workshops mainly in the informal sector. The primary objective of a national industrial policy will be to establish the conditions required by the private sector to invest in industry in order to add value to our exports and produce import substitutes using local inputs and labour.

The tourist industry in Somaliland is at its infancy though the country is endowed with many tourist attractions that are yet to be exploited. Developing a master plan will be the first step in developing the sector and realizing its potential to create significant employment opportunities.

Such a master plan will include the:

- Development of human resource base for the tourist industry;
- Promotion of investment in the sector by both foreign and local investors

Trade

Somaliland considers regional economic integration as an important factor in achieving Vision 2030. To this end, it will be necessary to pursue policies that will facilitate cross border trade and attract foreign direct investment in the infrastructure required to serve and link regional markets. The key to a strong balanced regional trade will be the establishment of strong industrial base that produces quality exportable products, the development of port facilities and free zone areas, and the construction of good road and rail network.

Infrastructure

Good infrastructure contributes to socio-economic and technological progress and thus is an issue of overarching importance to development. Having a modern physical and social services infrastructure is critical to increased agricultural productivity, poverty reduction, business investment, human development, and private sector growth.

Facilities at Berbera, the main port of the country, and the telecommunications industry are considered good by regional standards, further expansion and technological improvements are required to accommodate increased flow of goods and services. Financing of the infrastructure projects scheduled for implementation under the NDP 2012-2016 is expected to come, in part, from the private sector in the form of public private partnership (PPP). To encourage joint investment, the government will develop a national policy on Public Private Partnerships (PPPs) and modalities for its implementation.

Mining and mineral resources

Somaliland is rich in mineral resources. It has one of the largest gypsum deposits in the world. There are also deposits of coal, quartz, iron, gold, gems, heavy minerals and oil. There is huge potential for the development of the mining sector which if realized could catapult Somaliland into middle income country in a relatively short period. The key to the development of the sector is the formulation of appropriate policies and mining codes that meet international standards and are attractive to foreign mining companies. The current mining code is essentially the 1984 mining code of former Somali Republic. The government will be reviewing and upgrading existing policies and codes with the assistance of specialized legal firms.

Private sector

Micro-enterprises constitute the smallest and the most prolific business establishments in Somaliland providing employment for many people with limited means. Small and medium enterprises (SMEs) are fewer in number but account for a larger proportion of the sector's turnover. There are only few large firms that employ more than 50 people. Micro-enterprises and small and medium enterprises hold great potential for growth and employment generation. The government recognises that and will provide an enabling environment for them to prosper. Training and advice will be provided, and start up financial support will be made available.

Access to finance is one of the main problems businesses at all levels face today in Somaliland as there are no official commercial banks or lending institutions. The government intends to change this situation by introducing the necessary legislation for licensing commercial banks.

Poverty Reduction Strategy

Somaliland is one of the least developed countries, but aspires to become a middle income country by 2030. The problem of underdevelopment can be addressed only through an integrated and inclusive approach to economic development which provides a balance between economic growth, social equity and environmental sustainability.

In the medium term, Somaliland poverty reduction strategy will be focused on improving the productivity of key sectors such as agriculture and the provision of accessible social services. The principal objective is to achieve a sustainable rate of economic growth that will yield significant increase in income per capita by the end of the first NDP in 2016. The Government will develop appropriate macroeconomic and sectoral policies and ensure that they are targeted specifically at reducing poverty.

The resources available to government to deal with poverty are limited; hence it has to prioritize its actions. Hence, the following priority areas have been identified for action. The government will:

Rural development and agricultural transformation -

Embark on actions that most directly affect rural communities' ability to raise their incomes, involving agriculture, livestock and fisheries, environment, water, off-farm employment, rural infrastructure and public works.

Food Security –

Ensure the availability and the affordability of stable food commodities particularly for the poor by pursuing policies that encourage production and higher productivity of stable foods such as sorghum, maize and beans.

Reducing vulnerability-

Develop disaster management and recovery programs designed to mitigate the impact of environmental changes. Rural communities in particular are vulnerable to changes (recurrent droughts, diseases, pests, conflict etc) in their external environment. Their ability to cope with these changes and recover from disasters is usually limited.

Employment-

Develop employment programmes that target women's and youth enterprises in urban and rural areas, including skills training and non-formal education. Provide support services to young people, including counselling and vocational guidance in and out of school; financial assistance for business start-ups; capacity building training especially in management and business skills;

Human development-

Take actions which most directly influence the quality of life of the poor in terms of health, education, skill development, water and social protection programs. Ensure social protection for vulnerable groups such as children with special needs, disabled people, the elderly, refugees and displaced persons.

Infrastructure-

Develop roads, energy, communications, ports and airports to support economic development both in urban and rural areas and achieve regional economic integration.

Governance

Ensure security, democracy, good governance, accountability, transparency, justice, and carry out public sector administration reforms.

Institutional Capacity building-

Build the capacity of public, private and not for profit institutions to meet the needs of citizens – poor and rich – effectively and efficiently.

Macroeconomic policies –

Develop appropriate macroeconomic policies that are pro-growth and pro-poverty reduction.

Private Sector Development-

Promote the private sector's role in expanding and diversifying national output by improving the institutional, regulatory, and legal framework for businesses.

The DIASPORA-

Facilitate Diaspora contribution to the country's social, economic, technological and political development by addressing the challenges they face in the process.

Local governance and decentralization-

Develop and implement a coherent approach to decentralizing the delivery of public services by bringing public institutions closer to the people and encouraging their participation in the decision making process.

Growth Strategy

Within these broad strategies, priorities will be identified and action plans and programs will be developed to meet critical needs. The sector strategies and the Medium Term Expenditure Framework (MTEF) for the budget will be the main instruments for prioritization and program implementation. The role of ministries as implementing agencies will diminish as decentralization takes effect and actual implementation is devolved to the regions and districts. Their main role will be the development of sector strategies, policies and regulations as well as monitoring and evaluation. The development of the sector strategies will be open and participatory, consistent with the framework of Vision 2030.

5. DEVELOPMENT PILLARS

5.1 ECONOMIC PILLAR

5.1.1 Macroeconomics

Situation Analysis

GDP and Sector Contributions

With the absence of macroeconomic data it is extremely difficult to pin down out the Gross Domestic Product (GDP) of Somaliland. However, there are various estimations, based on statistical projections, of the GDP of Somalia provided in different reports which can be used as a reference in determining the GDP of Somaliland. For instance, the World Bank's socio-economic survey of 2002 gives the figure US\$1.6 billion as the GDP of Somalia. In another report (2006), the bank estimated GDP at \$1.3 billion. Most of the international institutions use these reports as a source. But according to the latest CIA Fact Book figures Somalia GDP in PPP prices is given as \$5.896 billion, and the per capita income as \$600. The nominal GDP at the official exchange rate is estimated at \$2.372 billion which implies a GDP per capita of about \$240.

According to the World Bank report (2002), Somaliland's income per capita is relatively higher compared to that of Somalia due to peace and political stability achieved which enabled faster economic growth. Across Somaliland regions income per capita ranges from \$250 to \$350. Assuming an average nominal per capita income \$300, and \$600 at purchasing parity price (PPP), and a population of 3.5 million, Somaliland's GDP would be about \$1.05 billion in nominal prices and \$2.10 billion in PPP terms. Again due to dearth of reliable macroeconomic data, we can only go by estimates about the contribution of agriculture, industry and service to GDP, and according to the most common figures Agriculture (including livestock) accounts for 65%, services 25% and industry 10% of the GDP.

Labour Force and Employment

The populations in the age group 15 to 64 who are working or are available for work are considered to be the economically active population. According to World Bank figures, this group constitutes 56.4 percent of the total population. Based on Somaliland's estimated population of 3.5 million, this implies a national labour force of 1.6 million (table 5.1.1).

Total employment (comprising self employment, paid employment) among the economically active population is estimated as 38.5 percent for urban, 59.3 percent for rural. The weighted average national employment rate is estimated at 52.6 percent. Therefore, unemployment rates amount to 65.5 percent in urban areas, 40.7 percent in rural areas, and 47.4 percent for the whole country. These figures are only indicative, as they do not take into account the extent of under-employment, seasonal unemployment etc. More detailed surveys are needed to estimate the age and gender- specific labour force participation rates and the magnitude of unemployment and under-employment. In terms of sectoral distribution, agriculture (including fishing, forestry and livestock) accounts for 67 percent, industry (including construction and utilities) 12 percent and services 21 percent of total employment.

Table 5.1.1: Distribution of Population by Employment Status and Sector(%)

Population by labor force (%)			
Economic Status	Urban	Rural and Nomadic	Total
Economically Active	53.6	56.7	56.4
Not in the labor Force	46.4	43.3	43.6
Economically active population by employment status (%)			
Employment Status	Urban	Rural and nomadic	Total
Employed	38.5	59.3	52.6
Unemployed	61.5	40.7	47.4
Total labor Force	100	100	100
Employment by major sectors (%)			
Sector	Urban	Rural and nomadic	Total
Agriculture	25.1	80.1	66.9
Industry	25.5	7.8	12.0
Services	49.4	12.1	21.1
Total	100	100	100

WB development survey, 2002

Exports and Imports

Somaliland economy is a pastoral economy. Livestock contributes to over 65% of the GDP. Hence livestock constitutes the principal export from Somaliland. The main destination of Somaliland's livestock exports is Saudi Arabia. Yemen is the second most important market. Livestock exports were seriously affected 9-year long ban by Saudi Arabia on Livestock imports from Somaliland and Somalia. The ban was lifted in November 2009. This resulted in a surge in the number of livestock exports. The figure for 2010 was 2,747,120 (see Table 5.1.2). The second biggest export is hides and skins. Approximately 4.8 million pieces were exported in 2010. Frankincense and other natural gums and resins constitute the third largest export

commodity after Livestock, hides and skins. These are harvested from wild trees controlled by customary rights which have protected this resource from over exploitation. 307.01 tons of Frankincense and natural gums were exported in 2010 (see table below).

Table 5.1.2: Exports Through Berbera Port(2005-2010)

Year	livestock(No)	hides & skins(pieces)	Gums (Beeyo) (KG)
2005	1183225	3123723	272720
2006	1321107	2090620	423011
2007	1452442	2609375	614706
2008	1332077	4041121	883677
2009	1675410	3522565	-
2010	2747120	4784041	307005

Somaliland relies heavily on imports for food and manufactured goods. In 2009, total food imports were 440,968 tons (see Table 5.1.2), and non-food import items were 358,467 tons Table 5.1.2: Food imports (see Table 5.1.3). The main trading partners are Ethiopia, Yemen, Brazil, Thailand, China, Oman, Kenya, Saudi Arabia, Egypt, Malaysia, India, Pakistan, Turkey, UAE, Japan, Malta, Italy. A major import, which does not feature in the tables, is Qat, a mild narcotic, from Ethiopia. Official total imports in 2010 were approximately 16,173 tons, accounting for about 1/3 of total imports in value.

Table 5.1.3: Food Imports Through Berbera Port (2005-2009)

Year	Sugar	Rice	Wheat & W flour	cooking oil/beans	Past	Dates	Biscuits	Total
2005	129441	50555	48927	28031	14114	2305	2842	276215
2006	126037	87996	51319	22571	19544	3045	3666	314178
2007	174076	89762	50228	33388	19033	3866	3548	373901
2008	194523	61288	63105	38538	18903	3474	5575	385406
2009	155965	59645	169187	30148	18776	3015	4232	440968

Table 5.1.4: Imports of Non-Food Items Through Berbera (2005-2009)

Year	Clothes	Cars/Spares	Cigarettes	Soap	Bld/material	Fuel	Other	Total
2005	11731	6449	3107	9492	152636	48519	42586	274520
2006	16685	8310	3475	12478	138152	43732	59532	282364
2007	16222	9406	7329	10331	38152	20443	79367	181250
2008	16976	9964	7363	12721	140200	17723	88745	293692
2009	16290	14500	6447	10886	133396	58742	118206	358467

Remittances

The Somaliland economy is highly dependent on remittance. Remittances have been a significant contributor to family income and investment, with implications for poverty reduction. Especially in times of economic downturns and external shocks, remittances have been extremely important to the Somali economy because they tend to smooth consumption and thus create “buffer” against shocks. Studies on remittances in Hargeisa, and Burco cities indicate that remittances constitute nearly 40 percent of the income of urban households, and account for roughly 14 percent of average rural consumption (Gundel 2002). Somaliland, in terms of per capita remittance received (\$105), and contribution to gross domestic product (GDP) (20%), ranks fourth among remittance dependent economies after Togo (38.6%), Lesotho (28.7%) and Jordan (23%) (Dr. Saad Shire 2005).

Dahabshil is the largest of about a dozen Somali money transfer operators (MTO) active in Somaliland. Between them they handle up to \$500-600 million annually. This is the money that pays for the imports listed in the tables above.

Fiscal policy

The Ministry of Finance is responsible for budgeting and fiscal affairs of the government. In Somaliland, the preparation and submission of annual budgets were introduced in 1995.

Government Revenue

Domestic revenues have grown significantly over the years. In 2006, they were about SLSH68 billion, by 2008 they reached SLSH262 billion (See table 3). Customs duties accounting for nearly 50% of total revenue constitute the largest source of income for the Somaliland government. These are followed by sales taxes which contribute up to 16% of total revenues in 2011. Unlike most of the other countries, income and corporation taxes account for less than 10% of the government’s income. Somaliland has currently a complex tax system based on turnover and numerous presumptive (fixed) taxes on smaller traders. Over 93% of total tax revenues are collected by the central government. Municipalities account for the remaining 7%. Local taxes include taxes on real estate (rental tax and a levy on property supposed to cover the cost of sanitation services), license fees and various levies on contracts, property deeds, land sales etc.

Table 5.1.5: Actual Government Revenue (2005-2009)(

Year	Actual Revenue in SLSH(000,000) 5,500-6,000=1US\$)
2005	164,417.2
2006	175,288.6
2007	209,665.8
2008	233,103.9
2009	261,993.7

Table 5.1.6: Projected Sources of Tax Revenue for 2011 Budget

Description	%
Tax on international trade and transactions	46.38
Sales tax	16.08
income and corporation tax	9.36
Other taxes (leases and royalties)	8.07
Income from licenses and services	7.12
income from sales of goods and services	4.48
Other income	3.26
Tax on income from properties	3.03
Income from other government units	2.08
Fines, penalties and forfeits	0.13
Total	100

Sources: Ministry of finance Somaliland

Public Expenditure

The budget appropriations are predominantly for staff salaries and recurrent administrative costs based on submission of the ministries as following table for 2011 shows:

Table 5.1.7: Break Down of Government Expenses in 2011 Budget

Description	%
Staff expenses (salaries & bonuses)	56.71
Operational cost (admin expenses)	19.53
Equipment	17.21
Maintenance	3.68
Fixed assets (including new buildings)	1.99
General support	0.89
Total (about \$90 million)	100

Total budgetary expenditure, in nominal terms, jumped from SLSH146,557.6 million in the year 2005 to SLSH258,496.2 in 2009, an increase of 76.5% over five years (See table 5.1.7). Security dominates public expenditure accounting for 49.67% of the total in the 2011 budget (see table 6). Social services and production sector were allocated 12.36% and 3.17% of the budget respectively (See table 5.1.8). These figures are low compared to the allocations for security and governance. But the actual expenditure in these two categories is much higher than the budget entails, because most of the projects supported by international organisations and donors focus on education, health and water, which all come under the social services. They also support agriculture and the livestock sector, though to a lesser extent.

Table 5.1.8: Actual Government Expenditure (2005-2009)

Year	B. Actual Expenditure in SLSH (000,000)(5,500-6,000=1US\$)
2005	146,557.6
2006	162,682.2
2007	198,647.4
2008	247,711.2
2009	258,496.2

Sources: Ministry of finance Somaliland

Table 5.1.9: Budgeted Expenditure for 2011 by Sector

Description	%
Security	49.67
Governance	29.22
Social services	12.36
Production	3.17
Other	5.59

The government has shown remarkable discipline over the years in spending only what it has. As the following Table 5.1.9 shows, over the five year period from 2005 to 2009, the government spent more than it has collected in only one instance, i.e. in 2008. In all the other years the government spent less than the planned expenditure in the budget and less than the actual revenue.

Table 5.1.10: Actual Budget Surplus/ Deficit (2005-2009)

	Actual Revenue SLSH (000,000)	Actual Expenditure SLSH (000,000)	Budget Surplus/deficit SLSH (000,000)
2005	164,417.2	146,557.6	17,859.6
2006	175,288.6	162,682.2	12,606.5
2007	209,665.8	198,647.4	11,018.5
2008	233,103.9	247,711.2	(14,607.3)
2009	261,993.7	258,496.2	3,497.5

Monetary policy

The Bank of Somaliland or the central bank, established in 2004, is responsible for monetary policy. It acts as a central bank and a commercial bank at the same time. It has a board of seven members chaired by the Governor. The bank's stated objectives are to:

- Maintain price and exchange rate stability
- Promote credit and trade conditions which support balanced economic growth
- Support the economic and financial policies of the government where possible

Under normal circumstances the bank would have used the following instruments to conduct monetary policy:

- Reserve Requirement or the percentage of total deposits commercial banks are required to deposit with the central bank
- Open market operations where the central bank or the monetary authority sells and buys government securities
- Credit facilities to commercial banks

In Somaliland none of these standard instruments for effecting monetary policy are available to the central bank because there are no commercial banks to comply with reserve requirements or lend to, and there are neither government securities nor a bond market. However, the central bank does have two instruments to influencing money supply and ensuring stability in prices and exchange rates. These are:

- Printing money and
- Buying and selling US Dollars in the market.

It has used these two instruments effectively over the years as demonstrated by the following table. Both the Forex and price indices show remarkable stability, a testimony of a prudent monetary policy.

Table 5.1.11: Average Exchange Rate and Price Index (2007-2011)

year	Foreign exchange (Price of a Dollar in SLSH)	Forex Index	General consumer price (The cost of a basket in SLSH)	Price index
2007	6288	100	69878	100
2008	6168	98	72258	103
2009	6749	107	86093	123
2010	6422	102	84618	121
2011	5747	91	72449	116

Source: Ministry of planning

The Somaliland Financial system is highly dollarized due to substantial presence of US Dollars in the economy. Given this widespread dollarization of the economy, the overall money supply cannot be strictly controlled. But containing the supply of local currency will still be important for government in maintaining stable local currency prices. The introduction the ZAD service, the mobile money transfer/banking service, has introduced another factor in the supply equation to contend with by the central bank.

Challenges and Opportunities

There are a number of challenges that must be addressed to put the economy on higher sustainable path. These are:

- Weak central Bank
- Absence of financial institutions –commercial & investment banks, insurance Co. etc.
- Inability to use monetary instruments to achieve price stability and economic growth
- Failure to use remittance for investment in the productive sector.
- Inability to mobilize more domestic revenues
- Limited external assistance to finance development and recurrent budgets
- Lack of a development budget
- Poor tax collection system
- Narrow tax base
- Inadequate salaries to attract and retain qualified staff
- Lack of skilled workforce
- Dominance of informal hard-to-tax sector in the economy
- Capacity constraints hindering tax collection
- Lack of reliable data for policy making and planning purposes

Priorities and Strategies

The priorities for NDP period include:

- Reviewing existing governmental revenue policies and procedures
- Upgrading procedures and systems
- Transforming the existing fiscal policy unit into the full-fledged macroeconomics office of the MoF
- Reforming the customs/inland revenue act
- Reviewing and streamlining the current tax exemption and duty-free policy
- Strengthening monitoring and data collection capacity.
- Imposing VAT (value added tax) on all transactions exempting basic essential items.
- Establishing a development budget alongside the usual operational budget.
- Developing and implementing an open, transparent public information strategy on the national budget
- Developing the physical infrastructure of the Ministry
- Training staff and upgrading their skills
- Strengthening the central bank
- Promoting the formation of commercial banks and other financial institutions

Polices, Legal and institutional reform

The following policy, legal and institutional reviews and reforms will have be carried out during the NDP period:

- Enactment of the central bank law (in process)
- Introduction of commercial banking laws
- Development of insurance, pension, leasing and other financial laws
- Introduction of prudent fiscal and monetary policy.
- Development and implementation of a comprehensive tax reform
- Regulation of the money transfer industry and e-banking facilities

Projects and Programs

In an effort to accelerate economic growth, the Government will initiate following programs and projects:

- Constructing new offices, rehabilitating and refurbishing existing ones,
- Equipping offices appropriately and adequately
- Establishing a semi-autonomous revenue authority
- Reviewing existing governmental revenue policies and procedures

- Transforming the existing fiscal policy unit into the full-fledged macroeconomics office of the MoF
- Reviewing and streamlining tax exemption and duty-free policy and laws
- Acquiring and installing a new Management Information System (MIS)
- Creating a Data Bank & ICT centre for the Ministry of Finance
- Installing cash machines at business premises
- Establishing a training centre for Ministry of finance staff development
- introducing and enforcing VAT(value added tax) payment in all transactions with appropriate exceptions
- Restructuring the budget department
- Completing the establishment of the procurement office of the Ministry of Finance
- Conducting a country-wide tax payer survey and setting up a database
- Implementing a comprehensive tax-payer program
- Conducting a nation-wide tax payer survey
- Establishing banking and financial sector laws and policies
- Establishing banking institute for training and research
- Recruiting young graduates to raise the skill level of the bank staff
- Acquiring and applying a customized IT banking system

5.1.1(a) Financial Sector Budget and Implementation Matrix

No.	Programs	Objectives	Project Outputs/Outcomes	Source of Fund	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
	Goal	Macroeconomic stability and rising living standards									
	Strategic Objectives	A stable economy and a high standard of living									
		Accountable, transparent and performance oriented management of state finances									
		Transparent government operations and an effective organizational structure									
		State employment of staff of the highest quality, who operate in a conducive work environment									
		Delivery by the ministry of a reliable service with emphasis on professional work									
		Establishment of an enabling environment through policy, legal and regular reforms for the management of the Ministry of Finance									
		Collection of revenues in a fair manner									
		Adequate, predictable government revenues and expenditure									
		Effective control and stewardship exercised in the use of public funds so the government funds are protected from corruption									
1	Institutional Capacity Building	To build the capacity of Ministry of Finance (MoF) for better service delivery	<ul style="list-style-type: none"> • New offices constructed, old ones rehabilitated, and required furniture and equipments provided • The existing fiscal policy unit of MoF transformed into Macroeconomic Department and integrated into the institutional structure of MoF • The budget department of MoF strengthened to effectively formulate, execute and monitor a comprehensive policy based budget for SL • Recurrent and Development budgets integrated with the view of introducing program based budgeting approach • The budget department restructured to reflect the pillar structure of the NDSP • The capacity of linking policy, planning and budgeting strengthened • Capacity for medium term frameworks developed • Fiscal reports generated • Prioritization criteria revised 	Donors, World Bank, UNDP, SLG	MoF	1.5	1.0	0.5	0.3	0.2	3.5
			<ul style="list-style-type: none"> • A Vehicle (30), office equipment such as computers (100), fax machines (14), photocopiers (14); furniture (tablets, chairs and cupboards (70) and generators 	"	"	0.1	0.1	-	-	-	0.2
				"	"	0.5	0.5	0.3	0.2	0.1	1.6
				"	"	0.5	0.5	0.5	0.5	0.2	2.2

			(14) purchased for MoF <ul style="list-style-type: none"> Basic customs inspection tools purchased for Kalabaydh, and Berbera, Hargeisa and Burao international Airports 									
			<ul style="list-style-type: none"> databases systems established for consolidating and building statistical capacity of government finance The capacity of planning and statistics departments of MoF built 	"	"	0.1	0.2	0.3	0.2	0.1		0.9
			<ul style="list-style-type: none"> Trainings provided to appropriate staff of MoF on: <ul style="list-style-type: none"> Financial management, recording and reporting Accounting, recording and reporting systems Integrated Financial Management Information System and timely generation of financial reports 	"	"	0.5	0.3	0.2	0.2	0.1		1.3
2	Establishing and functionalizing Somaliland Revenue Authority (SRA)	Establishment of semi-autonomous revenue authority with the capacity to collect all state revenue and advice Government on revenue mobilization	<ul style="list-style-type: none"> Tax revenues maximized (within a twin-goal of cultivating maximum taxpayer compliance) Ministry's service delivery improved The fiscal options that the government of SL may use to boost revenue yield increased An efficient organizational structure put in place Taxpayer compliance cultivated through tax education program embedded in civic education curriculum of schools 			0.8	0.5	1.0	0.9	0.4		3.6
3	Cash Machines installation in businesses	To improve tax collection initiatives	<ul style="list-style-type: none"> Recording and reporting systems of sales taxes improved for remit to the government Distribution of cash machines to business to capture and record sales tax 	"	"	1.0	1.0	-	-	-		2.0
Finance Sector Development Budget						5.0	4.1	2.8	2.3	1.1		15.3

5.1.1(b) Central Bank of Somaliland Budget and Implementation Matrix

Goal		To achieve and maintain financial stability									
Strategic Objectives		To achieve economic growth									
		To maintain low inflation									
		To lower unemployment									
		To avoid negative balance of payments									
		To avoid heavy fluctuations in exchange rates									
No.	Programmes	Objectives	Project outputs/outcomes	Source of Fund	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Establishing Banking Research and Development Institute	To establish a banking research and development institute to improve banking services	• Banking Institute established	Donors and Somaliland Government	Central bank	-	0.50	-	-	-	0.5
2	Capacity building for Central Bank of Somaliland (CBS)	To enhance the service delivery capacity of the Central Bank	• New and refresher trainings provided to CBS staff on ICT, banking and other relevant courses on yearly basis	"	"	0.015	0.015	0.015	0.015	0.015	0.075
			• Under-performing personnel treated with golden handshake	"	"	0.025	0.025	0.025	0.025	0.025	0.125
			• Recruitment of young graduates facilitated for CBS	"	"	0.01	-	0.01	-	0.01	0.03
		To expand Head Office Building to accommodate increasing operations	• 3 storey office building for trading and deposit insurance scheme constructed for CBS, and provided with furniture and equipments	"	"	0.30	0.30	0.30	0.30	0.30	1.5
			• Other important banking facilities procured for CBS	"	"	0.1	0.1	0.1	0.1	0.1	0.5
			• Material and equipment capacity of the deposit insurance department of CBS established and improved	"	"	0.10	0.10	0.10	0.10	0.10	0.5
			• Banking ICT and data base system (including website) developed, smooth inter-connectivity between Head and branches offices established	"	"	-	0.25	-	-	-	0.25
To expand Wajaale Branch of CBS	• Wajaale Branch of CBS expanded banking services extended to business centres	"	"	-	0.10	-	-	-	0.1		
Total Central Bank of Somaliland Development Budget						0.55	1.39	0.55	0.54	0.55	3.58

5.1.2 Planning

Situation Analysis

Planning is critical for optimizing economic growth and setting it in the right direction. There have been two attempts before to produce development plans for the country. The first one was a two-year **Development Plan (1998-99)** prepared in 1997. That plan was abandoned following the embargo in 1998 on the imports of Somaliland Livestock by the Gulf States and its devastating effect on the economy. The second attempt was in 2002 when a three-year **Strategy for Economic Recovery and Poverty Reduction Plan (2003-2005)** was launched. This three-year strategic plan had four pillars and 12 core programmes, as follows:

Pillars

1. Improved fiscal and policy planning plus the removal of constraints to the growth of the productive sectors.
2. Strengthening of human resources development, through improved social services.
3. The rehabilitation and expansion of basic infrastructure.
4. The strengthening of the institutions of governance.

Core Action Programmes

1. Appropriate macroeconomic management, including: sound macroeconomic policy; appropriate monetary policy and actions; and the right budgetary and fiscal policy;
2. Strengthening institutions of governance with people's participation;
3. Supporting and facilitating financial sector development;
4. Improving crop production;
5. Empowering pastoral communities and improving natural resources management and sustainability;
6. Establishment of a disaster preparedness policy and mechanism to cope with natural disasters such as drought;
7. Developing fisheries resources with the necessary infrastructure to facilitate private sector investment in the expansion of the sector;
8. Improving basic infrastructure to facilitate the development of commerce and industry by the private sector;
9. Enhancing human resources development policy and initiatives through investment in health sectors
10. Improving international cooperation and enhance government participation in the design and management of programmes/projects;
11. Putting in place a framework for the implementation mechanism for the strategy; and
12. Establishing a participatory mechanism for monitoring and evaluation of the implementation of the strategy.

But the plan met the same fate as the previous one and was never implemented.

Then In February 2005, it was agreed to plan for longer term Reconstruction and Development. As a result, the United Nations Development Group (UNDG) and the World Bank (WB), in partnership with Somali counterparts carried out in 2005-6, a comprehensive survey called Somali Joint Needs Assessment (JNA). This formed the basis for the preparation of a five-year program (2008-2012) called Reconstruction and Development Programme (RDP). Somaliland had a section (volume IV) in the program document.

The RDP was essentially a fundraising framework initially intended to be presented to an international donor conference, which did not materialize. The plan laid out priorities, actions and outcomes in a sequential manner over the five-year period highlighting three key priority pillars:

- i. Deepening peace, improving security and establishing good governance
- ii. Investing in people through improved social services
- iii. Creating an enabling environment for the private sector led growth to expand employment and reduce poverty

The Somaliland component (Volume IV) programs were calculated to cost a total of US\$551.6 divided among the three pillars as follows:

Table:5.1.12: Somaliland RDP Allocation by Pillar (2008-2012)

Pillars	Amount US\$ millions
Deepening peace	160.3
Investing in people	280.2
Creating an enabling environment	111.1
Total	551.6

The shortcomings of the RDP were threefold:

- It lacked ownership. It was a UN lead plan, even though there had been a consultation process
- It was primarily a short term humanitarian and recovery program more tailored to suit the situation in Somalia than the advanced developmental stage of Somaliland
- It was not implemented as planned

Taking into consideration the previous failures and in an attempt to overcome these shortcomings, the Ministry of National planning and development embarked on two initiatives:

- i. Formulation of a 20-year national vision (Vision 2030) and the
- ii. Development of a 5-year national development plan (2012-2016)

Somaliland vision 2030

The Ministry of National Planning and Development (MoNPD) has the vital strategic role of leading, facilitating and coordinating national vision and development. As part of its effort to fulfil its mandate, the Ministry started working on the development of a national Vision (2030) and National Development Plan (NDP) 2012-2016. The preparation of the Vision was a participatory process that involved many stakeholders through consultative workshops, sector task forces and meetings.

A launching workshop which brought together representatives from a wide spectrum of the society inaugurated the process. This was followed by a series of similar workshops and smaller meetings. The participants, after an intensive discussion and debate reached consensus on:

1. Where Somaliland stood.
2. Where it aspired to be by 2030 (the vision), and
3. How it can achieve that “vision”

They also agreed on a national vision statement:

‘A Stable and Democratic country Where People Enjoy High Quality of Life by 2030’

The Ministry of National Planning, taking into consideration the aspirations expressed by the stakeholders, developed and a five-pillar vision document.

National Development Plan (NDP) 2012-2016

Building on the national vision 2030 articulated, the Ministry of National Planning and Development (MoNPD), started developing a five-year National Development Plan (2012-2016). The plan addresses the structural and institutional challenges Somaliland faces in order to achieve the national aspiration stated by the vision. Its aim is to create an enabling environment that is conducive to employment generation, human resource development, technological advancement, effective and efficient governance, economic competitiveness and a higher standard of living. This requires increased and sustained Government investment in infrastructure, production, social services, institutional capacity building, as well as legal and policy reforms.

During the five-year plan period, public investment priorities will include: construction and rehabilitation of the road network, expansion of airports and ports, development of the energy and water sectors, development of agriculture and industry, Human resource development, environmental protection and the promotion of science, technology and innovation. The development approach of the NDP intertwines economic growth, social development and environmental sustainability. The achievement of these goals will be pursued in cooperation with the international community and the private sector which will remain the engine of growth and development. The government will also seek to reach out to and engage the

Somaliland Diaspora who are already an important source of assistance, investment and know-how.

The Government will pursue outward-oriented policies that encourage foreign investment and exports with high added value. It will also pursue sound macroeconomic policies and management practices. A “Business Approach” will be adopted to further develop and improve public service delivery and efficiency.

Challenges and Opportunities

Challenges

There are many challenges we face in planning. The most important include:

- Lack of the human and the institutional capacity required for the implementation and monitoring of the National Development Plan.
- Weak capability of the ministries’ planning units, which are mostly dysfunctional.
- Lack of reliable and sufficient statistical data
- Lack of adequate capacity to coordinate the multitude of programs and activities carried out by UN agencies, International and local NGOs
- Shortage of funds to meet the financial requirements of the plan

Opportunities:

- Community Participation - There is a growing realization among the community of the need to take ownership of their problems and solutions in order to develop. There are already many successful development projects including schools, health facilities and roads initiated by local communities and supported by the Diaspora.
- Support from international community – The international community has expressed commitment to supporting the national development plan, and aligning their programs with its priorities.
- Alignment – Resource allocation within the budget will be aligned with plan priorities

Priorities and Strategies

During the implementation of the NDP 2012-16, the MoNPD will concentrate on:

- Staff and institutional capacity building
- Formulation of policies on socio-economic development
- Generation of reliable national socio-economic statistics
- Implementation of development strategies;
- Monitoring & Evaluation of NDP;

- Coordination and monitoring of aid funded programs and projects;
- Devolving planning and development to regional and district levels

Policy, Legal, and Institutional Reform

The most important legal issues that will be addressed are:

- The implementation of the NGO Act and
- The enactment of the National Statistics Law

NGO Act

This Act regulates the activities of non-governmental, independent and not-for-profit organizations including Local/National NGOs, Foreign NGOs, and International NGOs. It also regulates NGO umbrellas and Consortium organizations. It does not regulate the activities of UN organizations, professional associations, private Companies and industrial and employee associations. Nevertheless, UN agencies are expected to abide by the principles of the act.

It was enacted for the purpose of;

- Encouraging NGOs to fully and appropriately participate in the development of the country;
- Ensuring that NGOs are legally constituted;
- Regulating the activities of NGOs so that they are aligned with the country's national priorities and development plan;
- Building the capacity of community based organizations; and
- Ensuring accountability and transparency

The Ministry of National Planning and Development is the sole representative of the government of Somaliland mandated to register, administer and coordinate all national, foreign and international non-governmental organizations operating in Somaliland. Every Local NGO shall at the end of each fiscal year prepare a detailed account of its operation/activities for the previous year. Local NGOs which receive funds/financial assistance directly from donors should report details of such funds and what the funds have been used for in their annual reports.

International NGOs are required to submit semi-annual and annual reports to the Ministry of National Planning. These reports should cover activities accomplished, programs planned but not executed and the activities planned for the rest of the year. The report should also include budgetary details.

2. The Statistics Law

There is no national statistics law at the present time which requires the MONP&D to produce any kind of statistical figures or obliges citizens and institutions to provide information. Even ministries are not bound by any law to cooperate with the MONP&D and supply information for the purposes of planning. A law has been drafted to change that. It is with the cabinet for consideration and will go to parliament soon for approval. The law requires the MONP&D to produce designated statistics on: migration, births and deaths, justice, health, education, labour, agriculture, livestock, land use, mining, manufacturing, utilities, transport, trade, capital formation, inflation and output. It makes it criminal to withhold information or provide misleading information when required by the MONP&D for compilation of national statistics, and demands strict confidentiality.

Projects and Programs

During the implementation of NDP 2012-2016, the ministry will undertake the following programs and projects:

- Recruitment and training of staff
- Construction of regional offices and an extension wing at the Headquarters
- Implementation, monitoring and evaluation of the NDP
- Promotion and fundraising for the NDP
- Development of district, regional and plans
- Implementation and enforcement of the NGO and Statistics laws
- Building the capacity of local NGOs and associations
- Establishment of a national documentation and mapping center
- Carrying out economic and social research
- Development of national economic and social policies
- Undertaking population and household surveys and census

5.1.2 National Planning and Development Budget and Implementation Matrix

Goal		To take a leading role in the Somaliland National Planning & Development									
Strategic Objectives		1. To formulate a participatory and MDG-Based National Development Plan.									
		2. To develop and provide local government Planning guidelines.									
		3. Lead the formulation of regional, district and sector development plans.									
		4. To coordinate the development of a statistical, population, and planning database.									
		5. To mobilize and allocate the National Development Budgetary resources.									
		6. To register, coordinate and monitor the work of local and international non-government organizations in Somaliland.									
No	Programmes	Objectives	Project outputs/outcomes	Source of Fund	Implementer	Required Budget(USD, Millions)					
						2012	2013	2014	2015	2016	Total
1	Capacity Development in National Development Planning	Enhance the skills and knowledge of staff	<ul style="list-style-type: none"> • 10-12 seminars undertaken • 5 Tour Visits undertaken 	GoSL, Development Partners	MoNP	0.35	0.28	0.20	0.21	0.22	1.26
2	National Development Plan formulation, Monitoring & Evaluation	To establish National Development Planning goals, priorities & Programs Resources Mobilisation Establishment of the National Planning Commission Monitor and Evaluate the implementation of the National Development Plan	<ul style="list-style-type: none"> • 5-year NDP (2012-2016) produced and implemented • Annual NDP Evaluation Reports produced 			0.24	0.24	0.3	0.12	0.30	1.2
3	National Development Planning Policy formulation	Prepare and formulate national development policies	Parliamentary Act for establishment of the National Planning Commission, Statistics Bureau, & Population Commission drafted			0.24	0.24	0.32	0.32	0.32	1.44
	Decentralised Development	<ul style="list-style-type: none"> • Monitor & coordinate the 	DDPs coordinated and monitored			0.02	0.03	0.03	0.03	0.02	0.13

	Plan (DDP) Coordination	implementation of DDPs	Regional Planning Coordinators recruited, working infrastructure provided, and capacity built								
4	Develop a National Statistics, Planning & Development Information system	<ul style="list-style-type: none"> Establish an advanced information system Carrying out censuses & surveys Enhance capacity to collect, process and analyze planning & development data 	<ul style="list-style-type: none"> An electronic national data archive established National census and surveys National statistics and accounts timely produced Booklets, Pamphlets, Brochures and “Somaliland in figures” produced and shared among key stakeholders 		MoNP	1.12	1.56	1.21	1.38	0.57	5.84
5	Infrastructure Development	Upgrading MoNPD Headquarter and rehabilitation/renovation of the Regional Offices	3 rd floor of the MoNPD Headquarters extended	UNICEF		0.10					0.10
			<ul style="list-style-type: none"> Parking and landscape+ Wing extended Sanaag office rehabilitated 4 New office buildings (Berbera, Burao, Borama and Lasanod) constructed Office furniture and equipment procured 	TIS		0.47				0.47	
			o 3 Vehicles for the Ministry staff Purchased	UNDP		0.04	0.002				0.042
GRAND TOTAL						2.58	2.35	2.06	2.06	1.43	10.48

5.1.3 Agriculture Sector

Situation Analysis

The agricultural system in Somaliland is predominantly subsistence in nature. The principal crops are sorghum and maize grown mostly for own consumption. Fruit and horticultural farming, which is relatively small, is mainly commercial. Here farmers grow most of the time tomatoes, lettuce, onions, peppers, cabbages, oranges, lemons, and papaya. Rain-fed farming accounts for 90% of the total area cultivated, while the area under irrigation constitutes only 10%. The sector is dominated by smallholder farmers who tend small farms ranging from 2 to 30 hectares in area. The size of the average farm is just about 4 hectares.

Somaliland's agriculture was practically destroyed during the civil war of 1988-91; agricultural equipment and farmers' property were looted, and infrastructure was devastated. The majority of the farmers fled as refugees to neighbouring countries and returned home only when the conflict ended. Although some recovery has been made in the past 20 years, a lot more remains to be done. During the war, the institutional capacity of the Ministry of Agriculture (MoA) was eroded severely because of the brain drain resulting from the migration of professionals to other countries, looting of assets, and the destruction of ministry's facilities. The reduced capacity of the agricultural sector to produce food for the nation is clearly demonstrated by the following table which shows that the total area grown with Sorghum and maize, the two main crops, in 2009 was less than 23,000 hectares, and average yields were only 0.5 tons per hectare.

Table 5.1.13: Crop Production – Maize, Sorghum (2007-2009)

Crops		2007	2008	2009
Maize	Area (HA)	6384	2680	1075
	Production(tons)	4022	1252	330
	Yield(Tonnes/Ha)	0.6	0.5	0.3
Sorghum	Area (HA)	31179	24750	21870
	Production (tons)	22722	16275	10526
	Yield(Tonnes/Ha)	0.7	0.7	0.5
Total	Area (HA)	37563	27430	22945
	Production (tons)	26744	17527	10856
	Yield(Tonnes/Ha)	0.7	0.6	0.5

Ministry of Agriculture

Agro-ecological Potential

The main agricultural zones are semi-arid areas with a mean annual of 300mm. The main rainy season extends from April to September. For cropping purposes, there are two seasons: Gu

(April and June) and Karan (late July through September) in the western regions; and Gu (April and June) and Dayr (September and October) in the eastern regions. The western regions of Somaliland receive the highest amount of rainfall, which can reach over 500mm annually and is adequate for supporting the production of some dry-land crops. In Togdheer and Sanaag regions, in the east, agricultural production is carried out mainly under flood irrigation.

Table 5.1.14: Land Suitability Classification for Rain-fed Agriculture (western SL)

Suitability for rain fed agriculture	Area (hectares)	%
Good (400-450mm)	99,000	2.95
Medium (300-400mm)	292,000	8.69
Poor (200-300)	44,000	1.31
Unsuitable (below 200mm)	2,925,000	87.05
Total surveyed Area	3,350,000	100

Source: Master Plan for Reconstruction and Development of SL Agriculture Sector, MoA, 2007

Somaliland's utilization of cultivable land is limited by the low availability of irrigation water. The irrigation potential of western Somaliland is estimated to be 4,000 hectares. Data for the central and eastern parts of the country is not available.

Table 5.1.15: Irrigation potential of western Somaliland

Drainage Basin	Irrigated Area (1980 hectares)	Additional potential (1980 hectares)	Total potential
Sahel	13	None	13
Durdur	284	2000	2,284
Biji	316	610	926
Waheen	176	600	776
Total	789	3,210	3,999

Source: Master Plan for Reconstruction and Development of SL Agriculture Sector, MoA, 2007

Type of Agricultural Systems

a) Agro-pastoral Rain-fed Agriculture

This refers to semi-sedentary agricultural production where maize, sorghum, and other crops are grown in addition to livestock rearing, which involves cattle, sheep, goats and camels. The agro-pastoral system is practiced in the relatively heavy rainfall areas (those receiving around 500 mm annually). Most of the farmers in this category are small holders who earn their livelihoods by selling livestock and raising crops. Currently, commercial production of sorghum and maize grain is limited, and the available amounts of these cereals are used for domestic consumption, while residues are used as livestock feed.

b) Pump-fed Irrigated Agriculture

This system involves the production of fruits and vegetables by small-holders as cash crops. The farms, which range in size from 0.5 to 3 hectares, are irrigated mostly from shallow wells rigged with motorized pumps. There are about 3500-4000 pump-fed, small-holder irrigated farms located along main dry riverbeds. The vegetables grown in these farms include tomatoes, onions, lettuce, pepper, cabbage, beetroot, and carrots; while the major fruits include citrus, mangoes, papaya, guava, pomegranates, and sugar apples. The vegetables and fruits are sold in the main urban centers, often satisfying domestic needs.

c) Spate-irrigated Agriculture

This type of agriculture is fed primarily by rain supplemented with irrigation from the seasonal flood waters of intermittent rivers. Spate irrigators in central Somaliland (e.g. Beer and Oodweyne districts) mainly grow cereals and fodder, while those in Alaybaday, which is located to the south-west of Hargeisa, produce mainly vegetables and fruits.

Contribution of the Agricultural Sector to the National Economy

Agriculture is currently the second most important economic activity in the country, coming after livestock, with up to 20-25% of the population depending on it for their livelihoods. Agriculture is currently an underdeveloped sector; as such, it has a considerable potential, especially for both cereal and horticultural production, and for the creation of employment opportunities, mainly in the rural areas. As stated above, the majority of Somalilanders (about 85%) are agro-pastoralists who practice rain-fed farming. Agro-pastoralists typically raise small herds of livestock out of which they sell milk, ghee and live animals. This way, they are able to generate most of the cash they need for purchasing other essential goods such as sugar, vegetables, cooking oil, clothes, and medicines. Some cash is also earned from the sale of surplus grains, especially in good harvest years. Qat, a popular, mild narcotic plant whose leaves are chewed for stimulation, is also grown by many farmers in the north west of the country as a source of cash. In addition to these crops, watermelon has lately emerged as an important source of income for Somaliland's small-holder farmers.

Although the contribution of the locally produced grains to the national food grain needs is fairly limited (in fact the country faces a chronic food deficit), the consumption of home-grown maize is becoming popular, while sorghum bread is a common breakfast diet. However, some producers choose to exchange their sorghum and maize for rice.

Irrigated farming accounts for about 10% of the total arable area and supports the livelihoods of about 4,000 farm families. The irrigation sub-sector meets most of the country's fruit and vegetable market demand, especially during the Gu season. It is, however, during the late, dry season (known as Jilal) and early in the Gu season that owners of irrigated farms make good profits, for the supply to the vegetable and fruit markets is low in this period. The shortfalls are

usually filled by imports from neighboring countries, such as Ethiopia, Djibouti, and Yemen. Watermelon is the only fruit crop that is exported successfully to Djibouti.

In addition to farm households, a significant number of people derive their livelihoods from the sector. Although farm families provide about 70% of the labor in rain-fed agriculture, the sector provides employment to people residing in urban centers and, more recently, to refugees from Ethiopia, particularly during the peak labor requirement periods such as harvest time. Irrigated farms provide a more regular source of employment, with an average of labor requirement of one permanent worker per 2 hectares and a further one worker per 1.5 hectares during the peak periods (Master Plan for Reconstruction and Development of SL Agriculture Sector, MoA, 2007).

The agriculture sector also provides employment and income to people involved in the farm produce marketing chain at both whole sale and retail levels. Other beneficiaries are farm inputs providers, skilled agricultural government personnel, and employees of NGOs operating in the sector. The table below displays estimated figures for farm labor and the number of farmers in both rain-fed and irrigated farming systems.

Table 5.1.16: Population Dependent on Farming by Type of Activity

Dependants	Households	Population
Rain-fed farmers	35,000	245,000
Irrigated farm farmers	3,500	35,000
Irrigation farm workers	4,000	8,00
Brokers and retailers for farm produce (women)	800	5,600
Input providers	200	1,400
Total	12,000	297,000

Source: Master Plan for Reconstruction and Development of SL Agriculture Sector, MoA, 2007

Current Performance of Agriculture

Since the introduction of rain-fed farming in the early part of the last century, the agriculture sector increased in terms of both cultivated land and production until the 1970s, when production began to fall. The drop was due to problems caused by a combination of factors: inappropriate farming practices, soil fertility depletion, declining investment, and increased prevalence of pests and diseases. In the late 1970s, the North-West Agricultural Development Project (NWADP) intervened, mainly in the areas of soil and water conservation, the establishment of agricultural extension services, and the provision of clean drinking water for humans and livestock close to farm homesteads. This intervention to some extent improved agricultural productivity and improved standard of living for the people involved. However, these improvements were short lived as the country was plunged into the civil war of 1988 – 1992, which resulted in the destruction of the agricultural resources and infrastructure.

During the last one and half decades, the sector has been recovering slowly, and crop production in the rain-fed farming areas has been gradually increasing. However, the enormous impacts of the civil war on the agricultural infrastructure and other local institutions are still affecting development of the sector, resulting in low production and productivity ceilings.

Challenges and Opportunities

The agriculture sector of Somaliland faces many constraints and challenges. These include:

a) Inadequate Rainfall

Rainfall, which ranges from 50mm to 500mm p.a. and is characterized by erratic distribution, is the major constraint on agricultural production in Somaliland. This constraint has limited cropping activities in the arable lands of the country, affecting even drought-tolerant cereal crops such as sorghum, which has traditionally been produced in much larger quantities than other cereals. The farmers also try to grow maize, but as it has lower drought resistance, good harvests are assured in only good rainfall years, for which the reliably predictive figure would be only 3 out of 5 years.

b) Farm Inputs

Although farm inputs are available to some extent, they are unaffordable to the majority of farmers. The quality of imported inputs, such as seed and agro-chemicals, cannot be assured because of the Ministry of Agriculture's lack of capacity for phytosanitary inspection and for enforcement of quality standards.

c) Poor Agronomic and Cultural Practices

With respect to rain-fed agriculture, this deficiency pertains to mono-cropping or dual-cropping. Currently, farmers grow mainly two cereal crops, namely sorghum and maize, a practice that contributes to the depletion of soil fertility. Other problems include untimely sowing, lack of seed selection, seed broadcasting, lack of crop rotation, and inadequate weed control.

d) Lack of Appropriate Technology

Farmers lack appropriate technologies matching those used in neighboring countries, which meet international standards. Even where the technologies are available, the farmers lack the financial capacity to procure and apply them. In addition to these shortcomings, farmers lack the knowledge and skills necessary for the improvement of agricultural performances.

e) Degradation of Agricultural Land through Soil Erosion

Most of the crop land has been subjected to soil erosion partly due to poor farming practices. This problem has been aggravated by a combination of indiscriminate de-vegetation, intensive downpours, and overgrazing. The seriousness of the erosion problem is evidenced by the presence of huge gullies around and within many farms.

f) Loss of Farm Labor through Rural-urban Migration

Over the last three to four decades, there has been a great deal of migration by agro-pastoral labor to urban areas, a trend which has resulted in a shortage of labor in terms of both quantity and quality. This has been mainly due to:

- Low farm incomes
- Civil strifes
- Recent urbanization with opportunities of a better pay for unskilled labour

g) Inadequate Capital for Rehabilitation of Infrastructure and Procurement of Appropriate Technology

During the years of civil war, the agro-pastoral sector was devastated. Many farm assets, such as the irrigation infrastructure and farm equipment, were destroyed. Since then, poverty, inappropriate farming practices, and inadequate institutional support have undermined the generation of sufficient capital resources for the development of infrastructure.

h) Poor Marketing Infrastructure and Services

Poor marketing has affected agricultural production and the income levels of farm families. This is particularly the case in the horticulture sub-sector, which has been impacted by a combination of factors: inadequate market information, competition for the local market with neighboring countries, poor feeder roads, lack of marketing organizations, and lack of capacity for agro-processing.

i) High Cost of Irrigation

The high cost of irrigation is related to the high cost of fuel, inefficient irrigation methods, and frequent repairs and reconstruction of shallow wells, the main (and in many cases the only) source of water for irrigation.

j) Inadequate Extension Services

The poor performance of the sector is partly due to a lack of extension services. The main weaknesses of the extension service include:

- Few qualified extension staff with a staff-farmer ratio of 1:20,000

- Uncoordinated extension services resulting from the fact that extension workers are answerable to different organizations
- Inadequate technical know-how due to limited training and on-the-job skills development
- Lack of financial and logistical capacity in the Ministry of Agriculture to provide effective extension services. This shortcoming, coupled with inadequate incentives and career development opportunities, has resulted in demoralized public sector extension personnel.

k) Lack of an Effective Food Security Policy to Tackle the Problem of Food Shortage

There is no yet official food security policy to:

- Increase the availability of food through increased domestic production
- Ensure access to food for food deficit households and
- Strengthen emergency response capabilities

l) Lack of Agricultural Financing Mechanisms

There are no formal agricultural financing arrangements for investment and procurement of farm inputs. Recent surveys have indicated the dire need for a farm credit package. Few farmers who have had access to farm credit from revolving funds have recorded better performance than those without access to such credit.

However, there exist some **opportunities** that need to be exploited for the development of Somaliland's agriculture sector. These opportunities include the following:

- Existence of some irrigation potential for productivity improvement and increased production
- Untapped land and water resources potential
- Potential for additional arable land that can easily be rehabilitated through soil and water conservation practices for better agricultural performance
- Untapped domestic and export market opportunities, especially for horticultural and cereal crops
- Investment capacity within Somaliland Diaspora and local citizens, especially for the food and agro-processing industry
- The existence of unexploited agricultural development possibilities which have the potential of attracting foreign investment
- The existence of donor support for the sector.

Priorities and Strategies

In order to accelerate the development pace of Somaliland's agriculture sector, the NDP's agricultural development strategy will focus on a number of broad priority areas during the five-year Plan period; more specifically, there will be initiatives to:

- build the institutional capacity of the MoA
- formulate an effective food security policy to tackle the food shortage
- increase agricultural production
- improve agricultural support services
- promote sustainable agricultural use and management
- improve the coordination of activities carried out within the sector

Institutional Capacity Building

This mainly involves the building of capacity of MoA for leading agricultural development in the country by building its capacity in terms of:

- Development of an appropriate organizational structure
- Upgrading of human resource capacity
- Rehabilitation of the physical infrastructure and provision of equipment
- Development of a sector policy and regulation
- Establishment of an Agriculture Information Management System
- Improvement of agricultural extension services
- Establishment of National Adaptive Research Capacity.

Increased Agricultural Production

This initiative calls for the exploitation of the country's existing agricultural potential for boosting agricultural production. This priority area is to be addressed through:

- Rehabilitating existing irrigation systems and developing new ones
- Diversifying crops and commercializing the sector
- Increasing the area under cultivation
- Improving agriculture support services.

Improvement of Agriculture Support Services

This priority largely calls for the establishment of a viable marketing system for the sector. A properly functioning marketing system for agricultural products is necessary for the development of the agriculture sector and the economic well being of rural communities. The sector's poor marketing organization is one of the main factors affecting negatively the livelihood status of farm families in Somaliland.

Hence, the following interventions should be promoted towards improving agricultural product marketing services and systems:

- Developing an agriculture marketing policy to create an environment conducive for private sector participation in agro-marketing and investment in agro-processing through the establishment of processing and preservation facilities
- Establishing a marketing information system to supply effective market information to farmers and other market players
- Giving farmers training in post-harvest management of produce to reduce spoilage
- Collaborating with the Ministry of Public Works and local governments which are authorized to improve rural road networks.

Promotion of Sustainable Agriculture Resource Use and Management

This initiative is essential for restoring land productivity by promoting effective natural resource management. The important components of this priority intervention include:

- Protection and rehabilitation of catchment
- Re-forestation through social forestry programs
- Natural resource utilization and management education and training
- Establishment of community tree nurseries
- Control of grazing through fencing of catchment areas
- Soil and water conservation practices
- Integrated land use planning
- Promotion of agro-forestry technologies
- Initiation of adaptive research.

Improved Sector Development Coordination

This priority intervention area implies that development coordination among development partners—including the Government, the agencies of the United Nation, multilateral financial institutions, bilateral donors, and local organizations—is now a priority objective on the international development agenda. This kind of stakeholder coordination in the sector's development efforts would forestall the possibility of duplication and waste, and would thereby enhance the realization of economic and social development objectives through improved efficiency and cost-effective resource utilization.

Hence, the starting point for these efforts will be the establishment of a common planning and management framework by the MoA and major development partners, where the priority needs of the sector will be collectively agreed upon and funded. The ministry will lobby all development partners to subscribe to this framework and fund some identified priority interventions. The donor coordination forum chaired by the mother ministry will also be strengthened.

Policy, Legal, and Institutional Reform

A comprehensive sector policy and appropriate rules and regulations are necessary for creating an environment conducive for the effective participation of stakeholders and for the coordinated and sustainable development of the sector. Among other concerns, the policies will define the roles of the public and private sectors and other stakeholders in the development of the sector. Other important policy and legal considerations required within the agricultural sector include the need for:

- A National Food security policy to tackle the problems of food shortage and hunger
- A National Agrarian Policy
- Sector coordination, Monitoring and Evaluation
- Land tenure policy
- Food safety policy
- Plant pathology issues such as pesticide importation, distribution, and safe use; plant propagation materials sourcing, quality, safety
- Agricultural investment, marketing and trade
- Agricultural development plans, programs, and projects

Given all these areas of concern, the development of an agriculture sector policy and the formulation of sector rules and regulations are important areas of engagement under this NDP.

Projects and Programs

The agriculture sector of Somaliland faces many constraints and challenges, which need to be systematically addressed in any attempt to revive the sector. The strengths and opportunities of the sector should be harnessed and developed through specific programs and projects to ensure that the sector contributes to food security, poverty reduction, and hence an improved standard of living in the population. To that end, this NDP envisages the following priority programs and projects for contributing to the development of the country's agriculture sector during the plan period.

- Institutional capacity building for the MoA
- Knowledge and skills development programs for agricultural staff and personnel
- Development and updating of agricultural sector policy, rules, and regulations
- Increased crop production, including rice growing, and extension services
- Soil conservation and water harvesting
- Better local seed production and maintenance
- Rehabilitation and renovation of research centers.

5.1.3 Agriculture Sector Budget and Implementation Matrix

No.	Programs	Objectives	Project Outputs/Outcomes	Source of fund	Implementer	Required budget (USD Millions)						
						2012	2013	2014	2015	2016	Total	
	Goal	To ensure sustainable development of the agriculture sector for it to contribute to national economic development and improved livelihoods of SL population										
	Strategic Objectives	To build the institutional capacity of Ministry of Agriculture for effective leadership in Agricultural Development										
		To improve coordination of the sector activities										
		To increase agriculture production and productivity										
		To improve agricultural support services										
		To promote sustainable agricultural resource use and management										
1	Capacity Building for Ministry of Agriculture (MoA)	To build the capacity of Ministry of Agriculture	<ul style="list-style-type: none"> The Head Quarter (HQ) Building of MoA in Hargeisa finalized and provided with furniture and equipments Three new regional offices constructed in Borama, Lasanod and Berbera towns Four regional offices in Hargeisa, Erigavo, Burao and Gebile towns rehabilitated Furniture and equipments purchased for 7 regional offices 7 field transport vehicles purchased for the Ministry ICT system established at HQ, website developed and swift connections with regional offices maintained A staff Training centre established t HQ 10 agricultural experts provided higher education scholarship and trained at Master of Science (M.Sc.) level to serve the Ministry 	Donors and Somaliland Government	MoA	0.3	-	-	-	-	-	0.3
				"	"	-	0.05	0.1	-	-	-	0.15
				"	"	-	0.04	0.02	0.02	-	-	0.08
				"	"	0.07	-	-	-	-	-	0.07
				"	"	-	0.28	-	-	-	-	0.28
				"	"	-	0.1	-	-	-	-	0.1
				"	"	-	0.1	-	-	-	-	0.1
				"	"	-	-	0.5	-	-	-	0.5
2	Policy development	To develop essential agricultural policies and laws for enhancing agricultural development	<ul style="list-style-type: none"> Two consultants hired and essential agricultural policies, such as agricultural investment policy, effective food security policy to tackle the food shortage, and address the hunger MDG, and laws developed 	"	"	-	0.2	-	-	-	-	0.2
3	Soil conservation and	To implement soil conservation and	<ul style="list-style-type: none"> Contour bunds, terracing, dams, sand 	"	"	0.5	1.5	1.5	1.0	0.5	-	5

	water harvesting	water harvesting practices for boosting agricultural output	dams, subsurface dams river diversions, canal construction, and farm demarcations etc. conducted									
4	Rehabilitation and renovation of research centres	To enhance agricultural research capabilities of SL	<ul style="list-style-type: none"> • Offices laboratories, housing, stores rehabilitated and furniture and equipment purchased • Seed identification, testing, and multiplication conducted • Agricultural Research experts hired 	"	"	0.2	0.5	0.5	0.5	0.3	2	
5	Crop production and extension programs	To introduce rice farming and promote improved crop production in SL, and provide extension services	<ul style="list-style-type: none"> • Production of cereals, rice and related crops, oil seeds, legumes, data palm, potatoes, etc. introduced and expanded 	"	"	0.3	1.5	1.2	1.0	1.0	5	
6	Local seed production, maintenance and development	To establish nation local seed production and maintenance capacities	<ul style="list-style-type: none"> • Basic seeds maintenance; seed multiplication, dissemination, and certification activities conducted 	"	"	0.1	0.3	0.2	0.2	0.2	1	
7	Plant pathology and protection	To treat and control plant diseases for improving agricultural production	<ul style="list-style-type: none"> • A national plant pathology and protection laboratory built in Hargeisa and supplied with required accessories and equipments • 4 mobile plant pathology laboratories established at 4 key regional locations 	"	"	-	0.5	-	-	-	0.5	
8	National Cadastral Survey program	To conduct a public registry of agricultural lands including details of ownership and value of land for national taxation and other uses	<ul style="list-style-type: none"> • National Cadastral Surveys conducted 	"	"	0.5	0.5	0.5	0.5	0.5	2.5	
9	Indigenous plants production and protection	To preserve indigenous plant genetic resources of Somaliland	<ul style="list-style-type: none"> • Production and protection of indigenous plants undertaken 	"	"	-	0.2	-	-	-	0.2	
10	Agricultural Mechanization	To introduce agricultural mechanization in Somaliland of improved food production	<ul style="list-style-type: none"> • 6 Agricultural Mechanization units, each possessing 10 machineries, established in 6 major regions of Somaliland 	"	"	0.6	0.6	0.6	0.6	0.6	3	
12	Establishment agricultural storage facilities	To promote improved agricultural storage systems for minimizing post harvest losses	<ul style="list-style-type: none"> • Improved agricultural storage facilities introduced to farming communities 	"	"	0.4	0.4	0.4	0.4	0.4	2	
13	Establishment of Agricultural Cooperatives and National Agricultural Marketing Corporation	To establish agricultural cooperatives and an Agricultural Marketing Corporation for improving agricultural product marketing in Somaliland	<ul style="list-style-type: none"> • Agricultural Cooperatives established in farming areas with the consent of farming communities • A National Agricultural Marketing Corporation established in Hargeisa 	"	"	0.2	0.1	-	-	-	0.3	
Total Agriculture Development Budget						3.17	6.87	5.52	4.22	3.5	23.28	

5.1.4 Livestock Sector

Situation Analysis

The economy of Somaliland mainly depends on livestock production, which has historically and culturally been the mainstay of livelihood for the majority of the people. The livestock production system in Somaliland is predominantly pastoral and agro-pastoral, employing over 70% of the population. Livestock production contributes 60% of the GDP and about 85% of foreign export earnings. Livestock is the source of livelihood for pastoralists, contributes to the Government revenues, and provides employment to a wide range of professionals and other service providers. Somaliland has a long history of live animal export to the Arabian Gulf states through the Berbera port. In the past several decades, however, these exports have been disrupted by a series of trade embargos for years in part because of suspicions of diseases like Rift Valley Fever, and rinderpest. The bans have adversely affected the incomes and livelihoods of pastoralist families and the national economy in general for long periods of time.

In spite of these setbacks, in Somaliland livestock continues to be the major repository of individual and national wealth, hence the importance of the livestock sector. The main livestock markets are in the oil-rich countries of the Arabian Peninsula, Saudi Arabia in particular. Sheep and goats were exported in the largest numbers before the livestock ban of 2000. During the ban, remittances from abroad became the backbone of Somaliland's economy, contributing up to 35% of the total income. Since the end of the ban, the export of livestock has recovered to become a major economic activity again.

There are several types of livestock production and management systems in Somaliland, depending on factors such as the area, availability of labor, and the sizes and types of livestock raised. However, in general, there are two main production systems: one based on nomadic pastoralism and the other on agro-pastoralism.

Nomadic pastoralism is the system practiced by most of the rural population and revolves around the seasonal migration of herders in continual search of pasture and water. The movement of these pastoralists is often organized and follows a regular pattern in which clan-based groupings have their traditional grazing areas and/or common watering points and temporary camps. In some parts of the country, pastoralists co-habit with farmers to access crop residues for their animals. In other places, the pastoralists take advantage of heavy rains and floods for agricultural purposes, planting crops in areas cleared for the production of forage or grain.

The types of animals kept by nomadic families depend on several factors, including the area inhabited and the available labor. Cattle are predominant in the western parts of the country, which receive relatively large amounts of rainfall, while goats, sheep, and camels are bred mainly in the drier central and northern regions of the country. Most pastoralists prefer to keep mixed species of animal, a strategy which has numerous benefits, including the ability to

exploit different rangelands, produce different products, and have different survival and recovery rates following droughts. When the need arises, pastoralists practice a split herding system in which camels and sometimes goats are separately herded away from the main camps where cattle, some milk camels, and sheep are kept. There is also a strict, clear-cut division of labor among family members, with young men herding camels while cattle and small ruminants are taken care of by women, children, and the elderly.

Agro-pastoralism is a production system which is characterized by the maintenance of a permanent home base in a farming area. There are several different sub-types of this system ranging from farmers owning large herds but keeping only a few resident animals on the farm to small scale-farmers owning only a few animals. This production system was initially practiced in the southern and western farming regions but is now common in all parts of the country, being found even in dry regions; the main reason for this increase in agro-pastoralism is that traditional nomads can no longer rely on livestock alone for their livelihood, given the fact that pasture land has over the years diminished and deteriorated. In this system, split herding based on a division of labor is a common practice, as part of the family moves with most of the herd, while the other family members remain on the farm to cultivate crops; few lactating animals are also usually left behind.

According to Somaliland in Figures (Ministry of National Planning and Development), there were 18,570,000 head of livestock in the country as a whole in 2009 (Table 4). But such a figure could be only a rough estimate, for the region's international boundaries are fairly porous: Considerable internal and cross border movement takes place at well defined periods. Stock routes along the western border of the country move in waves into Ethiopia at the beginning of the main rainy season in April and return to Somaliland at the start of the dry season in September. Animals normally stationed along the coast move inland at the start of the rains and head back to the coast again in December.

Table 5.1.17: Livestock Population in Somaliland

Year	Animal Species in thousands (000)				
	Goats	Sheep	Camels	Cattle	Total
2005	7,341	7,906	1,578	373	17,198
2006	7,517	8,041	1,596	378	17,532
2007	7,698	8,178	1,614	384	17,873
2008	7,883	8,317	1,630	389	18,219
2009	8,072	8,458	1,646	394	18,570

Challenges and Opportunities

The major challenges faced by the livestock sector in Somaliland can be categorized under four clusters, namely, natural constraints, institutional weaknesses, lack of infrastructure, and financial constraints, as shown below:

- **Natural Constraints**
 - Livestock diseases
 - Range degradation and improper range and land use
 - Insufficient and irregular rainfall
- **Institutional Weaknesses**
 - Weak institutional framework and lack of central coordination
 - Weak law enforcement
- **Lack of Adequate Livestock Services and Infrastructure**
 - Lack of adequate infrastructure for livestock exports
 - Poor and inadequate laboratory facilities
 - Lack of livestock health infrastructure and services
 - Limited qualified human resource in the sector.
- **Financial Constraints**
 - Very low government budgetary allocations for livestock
 - Donor funds oriented only towards relief and emergency and not towards development
 - Absence of private sector investments.

As a result of these constraints, the livestock production system is characterized by poor productivity performances and very low incomes for pastoralist herders. With increasing population, this situation often leads to a rise in poverty levels in pastoral areas, and ultimately causes increased migration to urban centers with very limited employment opportunities.

However, there are opportunities for raising the income and productivity of the sector and for diversification and investment presented by:

- Increasing demand for organic livestock and animal products
- Increasing demand for camel meat and milk for health purposes
- New markets for meat products emerging in the fast developing economies in the East (India, China, Malaysia etc.)

- Potential investment in dairy and poultry farming. In 2010 the country imported 4,423 MT of powder milk; 4,782 MT of fresh milk; 1,204 MT of butter ghee; 11 MT of frozen chicken and 178,000 dozens of eggs.
- Increasing productivity through improved husbandry and land management systems

Priorities and Strategies

The priorities and strategies pursued in this National Development Plan aim at tackling the major obstacles hampering the development of the livestock sector. The guiding principles for the implementation of these strategies in the next five years are:

- Consultation
- Participation
- Interaction
- Inclusiveness and consensus building
- Transparency.

These principles will ensure that the interventions prioritized in this NDP are appropriate, effective and owned by the pastoral and agro-pastoral communities of Somaliland who are the direct beneficiaries.

These intervention and investment priorities include the following:

- Strengthening the sector's institutional capacity in terms of infrastructure, equipment, and human resource development
- Introducing extension programs for livestock development
- Improvement of veterinary service delivery systems through prevention and control of major livestock diseases in Somaliland's ecosystems
- Improved animal breeding and husbandry practices
- Enhancing livestock exporting systems with infrastructure and support service delivery
- Strengthening monitoring and evaluation operations on project and program results and impacts.

Policy, Legal, and Institutional Reform

Somaliland formulated a livestock policy in 2007 in order to provide favorable conditions for the development of the livestock sector in the country. The National Livestock Policy, which is currently operational, was set to promote livestock development for a 10 year period (2007-2016).

The policy is designed to fill important livestock development gaps and to provide a way forward for the improvement of the livestock sector. It addresses constraints in the livestock sector and is in compliance with local, regional, and international obligations in matters related

to animal health and livestock trade. The strategies proposed in this policy document take the following regulatory framework and policy guidelines into consideration:

- A national veterinary code and other relevant laws
- An OIE (World Organization for Animal Health) terrestrial animal health code
- AU/IBAR (Inter African Bureau of Animal Resources) recommendations for disease control policies and strategies for East African countries
- FAO/IAEA (International Atomic Energy Agency) recommendations on accreditation for the purpose of sanitary measures of inspection and certification protocols and procedures of implementation for the export and import of livestock and livestock products, and
- A joint Needs Assessment (WB/UN/GoSL/JNA) (2006) report. The report described the livestock sector development needs towards attainment of the Millennium Development Goals (MDG) by the year 2015.

The National Livestock Policy of Somaliland, hence, emphasizes:

- Improvement of animal health delivery and diagnostic services to protect the national herd
- Improvement of veterinary public health services to protect and safeguard consumers locally and internationally
- Maximization and commercialization of animal production where possible to meet income demands of the producers and the national nutritional requirements
- Promotion of trade in livestock and livestock products
- Promotion of research, professional development, and capacity building in (both public and private) institutions for effective service delivery.

Projects and Programs

The livestock sector component of the five-year National Development Plan envisages the initiation and implementation of the programs and projects and summarized below.

Key Projects/Programs of the Livestock Sector (2012 -2016)

- Strengthening and enhancing institutional capacity of the sector in terms of infrastructures service facilities and human developments
- Improving the overall efficiency and effectiveness of the performance of Veterinary service delivery systems at national, regional and international levels with regard to:
 - Disease diagnostic capacity
 - Prevention and control of epizootic and endemic livestock (PPR, CCPP, FMD, POX) Tick born disease and Helmenthiasis
 - Epidemiological information and data management, and
 - Partnership linkages at all levels (as pilot projects).

- Introducing appropriate methodologies for the production of improved cattle breeds and promoting community understanding of the importance of investing in commercial livestock projects, like cattle and poultry farms through:
 - Extension services
 - Community skills training program and workshops
 - Provision of inputs and technical services

5.1.4 Livestock Sector Budget and Implementation Matrix

Goal		Enhanced livestock production systems that contribute to sustained economic growth									
Strategic Objectives		To build and strengthen the institutional capacity of the Ministry									
		To increase Livestock Productivity									
		To eradicate major livestock diseases									
		To improve livestock marketing infrastructure and increase livestock export earnings									
No.	Programs	Objectives	Project Outputs/Outcomes	Source of fund	Implementer	Required budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Strengthening institutional capacity of Ministry of Livestock, Environment and Pastoral Development (MoLEPD)	To strengthen and improve the institutional capacity of Ministry of livestock	• 32 administrative offices constructed in 13 regions and furniture and equipment supplied	Donors and Somaliland Government (SLG)	MoLEPD	0.36	0.36	0.36	0.42	0.42	1.92
			• Construction of Ministry's Head quarter office in Hargeisa	"	"	-	0.3	-	-	-	0.3
			• 2 to 3 Seminars/workshop and trainings organized for government staff every year	"	"	0.03	0.03	0.03	0.03	0.03	0.15
			• ICT system installed at Ministry's Head Office	"	"	-	0.1	0.2	-	-	0.3
			• 13 cars purchased to provide transport services and other logistic supports to 13 regional offices (3 cars every year and one car in year 2015)	"	"	0.15	0.15	0.15	0.15	0.05	0.65
			• Cold chain system established for 13 regions (structures and equipments) (for 3 regions every year and for one region in year 2015)	"	"	0.009	0.009	0.009	0.009	0.003	0.039
			• Existing policies reviewed and essential new ones developed	"	"	-	0.1	-	-	-	0.1
2	Improvement of vet service delivery systems through prevention and control mechanism of major livestock diseases in SL ecosystems (PPR, CCPP, BOX, FMD)	To enhance the technical quality and availability of veterinary services and improve livestock health and livestock productivity	• Vaccination against major diseases carried out	"	"	0.3	0.3	0.3	0.3	0.3	1.5
			• Capacity of national diagnostic lab enhanced & operationalized, 3 regional labs established	"	"	-	0.2	0.2	0.2	0.2	0.8
			• Research and vaccine production Institute established	"	"	-	-	0.5	0.5	-	1
3	Introducing the extension program for livestock development	To promote fodder bank establishment and development during dry seasons for cattle survival; and upgrading community perception of	• 20 sites of fodder banks established and cattle areas conservation supported with community training	"	"	0.109	0.069	0.045	0.03	0.065	0.318
			• Cattle dairy and poultry farms established	"	"	0.1	0.1	0.1	0.1	0.1	0.5
			• Technical support for existing private								

		dairy farms through awareness raising programs and extension services at target areas	livestock projects provided • Cattle nutrition and production improved through awareness programs									
4	Enhancing livestock exporting systems with infrastructure and support service delivery infrastructure	To improve and increase livestock export earnings for the herders and the country	• Eight livestock holding grounds constructed for improving livestock marking systems (including the Aroori and Qoladay holding grounds, and the reconstruction of the livestock holding ground in Sool Region)	"	"	-	0.24	0.24	0.24	0.24		0.96
5	Improving conditions for livestock market places and slaughter houses at all regions, and livestock export promotion	To improve the livestock marketing infrastructures for enhancing the livelihoods of livestock herders and pastoralists through improved income	• Loading and unloading structures, shade and fence established for 13 market places in 13 regions (3 markets each year and one market in 2015)	"	"	0.6	0.6	0.6	0.6	0.2		2.6
			• Hygiene and sanitation improved for abattoirs in (2) regions • Livestock export promoted and a National Livestock Marketing Agency established	"	"	-	0.3	0.1	0.1	0.1		0.6
6	Training of Community Animal Health Workers (CAHWs)	To train CAHWs for providing door to door animal health services to pastoralists	• 600 new and existing CAHWs provided with new trainings and refresher trainings in animal health services	"	"	0.6	0.6	0.6	0.6	0.6		3
7	Monitoring and evaluation per year	To enhance the contribution of the livestock sector to the country through regular M&E activities on projects / programs	• Projects and programs designed for livestock development regularly monitored and evaluated for improved performance	"	"	0.05	0.04	0.05	0.05	0.05		0.24
Total Livestock Development Budget						2.31	3.50	3.48	3.33	2.36		14.98

5.1.5 Fisheries Sector

Situation Analysis

Somaliland has a coastal line that stretches up to 850 Km along the Red Sea. But the fisheries sector has been historically small compared to the pastoral and agro-pastoral systems which have traditionally constituted the economic backbone of the country. A very small number of Somaliland's population is engaged in fishing for livelihood, and the majority of these are limited to small-scale artisan fishing. They operate from 10 coastal settlements on a permanent basis and use about 450- 500 small vessels of which two-thirds are motorized and the remaining one-third are canoes. The sizes of the boats range from 6.4 to 8.5 meters in length. The size of the available vessels is one of the limiting factors to reach offshore resources and prevents fishermen from fishing during certain seasons of the year when the seas are rough. Traditionally, this sector uses gillnets, hooks for large fish and shark, hand-lines, and to a lesser extent, traps and seine nets. The main commercial fish normally landed by the artisan fishery sector comprise of many demersal and pelagic species. The most important groups include the following families:

1. SERRANIDAE: Groupers, Sea basses, Rock cod, Hinds, Combers, Coral trout, lyretails and Soap fish.
2. CARANGIDAE: Jacks, Trevallies, Scads, Queen Fish, Runners and Pompos.
3. LUTJANIDAE: Snappers, Job fish.
4. HAEMULLIDAE: Grunts, Sweet lips, Rubber lips and Hot lips.
5. LETHRINIDAE: Emperors, Breams, Pig face, and Large eye breams.
6. MULLIDAE: Goat fish.
7. SCOMBRIDAE: Albacores, Bonitos, Kawa kawa, Mackerels, Tuna and Waho.

The coral reef of the coast of Somaliland is also habitat for other non-traditional marine resources, such as Molluscs and Crustaceans. Though, the commercial viability of these resources is not known, giant clams, abalones and mussels seem to be prospective.

Artisan fisheries around Berbera and Karin supply local urban markets in Burao, Hargeisa, and Berbera through several small fishing companies which sell up to 90 MT per month in these markets.

The Las Qorey Tuna Canning factory in the east is the only fish processing plant in the country. It is the largest available market for artisan fisheries in that area. Since the plant started its operations in 2001, more than half of the boats and fishermen in Somaliland work for it. During the nine months that small boats are permitted by the winds to fish, the plant operates at full capacity and processes up to 16 tons of fresh tuna per day, averaging an estimated 4320 tons per year.

The Ministry of Fisheries and Marine Resources is mainly responsible for the fishing sector. The main functions of the ministry are as summarized below. They are:

- Safe-guarding and development of marine resources
- Undertaking research programs in order to assess fish stock and establishing the maximum sustainable yield (MSY) that can be harvested
- Formulation of policies and strategies for fishery development as well as conservation of bio-diversity and marine habitats
- Formulation of legislation on fishery
- Development of skilled manpower/personnel
- Development of a system for the monitoring, control, and surveillance of marine resources , and establishment of cooperation and coordination mechanisms for marine resource management programs
- Development of ports other than Berbera port, which is an autonomous agency.

Challenges and Opportunities

The challenges faced by the sector can be summarized as follows:

- Lack of natural shelters, protected anchorages, and landing sites for fishermen. Somaliland has a relatively straight coastline.
- Unusually strong currents and a lack of maintenance ruin fishing facilities beyond repair. Unfavourable climatic and oceanographic conditions and shifting winds cause unpredictable currents and waves, which pose a constant threat to the fishing fleet.
- Prevailing high temperatures throughout the year, high humidity, and difficulty in accessing the richest fishing areas reduce the chances of catching and selling fish
- Scarcity of ice and lack of freezing and cold storage facilities limit the opportunities for the fishing along the entire coast.
- Lack of experience in the maintenance of boat engines and hulls by traditional fishermen
- Scarcity of appropriate workshops with qualified technicians and the absence of local shops selling engine spare parts and nets have combined together to curtail the smooth running of the fishing activities. The spare parts which can be secured are usually over-priced, and a great deal of time is lost in waiting for their delivery, leaving many vessels idle for long periods of time.
- Lack of statistical data, which could form the basis for private sector investment. Although the Ministry of Fisheries and Ports Management is responsible for data collection, very little has been achieved in this priority area. Progress has been thwarted by lack of qualified personnel and basic equipment for data collection within the ministry. It is difficult to manage resources properly in the absence of accurate information on the sizes and dynamics of stocks and on the environment they derive from.
- Lack of useable coastal roads, high temperatures, and inadequate on-shore infrastructures are also among the main problems restricting the production, processing, and marketing opportunities of artisan fisheries.

- The narrowness of the continental shelf and the predominantly rocky coralline bottom limits trawling potential to a few areas

Since 1994, Somaliland has received some external assistance, which has enabled artisan fisheries in Berbera and Zeila to resume fishing activities, but the impact of that assistance has been fairly small in comparison to the sector's considerable challenges. Two ice-generating fishing centers have been rehabilitated in Zeila and Berbera, but the amount of ice produced by these centers is not enough to cover the needs of the fishing fleet. The shortage of ice is particularly serious in Berbera, where Ice center is closed:

Despite the obstacles and the constraints it faces, the sector has huge potential for development. Studies show an annual potential catch ranging from 90-120,000 MT/year of mixed species. This far exceeds demand for local consumption and presents great opportunities for export to the 80 million Ethiopian market next door, and the lucrative oil rich Middle Eastern market just across the Red Sea.

Priorities and Strategies

The fisheries sector is one of the least developed economic sectors, but the government is committed to developing the sector to its full potential which is enormous. It will create a policy framework conducive to private investment, and public/private partnerships, and will establish the necessary infrastructure by pursuing the following priorities and strategies:

- Maximizing the output of the sector in order to raise the income levels of local fishermen
- Creating employment opportunities in the fisheries sector
- Earning more foreign exchange through the export of fishery products
- Increasing consumption of fish in the local market
- Establishing websites exclusively created for fisheries
- Formulating fisheries policies and rules
- Establishing marine colleges and training centers
- Establishing a fisheries research Institute
- Procuring a research vessel, cold chain facilities, and a fish market
- Establishing fish processing and canning factories & fish farming and aquaculture facilities
- Developing local fishing ports
- Protecting the marine environment and resources
- Establishing fish restocking programs and promoting the sea food industry
- Establishing a fishing industry finance corporation and a fishing gear company
- Establishing fishing cooperatives
- Conducting fishing industry conferences.

Policy, Legal, and Institutional Reform

In September 1995, the GoSL passed the Law on Fisheries to deal with the matter of jurisdiction over Somaliland's maritime zone, resource management, licensing, and penalties. To strengthen the Law on Fisheries, the Coastal and Marine Resource Policy of Somaliland was approved at the end of 2000. The policy provides a clear vision on the development of marine resources and the conservation of marine biodiversity. Additional policies, legal and institutional reforms that will be considered are as summarized under:

- Developing an adequate institutional framework to deal with private sector investment
- Formulating and implementing joint-venture agreements suitable for attracting foreign partners to participate in fisheries investment on a commercial basis
- Upgrading existing legal frameworks and formulating other relevant legislation to enhance fisheries sector development
- Reviewing the fishery policies and guidelines

Programs and Projects

The Ministry of Fisheries and Marine Resources has identified the following programs and projects for implementation during the 5-year National Development Plan period:

- Rehabilitation of the existing fishing fleet
- Addition of more boats to the existing fleet
- Provision of sufficient fishing gear and accessories
- Improvement of fish handling and processing facilities and techniques
- Improvement of both internal and external market outlets
- Promotion of research activities and training of personnel
- Renovation of the ministry headquarters building and regional premises
- Procurement of transport vehicles and tow trucks
- Reorganization and capacity building of existing fishing associations
- Revision and drafting of standard fisheries laws and procedures
- Registration of fisheries and fishing companies
- Capacity building of the ministry's staff and local fishermen
- Semi-annual surveys to identify coastal fishing locations
- Conducting of coastal surveillance to combat fishing piracy
- Strengthening of the capacity of fisheries and marine studies college in Berbera
- Carrying out of rapid stock assessment surveys
- Rehabilitation of Maid jetty
- Establishment of two cold storage facilities (20ton)
- Establishment of two cold ice makers
- Supply of collector vessels
- Monitoring of fish stock.

5.1.5 Fisheries Sector Budget and Implementation Matrix

	Goal	To enhance sustained utilization of fish and marine resources of SL										
	Strategic Objectives	To establish the legal framework for the fishery sector										
		To build the capacity of local authorities and communities for ensuring sustained use of fish and marine resources										
		To improve the fish sector performance and its national economic contribution										
No.	Programs	Objectives	Project Outputs/Outcomes	Source of fund	Implementer	Required budget (USD Millions)						Total
						2012	2013	2014	2015	2016		
1	Revision and drafting of standard fisheries law and procedures	To strengthen legal fish infrastructures	<ul style="list-style-type: none"> Fishery laws and procedures including Marine Environmental Law and Fish Quality Control Law Developed 	Donors and Somaliland Government	Ministry of Fisheries and Marine Resources (MoFMR)	0.01	-	-	-	-	-	0.01
2	Registration of fisheries companies and fishing vessels	To strengthen legal fishing infrastructures	<ul style="list-style-type: none"> Fishing companies and fishing boats in SL fully registered 	"	"	0.005	-	-	-	-	-	0.005
3	Trainings for MoFMR staff, fishermen, private fishing companies and coastal communities	To improve and upgrade the institutional capacities of MoFMR and private fishers	<ul style="list-style-type: none"> Staff of MoFMR trained in data collection and processing, fisheries management, and fish processing, handling and marketing Fishermen trained in fishing methods, fishing gears, fishing handling, and boat and gear repairs 	"	"	0.03	0.03	0.02	-	-	-	0.08
4	Monitoring of fish stock (data collection)	To monitor the output of fish resource so as not to endanger stock biomass	<ul style="list-style-type: none"> Daily catches of fish recorded systematically both on-shore and offshore 	"	"	0.016	0.016	0.016	0.016	0.016	0.016	0.08
5	Establishment of MoFMR's website, promotion of sea food and fish markets	To improve information flow for MoFMR	<ul style="list-style-type: none"> MoFMR website functioning Radio programs prepared for promoting sea food 	"	"	0.01	0.01	0.01	0.01	0.01	0.01	0.05
6	Fishing communities and fishing infrastructure survey	To collect information on all fishing fleet and manpower	<ul style="list-style-type: none"> Survey report document 	"	"	0.5	-	-	-	-	-	0.5
7	Coastal surveillance & fighting piracy	To safeguard Somaliland's coastal areas	<ul style="list-style-type: none"> Periodic coastal surveillance conducted 	"	"	0.02	0.02	0.02	0.02	0.02	0.02	0.1
8	Rehabilitation/ reactivation of existing fleets	To improve and upgrade the institutional capacities of MoFMR	<ul style="list-style-type: none"> 95 of the existing fleets rehabilitated 	"	"	-	0.285	0.15	-	-	-	0.435

9	Reorganization & capacity building of existing fishing associations	To improve and upgrade the institutional capacity of fishing associations	<ul style="list-style-type: none"> Fishing Associations established and strengthened 	"	"	-	0.05	0.05	0.02	0.02	0.14
10	Strengthening the capacities of four fisheries and marine studies vocational training centres at four locations (2 centres year II)	To improve and upgrade the institutional capacity of vocational training centres	<ul style="list-style-type: none"> 4 fisheries and marine studies vocational training centres supported 	"	"	0.05	0.1	0.05	0.025	0.025	0.25
11	Rapid stock assessment survey	To obtain preliminary data on the size of fish stock	<ul style="list-style-type: none"> Stock surveys carried out 	"	"	0.75	-	-	-	0.75	1.5
12	Rehabilitation of four jetties at Maid, Berbera, Zaila and Las Qorey	To improve conditions of existing fishing facilities	<ul style="list-style-type: none"> 4 Jetties Rehabilitated 	"	"	0.2	0.2	0.2	0.2	0.2	1
13	Establishment of four cold stores (20ton)	To upgrade the institutional capacity of the fishery sector	<ul style="list-style-type: none"> 4 Cold Storage Facilities Established 	"	"	-	0.15	-	0.15	-	0.3
14	Establishment of four ice makers	To upgrade the institutional capacity of the fishery sector	<ul style="list-style-type: none"> 4 Ice Makers Established 	"	"	0.18	0.18	0.18	0.18	0.18	0.9
15	Supply of four collector vessels	To upgrade the institutional capacity of the fishery sector	<ul style="list-style-type: none"> 4 Collector Vessels Supplied 	"	"	-	0.1	0.1	0.1	0.1	0.4
16	Conservation of Marine environment at five sites with the supply of five boats	To conserve the marine environment and protect depletion	<ul style="list-style-type: none"> 5 boats supplied to five sites to conserve the marine environment 	"	"	0.03	0.03	0.015	-	-	0.075
Total Fisheries Development Budget						1.801	1.171	0.811	0.721	1.321	5.825

5.1.6 Industry, Commerce, and Tourism Sector

Situation Analysis

Small, family-owned retail businesses, peddlers, and street vendors dominate the commercial and retail trade in Somaliland. The sector is highly competitive and is characterized by complex institutional arrangements and practices. It is, however, beset with inadequate financial resourcing, a problem which hinders its development and prevents it from realizing its potential. The Government intends to put in place measures to create opportunities for investment in small scale businesses and industries that use local inputs, such as livestock feed processing plants, leather tanning industries, and small-scale abattoirs etc. It will encourage entrepreneurship and create an environment conducive to domestic and foreign investment, and the development of environmentally and culturally friendly tourism.

Somaliland has been a trading nation historically because of its location at the crossroads between Europe, the Middle East and Asia. Its main trading partners are Saudi Arabia, UAE, Yemen, Ethiopia, China, Pakistan, India, Kenya, Brazil, Thailand and Malaysia. The primary exports of the country are livestock, gums (frankincense), hides and skins, while imports are predominantly food, fuel, and manufactured goods. The trade figures for 2005-2009 are as provided in the table below:

Table 5.1.18: Trade – Exports and Imports Through Berbera (2005-2009)

	2005	2006	2007	2008	2009
Exports					
Livestock(animals)	1,183,225	1,321,107	1,452,442	1,332,077	1,675,410
Gums (MT)	723	423	615	884	N/A
Hides & skins (pieces)	3,123,723	2,090,620	2,609,375	4,041,121	3,522,565
Imports					
Food items (MT)	403,115	314,178	373,901	385,766	440,968
Non-food items (MT)	274,520	282,364	181,250	293,692	358,404

The strategic location of Berbera Port on the Red Sea makes it ideal as the port of entry for the land locked East African countries including Ethiopia, Uganda and Southern Sudan. The port is not currently equipped to handle the heavy traffic it will have to accommodate as a major transit and terminal port. But there is scope for expansion and the establishment of free zones. Once established, the free zones have the potential of becoming major industrial, commercial, financial, and trans-shipment hubs for the entire region. The target industries would include light manufacturing and assembly, and support operations such as packaging. The expansion of the port and establishment of the free zones require heavy investment beyond the means of the state. Foreign investors will have to be lured to invest in the development of the port. Investor incentives in place at the present time include the following:

Table 5.1.19: Foreign Investment incentives In Somaliland

Guarantee for Foreign investment	<ul style="list-style-type: none"> • Foreign investment enterprises shall receive the same favourable treatment as domestic enterprise • Foreign investment shall not be expropriated except where public interest cannot be satisfied other than expropriation, in which case, compensation shall be made
Tax incentives	<ul style="list-style-type: none"> • Foreign investment shall not pay tax on profits for the first three years, after which it shall be entitled to 50% reduction on tax on profit • Machinery, equipment and material shall be exempt from import tax
Facilities for Foreign personnel	<ul style="list-style-type: none"> • The Board shall ensure that immigration authorities facilitate the granting of entry permits and residence visas to foreign personnel • Foreign personnel may freely transfer up to 50% of their salaries, wages, gratuities, and allowances paid in Somaliland.
Reinvestment of profits	<ul style="list-style-type: none"> • Profits may be reinvested in the registered enterprise in which case, the Board shall be notified. The Board shall register amount reinvested in the 'Certificate of foreign investment registered'. • The investor shall submit a new application if they want to invest in an enterprise other than the one registered
Repatriation of capital and profits	<ul style="list-style-type: none"> • Profits from registered enterprises may be freely repatriated. In case only part of the profit is repatriated, the remaining can be repatriated in any year following. • Original investment plus profit reinvested shall be freely transferable after three years from the date of registration • The transfer of capital shall be affected in original currency in physical equipment and material

To enhance the package on offer, the government shall consider further incentives such as:

- Tax credit on import substitutions
- Exemption from wharfage dues, export taxes, and import fees
- Tax deduction for training expenses
- Simplified import-export procedures

Challenges and Opportunities

Somaliland's commercial and industrial development is constrained by several factors including:

- A small population base of only 3.5 million people.

To expand the scope of its economic base, the Government is pursuing a free market, open-door policy in the management of the economy. Domestically, the aim is to create an environment where the country's development is determined by the availability of both human and capital resources, and not limited by unnecessary market restrictions. With respect to the external side, the Government is keen to negotiate with Ethiopia the possibility of entering into an agreement on a customs union. Ethiopia, a land-locked country with a population of over 80 million, is a potential market for Somaliland goods and services. Somaliland's comparative advantage can be improved with foreign investment. But the two countries will have address before hand the need for common core of macroeconomic, monetary and fiscal policies.

The GoSL is also in the process of seeking participation in regional and international economic integration and cooperation schemes such the East African Community, COMESA, and ACP-EU.

- Underdeveloped infrastructure particularly the utilities sector.

This shortcoming can be rectified through the introduction of a "Build Operate & Transfer (BOT) laws". In the BOT framework the government delegates to a private investor to design and build infrastructure and to operate and maintain these facilities for a certain period. During this period the private party has the responsibly to raise the finances for the project and is entitled to retain all revenues generated by the project but is not the owner of the regarded facility. BOT has played a major role in Asian privatization and development programs. BOT may cover the following areas:

- Transportation systems (highways)
- Public utilities, power generation, and water supply
- Fuel depots and terminal facilities
- Port and airport infrastructures.
- Cement factory

To bring the free zone and BOT projects to fruition, the government will establish Somaliland Free Zone Authority (SFA), and Somaliland Investment Board (SBI).

- Lack of financial institutions. Somaliland has no commercial or investment banks.

Financial intermediaries are essential to encouraging and pooling national savings, and pulling in international capital, to be put to productive use by local entrepreneurs. Industrial

establishments and medium and large enterprises cannot develop and function without access to capital and credit. To address this problem, the government will provide the necessary legal and policy framework to encourage the formation of indigenous financial institutions and establishment of foreign banks.

Priorities and Strategies

The government is committed to addressing the above constraints, and will focus during NDP period on the following priorities:

- **Industry Priorities**

- Formulating an industrial policy and strategy
- Establishing industrial associations
- Establishing industrial zones in all regions
- Developing import substitution industrialization
- Establishing industry incubators
- Encouraging export-oriented industries

- **Investment Priorities**

- Improving the investment and business climate
- Enhancing support for micro, small and medium enterprises (MSMEs)
- Investing in research and development
- Facilitating access to venture capital

- **Trade Priorities**

- Expanding and diversifying domestic and export trade
- Finalizing the National Trade Policy
- Promoting e-trade
- Expanding and strengthening Public-Private Partnerships (PPPs)
- Establishing a trade and investment information sharing system
- Providing entrepreneurial skills for MSMEs
- Improving the business and investment climate
- Developing an integrated data base on trade in goods and services
- Aggressively promoting trade in services
- Establishing trade exhibition centers
- Initiating trade exhibition road-shows (national and international)
- Creating online trade databases, bulletins, and enquiries
- Developing a direct foreign investment policy
- Formulating a public-private partnership policy
- Establishing a research and development institute.

- **Tourism priorities**

At the present time, tourism in Somaliland is mainly limited to the Somaliland Diaspora with large numbers visiting the country during the summer holidays. They usually bring their children to the country in order to maintain cultural ties with their homeland. During this peak period, the hotel and travel sector businesses get a boost. Occupancy rates of hotels and furnished apartments rise significantly. These activities contribute a lot to the economic health of the country.

Non-Diaspora tourism is very limited but has the potential to grow significantly. Somaliland is home to one of the most interesting attractions in the Horn of Africa, the Laas Geel cave paintings. Currently, a small number of tourists travel to the region to see this sight. The paintings are situated near Hargeisa and were discovered by a French archaeological team in 2002. The country has also pristine beaches along its long coast on the Red Sea; beautiful coral reefs, unique archaeological sites; rare birds and mammals; stunning mountain ranges, and year round sunny warm climate. These are attractions that could lure hundreds of thousands of tourists from around the world each year. To turn that potential into reality, the government's priorities and strategies for the tourist industry for the coming five years include:

- Formulating and developing appropriate policies, legal, and regulatory frameworks
- Developing and passing a National Wildlife Act
- Establishing a tourism training institute
- Developing marketing tools aimed at making Somaliland a preferred destination
- Diversifying tourism products and destinations
- Supporting the development of local tourist enterprises
- Developing tourism infrastructures and amenities
- Enhancing the security of tourists and tourist destinations.

Policy, Legal, and Institutional Reform

During the five-year NDP plan, the government will:

- Strengthen the policy, legal, and regulatory framework of the sector
- Formulate and implement policies relating to micro, small, medium, and large enterprises
- Develop and implement commercial laws and regulations
- Formulate and implement policies on Public-Private Partnerships
- Harmonize local taxation and licensing policies and practices
- Formulate a Tourism Master Plan and a Tourism Policy
- Formulate wildlife policies and regulations (for hunting, ecotourism, ranching, etc.)
- Draft, pass, and implement laws governing important historical sites, artefacts, and museums
- Develop and implement quality control framework for the tourist industry

Programs and Projects

The major projects and programs to be implemented within the industry, commerce, and tourism sector under the current NDP include:

- Revising and drafting business laws and policies
- Enhancing export market access for the industrial and commercial products of the country
- Building the capacities of the Ministry of Industry, Commerce, and Tourism (MoICT)
- Conducting industrial assessment
- Establishing industrial zones
- Promoting tourist and archaeological initiatives
- Establishing training and research institutions

5.1.6 Industry, Commerce and Tourism Sector Budget and Implementation Matrix

Goal		To pursue safer and effective industrial, commercial and tourism development for enhancing national economic growth										
Strategic Objectives		To establish a regulatory framework for industrial enterprises for enhancing safe and effective industrial growth										
		To promote the establishment of small and medium size enterprises for contributing to economic growth										
		To enhance internal and external trade for increased national income and improved social well-being										
		To promote the establishment of infrastructure to enhance the tourism sub-sector for the benefit of the country										
No.	Programs	Objectives	Project Outputs/Outcomes	Source of fund	Implementer	Required budget (USD Millions)						Total
						2012	2013	2014	2015	2016		
1	Capacity Building and infrastructure	To build the capacity of Ministry of Industry, Commerce and Tourism (MoICT) and strengthen the private sector	<ul style="list-style-type: none"> MoICT staff trained in data collection & statistics of commodities; the skills of industrial labour updated; and commercial staff knowledge upgraded to master degree level (abroad) Transport vehicles purchased A staff training, an industrial data collection, and an archaeology resource centres built Regional offices of MoICT constructed at regional capitals, and the required furniture and equipments provided Private sector businesspeople trained in business management, accounting, marketing, public relations, business laws, etc. 	Donors and Somaliland Government	MoICT	0.4	0.4	0.4	0.4	0.4		2
												0.05
2	Policy development	To develop appropriate industrial, business and tourism policies and laws for the proper growth of the sectors	<ul style="list-style-type: none"> Consultants hired, and commercial, industrial, tourism and archaeological policies developed and implemented Trade act; frankincense and gums commercial act; micro-finance act, public private partnership act, property right act, copy right act, and other laws and regulations developed and enacted 	"	"	0.2	0.2	0.2	0.2	0.2		1
3	Commercial Programs	To strengthen and enhance trade and commerce in Somaliland (both private and public) for improved national income and livelihoods	<ul style="list-style-type: none"> Access to international markets promoted for local products Value chain analysis conducted for key commodities Private business data collection system strengthened (business profiling) Trade exhibition centres formed Trade Directory established Trade Associations established International and Local Marketing Offices opened 	"	"	0.1	0.1	0.1	0.1	0.1		0.5
4	Industrial Programs	To conduct an intensive industrial improvement initiatives	<ul style="list-style-type: none"> Material and product assessments, and feasibility studies conducted Environmental damages from industries examined Manufacturing industries regulated in areas such as: 	"	"	0.16	0.16	0.16	0.16	0.16		0.8

			<ul style="list-style-type: none"> ○ General safety and fire prevention ○ Production quality assurance ○ Chemical Laboratory assurance 									
		To facilitate industrial production	<ul style="list-style-type: none"> ● 7 Industrial free Zones established ● Industrial technical support Unit established ● Industrial Promotion conducted ● Industrial Associations established 			0.25	0.50	0.50	0.25	0.25	1.75	
		To rehabilitate the cement factory	<ul style="list-style-type: none"> ● 1 Cement factory 			0.5	10.00	30.00	20.00	10.00	70.00	
5	Tourism and archaeology programs	To promote tourism and archaeology in SL	<ul style="list-style-type: none"> ● Archaeology and tourism potentialities in SL explored through surveys and assessments ● Preservation and fencing of existing tourist and archaeology sites conducted ● 1 National Archaeology Museum Constructed ● Tourism information packages prepared ● National Directory of Tourism and archaeology established ● Grading of Hotels conducted (into 1-5 Stars) ● Mapping of Tourist and archaeology sites undertaken ● Wild life survey, including birds mammals and reptiles, conducted 	"	"	0.25	0.25	0.25	0.25	0.25	1.25	
6	Establishment of Research and development institute	To conduct required research for enhancing commercial, tourism and industrial growth in Somaliland	<ul style="list-style-type: none"> ● A research institute established and required accessories provided ● Research and studies related to commerce, industry and tourism conducted, published and disseminated ● Studies of investment opportunities conducted 	"	"	-	-	0.5	-	-	0.5	
7	Monitoring and Evaluation	To conduct regular M & E for improving sector performance and its national economic contribution	<ul style="list-style-type: none"> ● Regular monitoring and supervisory activities on existing archaeological, tourism and commercial projects and programs conducted 	"	"	0.05	0.05	0.05	0.05	0.05	0.25	
Total Industry, Commerce and Tourism Development Budget						1.91	11.71	32.16	21.41	11.41	78.60	

5.1.7 Mining, Energy, and Water Sector

Situation Analysis

MINING: Somaliland has a range of known mineral resources such as coal, gypsum, limestone and quartz. Various gemstones as well as precious and base metals such as gold, copper, lead, and zinc are also known to be present. Oil and gas show good prospects. Commercial development of oil is believed to be a realistic possibility based on oil finds in Yemen in similar geological formations. Mining is at the present time limited to quarrying. What is needed is a regulatory framework that attracts foreign investment, while safeguarding national interests.

ENERGY: Energy plays a vital role in the livelihood of people. In most developing countries, 30% of household income is spent on energy services. Energy dramatically increases human capabilities and opportunities. At home it is indispensable, and it fuels transport, agricultural and industrial production. Energy utilization in Somaliland is extremely low by world standards. It is currently estimated at 200 to 280 kilo joules per capita per year and is mainly dominated by biomass-based fuels. Charcoal, kerosene, and electricity constitute an important fuel for households in urban areas, while fire wood is the primary source of energy for rural communities. Charcoal is used by 97% of urban households; kerosene is consumed by about 80%, followed by electricity at 68%. The average monthly expenditure on energy (i.e. electricity, kerosene and charcoal) in the urban and areas is about US\$60. This is equivalent to about 30% of the average family monthly income.

Purchased mainly from vendors, charcoal is widely used for cooking in the urban and peri-urban areas. A typical household consumes 2-3 sacks (40-60kg) of charcoal per month, at an average cost of US\$20. Only 2% of households use improved charcoal cook stoves. Almost all households (98%) use traditional metal stoves, which are considered inefficient. The major challenges to charcoal users are high cost, increasing scarcity, slow cooking, dirt, and hazards.

Firewood is the main source of energy for cooking in rural areas. A significant proportion of households in urban and peri-urban areas also utilize firewood. Most of the firewood is collected freely, with only 17% being purchased from vendors. All households use traditional firewood cook stoves. There is, however, a strong willingness amongst households to switch to other forms of energy, with the following reasons being cited for the dislike of firewood: collection problems, scarcity, dirt, smoke, and drudgery.

Charcoal constitutes an important fuel for cooking purposes in institutions and commercial enterprises as well. Institutions such as education and health establishments that provide food, and enterprises like hotels and restaurants consume an average of 37 sacks per month at a current cost of approximately US\$ 260 per month. Only 13% of institutions use improved charcoal stoves, while the rest use metal stoves. 82% of institutions are not satisfied with the charcoal and stoves on the market, as they are considered dirty and dusty, smoky, poor quality of charcoal, scarcity of charcoal in some circumstances and the increasing cost of the fuel.

Firewood is also used in urban areas, mainly for cooking and baking, especially in, restaurants, bakeries, and government institutions such as the military, the police, and prisons. 70% of the institutions that use wood purchase it while the rest collect it freely from forests. It is estimated that these institutions consume an average of 3,341kg of fuel wood per month. Institutions use traditional firewood stoves, though 78% are not satisfied with the appliance, and 88% confirmed their willingness to switch to alternative appliances and fuels. There are a number of challenges including increasing scarcity, health implications due to indoor air pollution and rising costs mainly due to increasing distance covered in obtaining firewood.

In Somaliland, biomass energy sources account for more than 90% of the total energy consumed. It is sourced from various land cover formations such as open trees and shrubs and woody vegetation, accounting for 37% of land cover in Sanaag region, 47% in Togdheer, and 52% in the rest of North West regions. Grasslands occupy 52% in Sanaag and Togdheer, and 37% in North West regions. These Biomass resources are declining at an alarming rate. In the Sanaag region, the area covered by Galool forest has declined by 52%, from 162,467.5 ha in 1988 to 78,211.89 ha in 2003. Open shrubs that comprised 45% in 1988 declined by 30% during the same period.

An estimated 85,713 metric tons of charcoal are consumed annually by households in the country, out of which 22% is attributed to consumption in Hargeisa city. The demand by commercial enterprises and institutions is also significant. An average of 8 tons of charcoal is consumed by each institution or enterprise annually.

WATER: Water is a scarce resource in Somaliland. The mean annual precipitation is about 300mm, with 50mm along the Guban coast, and 500mm in the west and along the highland range. The rainfall distribution is bi-modal. The rainy seasons are Gu (April-June), and Dayr (September-October), while the dry seasons are Hagua (July – August), and Gilaal (December-March).Evaporo-transpiration is very high, particularly in the coastal area, where it reaches 2900mm. The country has one of the highest inter-annual variations of rainfall. Droughts are very common occurring moderately every 3-4 years and severely every 7-9 years.

The main sources of water in rural areas are privately owned Berkads (cement and gravel tanks built into the ground), manually dug shallow wells, communal stock watering ponds, and subsurface dams. All of these sources of water depend on harvest of seasonal rainfall or rainfall recharges in the case of shallow wells. In urban areas, however, the main sources of municipal water supply are deep bore wells. Hand-dug shallow wells are the principal source of water in most villages. In mountain valleys, spring water is a source of water for human and livestock consumption, and in some instances springs are used for irrigating small vegetable and fruit farms. Most rural communities depend on a combination of these water sources.

Over the last three decades, the construction of Berkads has expanded in response to the increased demand from livestock owners. With the growth of urbanization, traditional shallow wells became inadequate for water supply; as a result a number of deep boreholes have been

drilled. Almost all urban municipal water supplies now come from deep boreholes. Some deep wells, stock watering ponds, and dams have been also constructed in rural districts. A smaller number of deep bore wells have been also constructed by private individuals.

A survey of 127 Government-owned deep bore wells and other sources of water were completed recently. According to the survey's results, about 40% of all existing wells were operational. Most of these have been rehabilitated over the last seven years with the help of international organizations. An equal number of wells have been abandoned. The remaining 20% of the wells surveyed need rehabilitation. The other water sources are in a similar state of disrepair; ponds and dams need to be de-silted. During the long, dry season known as jilal (or winter), most rural communities rely on expensive trucking of water that is brought over long distances. The access to water for the urban poor is through urban water distribution sites, but on occasions when municipal water supply systems are not fully operational; these low-income households rely on shallow artisan wells for water.

Table 5.1.20: Regional Distribution of Deep Bore Wells and Dams

Region	Deep wells				Subsurface dams	
	Functioning	Needs rehab	Abandoned-to be replaced	Total	De-silted	Needs to be de-silted
Awdal	8	4	3	15	-	-
North West	12	7	10	29	3	1
Sahil	4	2	4	10		
Togdheer	9	8	21	38	2	9
Sanaag	10	6	10	26	-	-
Sool	6	2	1	9	-	-
Total	49	29	49	127	5	10

Source: Ministry of Mining, Energy, and Water Resources

Access to water and its quality are so important that the standard of living in a country is measured by the proportion of the population using improved drinking water sources and improved sanitation facilities. In this regard, Somaliland has made significant progress in the last decade, but has still a long way to go to achieve millennium development goals. The percentage of households using improved drinking water increased from 34% in 1999 to 41% in 2006, while the percentage of households using improved sanitation facilities increased from 37% in 1999 to 40% in 2006.

Challenges and Opportunities

MINING: The mining sector in SL is poorly developed mainly due to:

- Lack of professional and technical staff

- Lack of reliable information
- Out dated mining code
- Contentious contracts entered into before 1991
- Lack of recognition
- Absence of investment in the sector, whether private or public.

In spite of these challenges and constraints, excellent mining opportunities do exist in Somaliland. Hence, investors can benefit from rich, untapped mineral resources and also contribute to the prosperity of the national economy, provided that an investor-friendly climate is created.

ENERGY: The main challenges in the energy sector of Somaliland include the following:

- Lack of capacity and strategy in generating alternative sources of energy for overcoming the environmentally devastating effect of the widespread use of charcoal in the country
- Dysfunctional or old and tired power plants
- Poor power distribution network
- Lack of financial resources for maintenance, and expansion
- Too much reliance on imported sources of energy
- Inefficiency and industrial fragmentation
- Rising energy costs
- Inaccessibility by the poor
- Inadequate legal and regulatory framework

The use of renewable energy technologies (RETs) has been slow to develop in Somaliland for the following reasons:

- Absence of an effective policy environment that encourages the use of alternative energy systems
- Lack of public education and information regarding the use, advantages, and limitations of RETs
- High up-front costs of RETs and the absence of credit for end-users to spread the initial cost of RET systems over time and to enable local suppliers to purchase system components locally and from abroad in a cost-effective manner
- Private sector's lack of the funds, human resources, information, and linkages necessary to acquire RET equipment supplies in industrialized countries
- Absence of financial facilities that allow users to purchase solar or wind systems which, although economically competitive in the long run, may initially cost more than a diesel generator.

Amid these formidable challenges in the energy sector, Somaliland is blessed with an abundance of resources, especially wind, solar and tidal wave energy, fossil fuels, and other renewable resources. However, as has been suggested above, the widespread energy scarcity is hampering the economic development of the country. Hence, there is an urgent need to develop these energy resources to improve the country's energy supply and alleviate the environmentally detrimental effect of charcoal use.

WATER: Somaliland suffers from chronic water shortage due to:

- Limited amount of rainfall received
- Short rainy seasons interspersed with long dry seasons
- Unpredictable rains with high inter-annual variation
- Frequent droughts
- Increasing salinity of ground water
- Increasing demand from growing urban population, livestock and industries
- Lack of reservoirs and proper water harvesting strategy
- Wells and reservoirs in disrepair

Priorities and Strategies

MINING: Given the current situation of the mining sector, action will be taken in the following key priority areas:

- Building the institutional capacity of the mining sector through:
 - Skilled manpower development
 - Acquisition of necessary machinery and related equipment
- Formulating appropriate policies, rules, and regulations that empower the mining sector to exploit the country's mineral resources more effectively
- Encouraging private investment in the sector
- Encouraging and facilitating initiatives aimed at the exploration and extraction of the untapped mineral resources of the country for the purpose of boosting economic growth in Somaliland
- Ensuring that mining activities conform to national policy of sustained natural resource utilization and the protection of the environment.

ENERGY: To meet the energy needs of Somaliland in a sustainable, cost-effective, and socially/environmentally acceptable manner, the GoSL will take the following priority actions:

- Implementation of Somaliland national energy policy
- Promote the development of environmentally friendly renewable sources of energy (solar, wind and tidal)
- Develop a strategy that encourages people to switch from using charcoal to our sources such as coal and renewable sources

- Increase access to affordable, and reliable energy sources in ways that contribute to poverty eradication
- Upgrade current power stations and distribution grids
- Encourage consolidation of the industry to take advantage economies of scale and reduce unit cost

WATER: The Government recognizes that the current situation in the water sector and its institutional management is inadequately equipped and hinders the achievement of the set objectives of economic recovery and poverty reduction in the country. Therefore, the Government plans to undertake the following priority initiatives in order to address water supply challenges:

- Implement national water policy
- Build strategically distributed deep-bore wells as part of drought mitigation in all regions
- Establish an early warning system
- Coordinate and integrate efforts to foster environmentally sustainable water resource development, conservation, and management
- Establish an inter-ministerial task force to coordinate and respond to droughts and other related crises
- Strengthen municipal water development agencies to improve urban water supply and distribution
- Develop models for the distribution of water services in both urban and rural areas
- Establish meteorological services to support the early warning system
- Survey and develop underground water resources
- Promote inter-regional cooperation on drought mitigation with neighbouring countries.

Policy, Legal, and Institutional Reform

MINING: The mining sector, like the other sectors, urgently needs action to strengthen its rules and regulations; the sector also needs an up-to-date mining policy and code which guide and facilitate the effective and efficient exploitation of the country's mineral wealth and thereby boost economic growth. The sector must, therefore, be guided and regulated by an effective policy framework, which will deal with the challenges facing the sector.

ENERGY: At the conclusion of a four-year policy formulation process, Somaliland drafted an energy policy which was approved by the Council of Ministers on March 03, 2010. The policy is expected to provide a regulatory framework for the country's energy sector and lays a foundation for its development. It is, therefore, essential to utilize its provisions and comply with its obligations for improving the energy sector of the country.

WATER: The water policy of Somaliland was drafted in June 2004. This draft policy is the first element constituting the regulatory framework for the water sector of the country. Since the National Water Policy expresses the commitment of the Government of Somaliland to the

development of the water sector, stakeholders and actors need to consider it as the framework for their water development-related actions. Therefore, it is necessary to comply with this policy and other regulations formulated for the sector in an effort to contribute to the development and conservation of the water resources of Somaliland.

Programs and Projects

MINING: On the basis of the priorities and strategies which have been set, the following specific projects and programs will be launched in order to contribute to the development of the mining sector in SL:

- Replacement of charcoal with coal, whose extraction, development, and use should be encouraged
- Revision and updating of the mining code
- Development of cartography
- Establishment of modern laboratories with all essential accessories
- Conducting a survey of minerals (gold, zinc, quartz, and other precious metals, as well as industrial and construction minerals)
- Implementation of capacity building programs for the sector's institutions (staff training, transport supply, building of field camps in various places)

ENERGY: The projects and programs listed below are expected to promote the priorities of the energy sector during the five-year period of this National Development Plan:

- Building the capacity of the energy department of the MoMEW and that of the Center for the Somaliland Energy Commission (SEC)
- Commencing the drafting of Somaliland Energy Regulation (SER)
- Constructing—and fully equipping—a Somaliland energy center
- Enhancing and/or introducing alternative energy sources (such as solar and wind energies)
- Collecting and disseminating energy-related information and data
- Establishing the national electric grid in six major towns of SL
- Addressing the rural energy needs for rural development
- Rehabilitating and constructing twenty earth dams
- Harnessing Somaliland's energy resources for self-sufficiency in energy (varied sources--such as thermal, and tidal energy--need to be explored; and reliable, safe, and affordable multi-energy choices shall be introduced nationwide for commerce and industry)
- Initiating research and exploration on fossil energies in Somaliland.

WATER: In order to improve the availability and access of water from improved sources, and thereby contribute to the attainment of the Millennium Development Goals, the Government will execute the following NDP projects and programs:

- Building the capacity of the Ministry of Mining, Energy and Water Resources (this will include building regional offices in Sool and two other regions, and staff training)
- Provision of safe and affordable water to urban centers
- Rehabilitation and drilling of boreholes each year
- Rehabilitation and construction of sanitary earth dams each year
- Rehabilitation and construction of shallow wells with renewable energy
- Establishment of buffer stocks for emergency response
- Rehabilitation of mini-water systems, extension/completion of urban water supply systems,
- Conducting a geophysical survey of the ground water potential with exploratory drilling
- Establishment of rain gauge network stations throughout the country
- Building telemetric weather stations throughout Somaliland
- Promotion of PPP investment in the development of water systems

5.1.7(a) Mining Sector Budget and Implementation Matrix

Goal		Explore and extract the untapped mineral resources of the country									
Strategic objectives		<ul style="list-style-type: none"> To strengthen rules and regulations of the mining sector for better exploitation of the country's mineral resources To explore and extract the mineral resources of SL to benefit the country from its unexploited mining potential 									
No.	Programs	Objectives	Project Outputs/Outcomes	Source of fund	Implementer	Required budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Revise mining code	To develop an up to date mining code	<ul style="list-style-type: none"> Existing mining code revised and updated 	Donors and Somaliland Government (SLG)	MoMEW	0.1	-	-	-	-	0.1
2	Development of the cartography	To develop a cartography	<ul style="list-style-type: none"> The needed maps collected and cartography developed 	"	"	0.03	0.01	-	-	-	0.04
3	Establishment a modern laboratories with all essential accessories	To establish required labs for mining industry	<ul style="list-style-type: none"> Modern laboratories established for the mining industry 	"	"	-	0.04	-	-	0.07	0.11
4	Mineral survey (gold, Pt, Zn, Quartz, other precious metals, industrial mineral, and construction minerals)	To conduct a mineral survey in SL to benefit the country from its mineral resources	<ul style="list-style-type: none"> A wide and informative mineral survey conducted 	"	"	-	0.01	0.01	0.01	0.08	0.11
5	Capacity Building (Staff training, transport supply, field camps building at various places)	To build the technical capacity of the Mining department of MoMEW	<ul style="list-style-type: none"> Essential skill trainings provided to the staff of the department Other required capacities built in the department 	"	"	-	0.02	0.01	0.02	-	0.05
Total Mining Development Budget						0.13	0.08	0.02	0.03	0.15	0.41

5.1.7(b) Energy Sector Budget and Implementation Matrix

Goal		Improving availability and accessibility of affordable energy at a reasonable price and in support of socio-economic development in SL										
Strategic objectives		<ul style="list-style-type: none"> To ensure improved access to a range of energy services for the whole population in urban and rural areas To ensure sustainable fuel wood management To consolidate data on energy resources To assess the development and dissemination of appropriate renewable energy technology such as solar energy, wind mill, etc. 										
No.	Programs	Objectives	Project Outputs/Outcomes	Source of fund	Implementer	Required budget (USD Millions)						Total
						2012	2013	2014	2015	2016		
1	Building the capacity of energy department of MoMEW, and the centre for Somaliland Energy Commission (SEC)	To build the technical capacity of the Mining department of MoMEW and the centre for SEC	<ul style="list-style-type: none"> The energy department of MoMEW and SEC fully equipped Professionals and skilled technicians recruited and trained Office rooms constructed for the energy department and for SEC (2012) 	Donors and SLG	MoMEW	0.04	1.12	0.13	-	-	1.29	
			<ul style="list-style-type: none"> Experience sharing tours organized especially for participation on energy conferences, and learning from regional and global energy commissions and institutions 	"	"	0.05	0.05	0.05	0.05	0.05	0.25	
2	Commencing the drafting Somaliland Energy Regulation (SER)	To draft Somaliland Energy Regulation (SER)	<ul style="list-style-type: none"> Training provided to staff and consultation made with stakeholders for drafting SER SER drafted SER approval by cabinet, parliament and president 	"	"	0.36	-	-	-	-	0.36	
3	Charcoal use reduction and gradual substitution with coal development	To reduce and gradually halt the devastating charcoal use in SL by substituting it with other sources of energy, especially coal	<ul style="list-style-type: none"> Alternative cooking energy sources identified and developed to substitute current charcoal use 	"	"	0.1	0.2	0.5	0.4	0.3	1.50	
4	Construction of Somaliland energy centre (including fully equipping)	To construct SL energy centre	<ul style="list-style-type: none"> Human resource, material and skill training supports provided to SL energy centre Awareness raising on energy selection, application, safety and conservation conducted for the people of SL 	"	"	0.45	-	-	-	-	0.45	

5	Enhancing and introducing alternative energy sources (such as solar and wind energies)	To develop alternative energy sources (such as solar and wind energies)	<ul style="list-style-type: none"> • Small solar heaters, and solar applications in community services and for light industries introduced and developed • Wind pumping tests increased 	"	"	0.24	-	-	-	-	0.24
6	Collecting and disseminating energy related information and data	To collect and disseminate useful local and global information on energy	<ul style="list-style-type: none"> • Relevant information and data related to energy collected and disseminated • Close follow up conduct on energy trends both locally and globally 	"	"	0.10	0.05	.03	0.02	-	0.20
8	Addressing the rural energy needs for rural development	To enhance rural electrification for improved rural livelihood	<ul style="list-style-type: none"> • Rural electrification possibilities researched, and appropriate/ suitable energies selected and introduced to the rural communities 	"	"	-	0.38	-	-	-	0.38
9	Encouraging/enhancing investment on the energy sector, and rehabilitation/ construction of 20 earth dams	To enhance investment on the energy sector, and rehabilitate/ construct earth dams for energy generation	<ul style="list-style-type: none"> • 20 earth dams rehabilitated/ constructed for energy generation • Investment on the energy sector enhanced 	"	"	-	4.8	-	-	-	4.8
10	Harnessing SL energy resources for self sufficiency in energy (varied energy sources such as hydro, thermal and tidal need to be explored; and reliable, safe and affordable multi energy choices shall be introduced nationwide for commerce and industry)	To generate reliable, safe and affordable energy in SL	<ul style="list-style-type: none"> • SL energy resources harnessed for self sufficiency in energy and production of reliable, safe and affordable energy in the country 	"	"	0.1	0.30	0.65	1.00	3.00	5.05
11	Initiating research and exploration on fossil energies in SL	To explore the fossil energy potential in SL	<ul style="list-style-type: none"> • Fossil energy potentialities in SL explored and exploited 	"	"	-	-	-	0.65	-	0.65
Total Energy Development Budget						1.44	6.9	1.36	2.12	3.35	15.17

5.1.7(c) Water Sector Budget and Implementation Matrix

Goal		Improve availability and access to water in SL in sustainable and equitable way for all different uses, in a manner that is environmentally safe and in line with the Millennium Development Goals										
Strategic objectives		<ul style="list-style-type: none"> To increase availability of water by developing the surface and ground water resources To coordinate water infrastructure initiatives to optimize access To set standard management practices of water for improving gender equity, community mobilization, and private sector participation To set priorities of use and rules for sharing the resource To develop and integrated water resource management 										
No.	Programs	Objectives	Project Outputs/Outcomes	Source of fund	Implementer	Required budget (USD Millions)						Total
						2012	2013	2014	2015	2016		
1	National Watershed Management	To promote National Watershed Management system that is in line with international principles of integrated Watershed Management (IWM)	<ul style="list-style-type: none"> 12 Sanitary Earth reservoirs rehabilitated, and 100 new ones constructed 600 Sand dams constructed 6 major Mega Dams constructed Manual rain gage systems established nationwide Telemetric weather stations established nationwide 6 Regional Hydrological Data Centres established 6 Regional Water Quality laboratories established An intersectoral committee on for IWM to established to develop appropriate joint strategies 	Donors and SLG	MoMEWR	4.8	5.34	0.36	3	1.5	15	
2	National Groundwater Development	To provide safe and affordable water to urban towns and rural communities of SL	<ul style="list-style-type: none"> 15 Strategic Boreholes Rehabilitated 150 Boreholes drilled and equipped nationwide 600 Sand Dams constructed to recharge the underground aquifer 	"	"	3.9	4.5	6	4.1	3.4	21.9	
3	Improving water governance and management with the development of national water regulations, polices and strategies	To establish strong legal framework for the management of national water resources	<ul style="list-style-type: none"> Two consultants hired to develop and advise on water policies and management National Water Act Approved by the Parliament National water policy and strategy developed Water sector engineering and drilling 	"	"	-	0.2	-	-	-	0.2	

			<p>companies registered and certified with the establishment of quality standards</p> <ul style="list-style-type: none"> • Somaliland National Water Development Agency established • PPP programs encouraged and established for improving water management 									
4	Enhancing water technology and Research	To establish water technology and research capabilities for advancing the water development sector of Somaliland	<ul style="list-style-type: none"> • Two water technology institutes established in Hargeisa and Burao to produce water sector professionals • Four water engineering faculties established in four Somaliland Universities • Two Water Research and Development centres established in Somaliland 	"	"	-	1.0	1.0	0.5	-		2.5
5	Development of Disaster Risk Reduction Strategies (DRR) in Collaboration with NERAD	To develop National DRR strategies and capacities for better response to emergencies	<ul style="list-style-type: none"> • Strategic Boreholes established in drought prone areas to be used for water trucking • Fully equipped emergency response centres established in the six regions of Somaliland • Water trucking vehicles purchased for the Ministry • Effective strategies for DRR developed together with NERAD 	"	"	1.2	1.2	1.6	1.8	1.5		7.3
Total Water Development Budget						9.9	12.24	8.96	9.4	6.4		46.9
ADMINISTRATION												
6	Capacity building for MoMEWR	To build the capacity of MoMEWR for better service delivery	<ul style="list-style-type: none"> • 13 regional offices constructed, and provided with furniture and office equipments • 13 transport vehicles purchased for new offices 	"	"	0.36	-	0.24	-	0.54		1.14
			<ul style="list-style-type: none"> • A staff training center built, and required furniture and equipments supplied for providing skill training to Ministry staff 	"	"	-	0.2	-	-	-		0.2
			<ul style="list-style-type: none"> • ICT system established at HQ, web-site developed and swift connections with regional offices maintained 	"	"	-	0.1	-	-	-		0.1
Total Mining, Energy and Water Development Budget						11.83	19.52	10.58	11.55	10.44		63.92

5.1.8 Private Sector

Situational Analysis

A strong private sector has emerged in Somaliland as a result of stability, peace and security and the absence of restrictive government interventions. The sector is currently engaged in a wide range of commercial, service and industrial economic activities including retail, wholesale, import-export trade, hotels, property development, utilities, airlines, money transfer, health and education. The private sector accounts for over 90% of the country's gross domestic product (GDP), and employment. As the market economy replaced the socialist modelled economic structure of the former regime in the 80s, development has become market-driven rather than government-led.

Despite the admirable progress made, the development of the private sector is constrained by the absence of adequate infra-structure and financial institutions. One of the main constraints facing the sector today is the limited and expensive electricity supply. Currently, electricity is generated by small diesel generators and is simply too expensive for the majority of businesses and households. However, other energy sources could be considered for development. The country is blessed with plentiful, year-round sunshine and strong monsoon winds which can be harnessed to generate renewable energy. Somaliland also has large coal deposits which can be used to fuel coal-fired generators to produce affordable electricity. Investment in the energy sector should be a national priority in order to reduce reliance on charcoal and to bring inexpensive electricity to every house and business unit.

At the present time, Somaliland enterprises do not have access to regular banking facilities, and therefore cannot borrow money to cover operational expenses or invest in fixed assets as and when they need to do so. Import and export activities also face severe constraints, as traders are unable to obtain international insurance or guarantees. Somaliland's economic growth and development is hindered by the absence of a legislative framework to license and regulate the financial services sector. The Government should support financial service industries to strengthen their role as engines of economic growth.

Remittance companies are, however, thriving and some have even started the transition to regular banking operations, including the opening of savings accounts and the offering of limited forms of guarantees. Women's access to financing is particularly limited. This barrier increases the cycle of poverty beyond women since they are often left with the responsibility of being the sole providers for entire families with limited means. There are also other equity-related problems. Socio-economic mapping studies completed in Somaliland during 2004-05 confirm that business licensing is not pro-poor. For example, the annual total of the daily charges petty traders have to pay is substantially higher than annual license fees for larger enterprises. Business support institutions such as the Chamber of commerce and industry associations are still weak.

There is no question that countries ravaged by war, like Somalia, need active and vibrant private sector if they are to emerge from conflict and post-conflict aid-dependent economies. Micro, small and medium enterprises (MSMEs) play an important role in post-conflict recovery accounting for most of the new employment opportunities.

The most important question for the government is what should be done to strengthen and develop the private sector. The government should first and foremost create a business-friendly 'enabling environment' that is secure and stable, where the rule of law reigns, and where businesses are not overburdened with unnecessary rules and regulations and high taxes. The government should support and work in partnership with the private sector.

Challenges and Opportunities

The private sector faces many challenges including:

- Inadequate infrastructure
- High cost of fuel and electricity
- Lack of access to credit and regular banking facilities
- Inability to obtain international insurance or guarantees
- Time consuming procedure for setting up companies
- Taxation on wealth or capital for start up businesses
- Limited technical skills
- Absence of business support institutions

But opportunities also abound including investment in:

1. Agribusiness especially in large scale cereal production, dairy and poultry farming
2. Fisheries and fish processing
3. Meat processing
4. Salt production
5. Industrial processing and packaging
6. Chemical and engineering industries
7. Financial services
8. Health services
9. Professional services
10. Mining
11. Oil and gas

Priorities and Strategies

In order to create a thriving competitive private sector within the NDP time frame, the government will:

1. Invest in critical infra-structure
2. Provide technical and financial support to enterprises
3. Promote exports
4. Seek to diversity export markets
5. Encourage the development of import substitution industries
6. Provide technical and managerial skills training
7. Support research and development
8. Promote foreign direct investment
9. Promote better technology and quality assurance
10. Establish a business friendly environment
11. Facilitate the development of the financial sector
12. Promote private joint ventures in the form of companies and coops
13. Promote public private partnership

Policies, Legal, and Institutional Reform

To create a business friendly, enabling environment in which the private sector can develop and thrive, the government will review and reform existing business laws including the company law, the investment law, the mining code and the tax regime. It will introduce the necessary legislative framework for licensing and supervision of financial service institutions, and it will set up support institutions that provide advisory, technical, financial assistance to the private sector.

Programs and Projects

With respect to specific programs and projects that need implementation in the NDP plan period, the GoSL will:

1. Create a legislative framework to regulate the financial services sector.
2. Reform business laws
3. Establish public private partnership modalities
4. Develop a private sector development policy.
5. Carry out private sector needs assessment.
6. Strengthen and build the capacity of business associations and chambers of commerce.
7. Create a conducive, business-friendly investment climate
8. Establish a business management information system to develop e-commerce
9. Rehabilitate and build infrastructure such as roads and power generation and lines etc. as an important first step to recovery.

5.1.8 Private Sector Budget and Implementation Matrix -

No.	Programs	Objectives	Project Outputs/Outcomes	Source of fund	Implementer	Required budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
	Goal	To provide a Conducive and Enabling Investment Climate for the Private Sector.									
	Strategic Objectives	<ul style="list-style-type: none"> • To put in place a Private Sector Development Policy. 									
<ul style="list-style-type: none"> • To regulate the Financial Services Sector. 											
<ul style="list-style-type: none"> • To establish closer cooperation between the public and private sectors. 											
<ul style="list-style-type: none"> • To build capacity in the Chamber of Commerce and other Apex Business Membership Organisations, local entrepreneurs and SMEs. 											
<ul style="list-style-type: none"> • To carry out a Private Sector Needs Assessment including identifying constraints facing the private sector. 											
1	Output 1 Private Sector Development Policy (PSDP) Developed. Indicator(s): PSDP Policy Developed providing policy framework for a conducive and enabling Investment climate.	-To Develop a Private Sector Development Strategy. -To develop a Private Sector Competitive Strategy. -To reduce the cost of doing business -To establish Legal and Regulatory Reforms.	Targets - PSDP developed and Working Papers formulated. -Financial services sector regulated. -A study undertaken to investigate the several challenges faced by the Private Sector and recommendations made to address them. -Improved access to regular bank financing and access to credit.	UNDP, World Bank, UNECA, GoSL , IGAD, African Development Bank, USAID	Ministry of Trade, Industry, Investment, Ministry of Foreign Affairs	0.1	0.25	0.25	0.25	0.15	1.0

2	<p>Output 2</p> <p>Private Sector Needs Assessment conducted.</p> <p>Indicator(s): PSDP Needs Assessment Report developed.</p>	-To identify constraints facing the private sector.	-Consultant identified to undertake a study identifying constraints facing the private sector.	World Bank, African Development Bank, UNDP, Islamic Development Bank (IDB), GoSL	Ministry of Finance; Chamber of Commerce and other Business Membership Apex Organisations (if any).	0.05	0.1	0.1			0.25
3	<p>Output 3</p> <p>Public-Private Partnership (PPP) established.</p> <p>Indicator(s): PPP Strategy developed.</p>	-To build capacity of the Chamber of Commerce and other Business Membership Organisations, local entrepreneurs and SMES.	-Lobby for the private sector to be represented on the Somaliland Tax administration forum, National Planning Commission, and Investment Committee. -Familiarisation visits to other selected Chambers of Commerce in Africa, and the developed world. -Management Information System (MIS) introduced.	UNDP, UNIDO, UNCTAD		0.05	0.1	0.1			0.25
Local Consultancy and Administration						0.1	0.1	0.1	0.1	0.1	0.5
Total						0.3	0.55	0.55	0.35	0.25	2.0

5.1.9 The Diaspora

Situational Analysis

The Diaspora is made up of migrants from a particular area living scattered outside their place of birth but remaining in contact with it through transnational linkages. The African Union has defined the African Diaspora as

"Consisting of people of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent and the building of the African Union."

The Somaliland Diaspora is about 150-200,000 strong community with global presence. There are Somaliland communities in many African countries, in Asia, Australia, Middle East, Europe, North America and even South America. The Diaspora is a diverse community: There are old communities of mainly migrant workers formed during the colonial era, and new refugee communities born out of the civil war in the 80s and 90s. There are the first generation who migrated, and second and third generations who were born in their respective countries. The Diaspora is an important source of income, capital and knowhow for the country. Annual remittances by the Diaspora is estimated to exceed \$500 million Dollars, and there are hundreds of professionals, entrepreneurs, and intellectuals from the Diaspora serving in government, working with International and local NGOs, teaching in schools and universities, or running their own businesses.

Remittances often play a central role in the livelihoods of those that receive them. They improve their economic status and access to education. Children in the households of families receiving remittances have relatively good school attendance rates. Studies of remittances in Hargeisa, Burao, and Bosasso (in Puntland) have estimated remittances to represent nearly 40 percent of the income of urban households, and account for roughly 14 percent of rural income. Remittances constitute a very important source of finance for Somaliland. They are a lifeline without which dependence on international food aid or starvation on a large scale would be unavoidable. But there are challenges hindering its maximum contribution to national development which must be addressed.

In the absence of commercial banks, remittance companies form the main mechanism for transferring money in and out of Somaliland. There are about a dozen remittance companies currently operating in Somaliland, but most of the transfers are handled by the two leading companies Dahabshiil and Qaran Express. These remittance companies have an international network, which offers a cheap, fast, and reliable financial channel between Diaspora and their dependents back home. They provide a vital link. Within Somaliland, they also provide some basic banking services for businesses as well as visitors from the Diaspora community, and

hence facilitate investment and trade. They are also the biggest employers in the private sector and contribute to social and economic development of the country in a major way.

In the long run, the remittance sector needs to be complemented with broader financial sector reforms for its benefits to be maximized. The financial sector is constrained by the absence of a regulatory framework for licensing and supervising financial institutions, and lack of strong property rights, and enforceable collateral contract legislation. Regulations need to be put in place to deal with these constraints in order facilitate in-flow of capital and investment in the country, which is a crucial precondition for long-term growth.

As mentioned above, remittances have been a significant contributor to family income and investment, with subsequent effects on poverty and inequality reduction. Especially in times of economic depressions and external shocks, remittances have been extremely important to the Somaliland economy because they tend to smooth consumption and thus create a “buffer” against shocks. Livestock exports have traditionally been the main source of foreign currency, but remittances have replaced them. The inflow of remittance tends to rise in times of drought and need. Remittance from the Diaspora is basically the transfer of wealth from high income countries to low income countries. It has the net effect of reducing poverty and closing the gap between the poor and the rich; and for the people of Somaliland remittance is a life line.

Challenges and Opportunities

The Diaspora constitutes a bridge between their adopted countries and their original country, Somaliland; between modern western cultures and traditional Islamic culture, and between developed and developing economies. In that abridging role they face many challenges including:

- The adaptation to a new culture and way of living
- Raising children exposed to a different culture and whose first language is different from their own
- Maintaining physical and cultural links with the home country travelling back and forth
- Dealing with the pressures of responding to and meeting the constant demands of relatives and friends with expectation beyond their means
- Investing in business and property
- Securing property rights and enforcing contracts
- Managing property investments
- Finding ways and means for contributing to development of the country
- Getting up to date information about the needs and opportunities of the country

But there are also opportunities open for the Diaspora to:

- Invest in productive sectors: in mining, agriculture, manufacturing and service industry
- Provide technical support and advice to public and private institutions.
- Support and build local professional associations.

- Establish a link and a working relationship between the organizations and institutions they work for or study in their adopted countries with their Somaliland counter parts
- Establish development funds
- Volunteer to work with local non-governmental organizations
- Collect and dispatch donations in kind

Priorities and Strategies

There is a real need for a well structured and strategic framework both in Somaliland and abroad to mobilize, coordinate and integrate Somaliland Diaspora into the national development of the country. In this regard the government of Somaliland has established an independent commission for supporting, coordinating and working with the Diaspora, which will:

- Promote cultural tourism within the Diaspora in collaboration with concerned agencies such as airlines
- Strengthen Somaliland Diaspora cohesion
- Promote cultural and civic education programs for the Diaspora particularly the youth ;
- Sensitize and help members of the Somaliland Diaspora to network and keep their cultural identity.
- Develop information exchange forums for Diaspora to keep up-to-date on government policies, plans and achievements.
- Encourage the formation of virtual learning environments and discussion forums;
- Work with and support initiatives of Somaliland Diaspora locally and abroad;
- Facilitate investment and transfer of funds from the Diaspora;
- Encourage and facilitate the Somaliland Diaspora with professional skills to put their expertise to the service of their country of origin;
- Collaborate with international organizations working with the Diaspora
- Encourage Somaliland Diaspora to form professional forums abroad;
- Promote Diaspora interests in international organizations and encourage Somalilanders to access international job opportunities;

Policy, Legal, and Institutional Reform

The appointment of the Commission for the Diaspora by the president was a major development that put an official stamp on the importance of the Diaspora and provided a framework for its engagement. At the next stage, the government will develop a National Diaspora Policy which will articulate the goals and objectives to be achieved and the strategies to be followed to maximize the contribution of the Diaspora to the economic, social and political development of Somaliland. The government will consider special waver on airport taxes to encourage the Diaspora maintain family ties and spend their holidays in the country.

Other concessions including exemptions from business registration fees, and tax on start-up capital will be considered.

Programs and Projects

In pursuit of the strategies outlined above, the Diaspora Commission will undertake the following initiatives:

- Develop a national Diaspora policy
- Establish a regularly updated database on Somaliland Diaspora professionals, organizations and businesses;
- Develop and maintain an interactive Website to facilitate continuous dialogue and exchange of information between the Diaspora and Somaliland
- Organize conferences, exhibitions and cultural events in Somaliland and abroad,
- Organize events that aim at promoting Somaliland Diaspora cohesion;
- Sensitize and help members of the Somaliland Diaspora to network and keep their cultural identity.
- Promote Diaspora interests in international organizations and encourage Somalilanders to access international job opportunities;
- Assist and monitor the reintegration of Somaliland Diaspora returning permanently.
- Organize investment promotion events, inside and outside Somaliland
- Work with line ministries and academic institutions to identify areas where Somalilanders in the Diaspora with professional skills can assist Somaliland;
- Work with international organizations related to migration and development especially with UNDP and IOM to promote and organize skills and knowledge transfers;
- Organize on a regular basis meetings and conferences of academics, economists, doctors, professors from the Diaspora
- Create and operate communities and professional networks
- Initiate joint ventures between Somaliland of the Diaspora and entrepreneurs inside Somaliland
- Work with Ministry of Youth, Culture and Sports, youth associations in Somaliland and Diaspora youth associations to promote links between youth inside and outside Somaliland ;
- Hold an annual youth forum for youth living in Diaspora and those who live in Somaliland;
- Organize volunteer missions in Somaliland for Diaspora youth and summer camps.
- Build the institutional capacity of the commission

5.1.9 Diaspora - Budget and Implementation Matrix

No.	Programs	Objectives	Project Outputs/Outcomes	Source of fund	Implementer	Required budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
	Goal	To support and facilitate the Somaliland Diaspora in their contribution to the country's social, economic, technological and political development.									
	Strategic Objectives	<ul style="list-style-type: none"> • To Develop a Diaspora Policy. 									
<ul style="list-style-type: none"> • To complement the remittance sector with a sound Policy, financial, and regulatory framework. 											
<ul style="list-style-type: none"> • To identify and address challenges hindering the Diaspora's maximum contribution to National development. 											
<ul style="list-style-type: none"> • To develop a Somaliland Diaspora Communication Strategy. 											
1	Output 1 Diaspora Policy <i>Developed.</i> Indicator(s): Diaspora Policy providing internally and externally on Diaspora issues developed	-To address day-to-day technical, regulatory, security, cultural, institutional, logistical and managerial challenges. -To develop strategies aimed at maintaining positive interest and homeland ties among the Somaliland youth around the globe to continue engaging positively with their country of origin. -To address Diaspora participation in multi-party politics at home when a national interest is at the stake.	Targets - Working Papers formulated And National Diaspora Policy developed. -A study undertaken to develop a strategy aimed at maintaining positive interest and homeland ties among the Somaliland youth. -A study undertaken to develop a strategy with recommendations on how to involve the Diaspora in multi-party politics at home. -A study undertaken to investigate the several challenges faced by the Somaliland Diaspora hindering their maximum contribution to National development. -A study undertaken on remittance and its effect on the migrant, financially,	UNDP, World Bank, UNECA, GoSL, IGAD, IoM, CIDA, DFID, USAID, AU, African Diaspora Policy Centre (Netherlands)	Ministry of Foreign Affairs, MoNPD, Private Sector	0.15	0.3	0.3	0.3	0.5	1.05

			psychologically, and culturally.								
2	<p>Output 2 Financial Sector Reforms instituted.</p> <p>Indicator(s): Financial Sector Reforms approved for implementation.</p> <p>Baseline: Financial Sector Reforms not in place.</p>	-To create a professionalized and formalized remittance sector.	<p>-Strategy developed to turn Somaliland remittance companies into formal financial institutions—Banks, MFIs, Insurance, etc.</p> <p>-Develop and operationalise Investment and Regulatory Laws in place.</p>	World Bank, African Development Bank, UNDP, Islamic Development Bank (IDB), GoSL	Ministry of Finance, MoNPD, Ministry of Justice, Private Sector	0.05	0.1	0.1	0.1	0.2	0.55
3	<p>Output 3 A Diaspora Communication Policy developed.</p> <p>Indicator(s): Diaspora Communication Policy developed.</p> <p>Baseline: Diaspora Communication Policy not in place.</p>	-To create greater awareness with regard to the role of remittance companies to the economy of Somaliland.	-A participatory consultative process undertaken.	UNDP, IGAD, GoSL, AU, USAID	Ministry of Foreign Affairs, MoNPD, Ministry of Information	0.05	0.1	0.1	0.1	0.2	0.55
Local Consultancy and Administration						0.1	0.1	0.1	0.1	0.1	0.5
Total						0.25	0.5	0.5	0.5	0.9	2.65

5.2. Infrastructure Pillar

Good infrastructure is crucial for achieving sustainable and inclusive growth, which will ensure shared prosperity for the whole country. But, Somaliland has a large infrastructure deficit which is mainly attributable to the decade-long civil war that culminated in the proclamation of independence in 1991. During this period, the infrastructure of the country was completely destroyed, and the subsequent reconstruction effort has been slow. The sector has suffered from lack of maintenance and rehabilitation due to lack of resources.

The infrastructure pillar (IP) comprises the work of four different ministries: *The Ministries of Public Works, Posts & Telecommunications, Civil Aviation, and Information*. There are another three government agencies working in the sector: namely, *Somaliland Road Authority, Berbera Port Authority, and the Information and Communication Technology (ICT) Commission*. In terms of its scope, the pillar covers a wide range of issues including: housing, transport, roads, airports, seaports, electricity and energy, as well as information, communication and technology.

The objective of the five year (2012 – 2016) National Development Plan (NDP) is to assess the current state of the infrastructure, establish priority needs for reconstruction and improvement, carry out the improvements required and maintain its functionality. Success with regard to infrastructure rehabilitation and development during the NDP period will greatly depend on the availability of financial resources from the Somaliland Government, the private sector, and international development partners.

In the past decade, the Government of Somaliland has undertaken a number of initiatives aimed at liberalizing private investment in infrastructure. These initiatives covered power generation and distribution, water development and distribution, and telecommunication. Similarly, private investors started to operate airline and airport services, which played a critical role in facilitating movement of people and goods in and out of Somaliland. The road sector has benefited from a limited rehabilitation program supported by the European Union (EU), but carried out by private contractors. Likewise, the International Civil Aviation Organization (ICAO) has helped the Somaliland air transport through the establishment and staffing of air traffic control services.

Infra-structure projects are by their very nature very expensive. They are mostly financed by governments who raise long-term loans from financial institutions and capital markets, or allocate funds from budgets supported by bi-lateral or multi-lateral assistance. But, due to lack of international recognition, Somaliland is not in a position to benefit from the financial resources available in international capital markets or offered by international development banks. Its revenue base is limited and its budget is too small to accommodate the required investment in infra-structure. Similarly, the limited financial resources of the domestic private sector are not sufficient to cover the huge capital investments needed. The Government is, therefore, obliged to rely mainly on international development partners' support to fund infrastructure projects. There has been interest shown by international investors in investing in some of the country's infrastructure assets, such as the port of Berbera. But again lack of recognition has been a problem.

The challenges and constraints hampering the development of the sector are many, but the main ones are:

- Shortage of adequate financial resources
- Weak institutional capacity
- Shortage of qualified technical and professional expertise
- Lack of appropriate legal framework for private investment and public-private partnerships
- Lack of adequate information, and
- Lack of recognition

The NDP aims at addressing the most urgent needs of the infrastructure sector. The government will put emphasis on infrastructure programs and projects that are feasible and have high impact on poverty reduction, and economic growth. Action will be taken on:

- a) Building institutional capacity for policy development, planning and program implementation.
- b) Rehabilitating and maintaining major roads
- c) Rehabilitating power stations and distribution line
- d) Rebuilding main airports such as those in Hargeisa, Berbera, Burao, and Erigavo, as well as small regional airports,
- e) Promoting renewable energy—e.g. wind and solar energy
- f) Rehabilitating and maintaining urban infrastructure such as water supply and sanitation systems
- g) Improving and expanding major ports such as Berbera

The Government will create an environment of legal and institutional certainty to enable private entrepreneurs to invest and operate with confidence for the long term. There are several autonomous public agencies such as the Berbera Port Authority, the Somaliland Roads Authority, and the Information and Communications Technology Commission (ICT) responsible for the management and development of key infrastructures.

There are, in addition, a number of private companies operating in **the media sector** providing television services (alongside the Government-owned channel) and telephone services covering both domestic and international calls. In the absence of Government interference, these communication companies, such Telesom and Somtel have been able to deploy some of the most advanced technologies in their fields and have, therefore, built up a formidable reputation for being among the best in the region. These companies also provide internet services to their customers which are comparable, if not better, to those available in other countries of the region. The Government has recently awarded a licence to a private company for the delivery of broadband internet cable, which will be connected to the international fiber optic network passing through the Red Sea. Once this project is finalized, Somaliland will enjoy one of the fastest internet services in Africa.

Despite the remarkable progress made in the field of telecommunication, one major problem that remains to be solved is lack of inter-connectivity between different local

mobile telephone service providers. This is a serious challenge that the Government of Somaliland will have to address.

5.2.1 Roads Sector

Situational Analysis

Road transport is the principal mode of transport used for the movement of goods and people in Somaliland. The Somaliland road network is estimated to consist of around 770 km of paved roads, 1,225 km of unpaved roads, and approximately 6,800 km of unpaved dirt tracks. The majority of these roads are considered to be in a state of disrepair owing to lack of maintenance. Since inter-regional air, rail, and sea transport is virtually non-existent, these roads—bad as they are—are vital: More than 99% of the movement of goods and people within the region depends on the road transport system. Rural and feeder road networks are in the worst condition. The use of burden animals—principally camels and donkeys—for transport continues to be the only means available to a large segment of the rural population. The condition of the road network has deteriorated steadily over the years due to limited investment, and lack of maintenance. The Somaliland Roads Authority (SRA), which is an autonomous agency under the auspices of the Ministry of Public Works, is responsible for the construction and maintenance of the national road system. The Government has introduced a fuel levy to finance road maintenance.

Challenges and Opportunities

The main challenges facing the sector include

- Limited capacity of the Road Authority
- Inadequate funding
- Limited financing options
- Lack of proper legal and institutional framework for PPP investment
- High cost of road construction
- Lack of reliable data and information

Priorities and Strategies

During the NDP period, action will be taken to:

- Rebuild and maintain the main national (inter-regional) roads
- Rehabilitate rural and feeder roads
- Establish and enforce road safety standards
- Develop transport policies and laws covering road-tax, vehicle roadworthiness testing, insurance etc.
- Review the financing system for the maintenance of roads
- Create an enabling environment for the participation of the private sector in road investment.

Policy, Legal, and Institutional Reforms

The policies and reforms to be enacted during the plan period include:

- 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

Programs and Projects

The Somaliland Road Authority is planning the construction, rehabilitation, and maintenance of the following roads and/or bridges during the NDP period:

- Berbera corridor: maintenance and feasibility study
- Hargeisa-Berbera paved road
- Hargeisa-Kala Baydh paved road
- Burao-Ogo paved road
- Ogo-Las Anod paved road
- Las Anod-Gambadha paved road
- Berbera-Burao paved road
- Taba road: maintenance
- Ainabo-Habariheshay earth road
- Hayramadle Bridge: reconstruction
- Kala Baydh-Dilla paved road
- Burao Bridge: repair work
- Afmadobe - Erigavo road
- Dilla-Borama road
- Eil Sheikh road
- Already existing bridges: repair and maintenance
- Harti Yimid earth road
- Wadamago-Qorilugud road
- Las Anod-Hudun road.

5.2.1 Roads Sector Budget and Implementation Matrix

Goal		To contribute to Somaliland development through improved and competitive infrastructure facilities									
Strategic Objective		Enabling road, transport and public infrastructure									
No.	Programmes	Objectives	Project Outputs/ Outcomes	Source of Funds	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Full Rehabilitation & Construction of Berbera Corridor (Berbera – Wajaale Road)	To repair through Pothole patching, edge repairing, resealing, flood protection for Qadhidha-Berbera Road	• 160 KM of road rehabilitated and repaired	Donors and Somaliland Road Fund	Somaliland Roads Authority (SRA)	0.17	0.15	-	-	-	0.32
		To maintain & Reconstruct	• 250 km of road rehabilitated and constructed	E.U.	"	-	30.0	55.00	40.00	26.0	151.00
		To undertake Feasibility Study	• Feasibility study conducted for 250 KM of road	E.U.	"	3.5	-	-	-	-	3.50
2	Construction of Afmadobe – Erigavo Road	To construct a new road from Ina Afmadobe to Erigavo	• 306 KM of new road constructed	Donors and Somaliland Road Fund	"	-	-	15.00	27.00	28.00	70.00
3	Kalabaydh – Borama Road	To construct a new road from Kalabaydh to Borama	• 46 KM of new road constructed	"	"	-	2.00	3.00	-	-	5.00
4	Berbera – Burao Road	To construct and rehabilitate Berbera – Burao Road	• 71 KM of road rehabilitated and constructed	"	"	3.00	-	-	-	-	3.00
5	Regional Road Network and bridges	To rehabilitate, repair and maintain of roads and bridges (see Note below)	• National road networks and bridges improved (see Note 1 below)	Somaliland Government Budget	"	0.532	0.57	0.50	0.50	0.45	2.55
Total Roads Development Budget						7.20	32.72	73.50	67.50	54.45	235.37

Note 1: Hargeisa Berbera, Hargeisa – Kala Baydh, Burao-Og, Las Anod-Gambadha, Kalabaydh-Dila, Burao-Las Anod, Taba Road, Ainabo-Habariheshay, Eil Sheikh Road, Las Anod-Kala Baydh, Harti Yimid Road, Wadamogo-Qorilugud, Las Anod-Hudun, Baligubadle earth road, Odweine-Burao, Burao Bridge and Hynamadle Bridge.

5.2.2. Public Housing and Transportation Sector

Situation Analysis

The total stock of government-owned houses is 961. Of these, about 192 (20%) houses are in good condition and need minimum repair; 288 houses (30%) need light repairing; 288 houses (30%) require heavy repairing; and the remaining 192 houses (20%) are non-liveable and need total replacement. The Ministry is now in the process of taking stock of Government offices in all regions. No reliable number is currently available.

Prior to the civil war of 1988, the Ministry of public works was responsible for the construction, maintenance and management of public houses and buildings. The government no longer funds public housing programs and the Ministry is not involved in construction. Its role is more limited to the management of the existing housing stock, and the provision of designs, and health and safety standards for public buildings which are generally financed by international organizations and built by private contractors.

Irrespective of whether the Ministry of Public Works resumes its role of building public houses or the private sector assumes that function, there is a great demand for affordable public housing, particularly by public employees. The average monthly salary of a public employee is about \$100, when the minimum an average family can live on in Hargeisa is \$300, and the minimum rent of a two-room unit is \$60, which is 60% of the average salary. In that circumstance, low cost, subsidized public housing is absolutely essential for public employees to be accountable and perform at work. Ideally 500-1,000 subsidized public houses must be built per year to meet demand.

The government owned fleet of vehicles is about 1140, excluding armed forces vehicles. In the past, the Ministry of Public works was responsible for the overall management of the government vehicles including maintenance, spare parts, control of drivers, fuel consumption etc. Currently, the Ministry has no role in the overall control of government vehicles as every ministry and public agency is responsible for its own vehicles.

Challenges and Opportunities

Challenges:

There are many challenges facing the sector. These can be summarized as follows:

- The management of government land, houses, offices, workshops and vehicles is fragmented;
- Most of the old government buildings are in disrepair
- Many of the government properties are occupied by squatters
- Most of the land in Sha'ab (government) area has been looted
- Many of the tenants do not pay rent
- The Government workshops are in disrepair and need rehabilitation

- The Ministry has neither the financial mean nor the tools for maintaining public properties and vehicles
- There is a huge unfulfilled demand for low cost public housing

Priorities and Strategies

The priorities for the sector during the NDP period include:

- Improving the physical and the human resource capacity of the ministry
- Rehabilitating government properties in disrepair
- Introducing new initiatives and models for low-cost construction programs in the area of public housing and other forms of public buildings
- Promoting investment by private national/international firms or individuals in low cost housing and in social and cultural facilities in the country
- Reviewing current standards and codes for health and safety and certification of construction and transport companies
- Rehabilitating and improving drainage systems nationwide
- Reviewing the current policy and developing standards for certifying and/or issuing licenses to companies in the construction and transportation industries
- Developing national housing and transportation policies

Policy, Legal, and Institutional Reforms

With regard to policies and institutional reform, the focus will be on:

- Developing transportation policies, plans, and guidelines consistent with changing national infrastructure requirements regarding public works, roads, and transport systems in order to improve the quality, safety, and security of transport services.
- Establishing standards and specifications for the design and construction of all road projects to ensure safety, durability, and cost effectiveness.
- Developing codes, criteria, standards, and specifications for the technical regulations governing the design, execution, and use of buildings in order to improve their safety and reliability and to bring them up to internationally acceptable standards.
- Establishing research and laboratory centres, and carrying out economic evaluations and feasibility studies on road projects to prioritize projects according to their economic value and rate of return.
- Finalizing rules and procedures depicted under the Somaliland land management law No. 17/2001.
- Formulating urban planning and local town planning regulations
- Strengthen the institutional capacity of the ministry

Programs and Projects

During the NDP period, the government will:

- Carry out public property assessments in all the six regions
- Rehabilitate vehicle workshops and welding facilities (in all six regions)
- Rehabilitate of Government-owned residential buildings (29 houses).
- Build fuel stations (Tanks 2x60).
- Procure equipment for workshops in all six regions.
- Evacuate squatters from public properties(in all six regions)
- Purchase public transport vehicles (one 25-seat bus, one dump truck, and 2 Toyota pick-ups) for the public works personnel.
- Renovate of ministry of public works premises (in Borama, Berbera, Togdheer, Sanaag, and Sool).
- Repair and furnish Government offices (in Sahil, Togdheer, Sanaag, Sool, and Awdal).
- Rehabilitate and reconstruct roads, bridges, and flood protection channels
- Provide trainings to staff (to be funded by the EU)
- Train young internships
- Establish a modern testing laboratory
- Construct a proper drainage system for the capital city, Hargeisa

5.2.2 Public Housing and Transportation Sector Budget and Implementation Matrix

Goal		Achieve integrated regional and urban planning management and transport system									
Strategic Objective		To enhance the capacity of the Ministry with modern technology									
		To rehabilitate government housing properties and vehicle workshops									
		To improve transportation systems									
No.	Programmes	Objectives	Project Outputs/ Outcomes	Source of Fund	Implementer	Indicative Budget(US DOLLAR, Millions)					
						2012	2013	2014	2015	2016	Total
1	Rehabilitation of Government properties	To assess and rehabilitate government houses in 6 regions	• 317 houses rehabilitated	Somaliland Government	Ministry of Public Works	0.80	1.00	1.50	1.70	1.00	6.00
2	Employees Housing	To build New Houses for employees	• 200 employee houses constructed	"	"	0.75	0.85	1.75	1.80	0.85	6.00
3	Public Works Training Centre	To construct training centre for the Ministry of Public Works	• Public Works Training Centre established	"	"	-	0.75	0.75	-	-	1.50
4	Testing Laboratory	To construct a laboratory	• Modern Testing Laboratory established	"	"		0.50	0.20	0.20	0.10	1.00
5	Construction and rehabilitation of Vehicle Maintenance workshops	To build and equip regional vehicle workshops.	• Vehicle Maintenance workshops Rehabilitated in 6 regions	"	"	0.30	0.20	0.22	-	-	0.72
6	Acquisition of Vehicles	To purchase trucks, pick-ups, one bus and other equipments for the 6 regions and Head Office	• 6 Trucks, 6 Pick-ups, One Bus and other equipments purchased	"	"	-	0.29	0.29	-	-	0.58
7	Fuel Stations	To construct fuel stations in 6 regions	• 6 Fuel stations established in the 6 regions	"	"	-	0.120	0.120	0.120	-	0.36
8	Policy Development	To formulate and develop policy framework of the land use.	• Land policies formulated	"	"	-	0.10	0.10	-	-	0.20
9	Staff Training	To train Government staff	• Technical skills of staff upgraded	"	"	-	0.08	0.08	-	-	0.16
10	Printing & Designing Facility	To provide necessary design equipments	• Designing facility established	"	"	-	0.10	0.05	-	-	0.15
11	Computerization & Automation	To establish an IT System for managing and record-keeping Public works and assets	• Modern IT system established	"	"	0.10	-	-	-	-	0.10
Total for Public Works Development Budget						1.95	3.99	5.06	3.82	1.95	16.77

5.2.3. Postal and Telecommunication Sector

Situation Analysis

Somaliland has made a good start in developing a competitive telecommunications sector. There are six mobile telecom operators in the country, namely, *Telesom, Telecom, Somtel, Nationlink, Africa Online and Solteco*. There is severe competition between them which has led to the availability of relatively cheap telecom services. These operators provide a wide range of services such as landline and mobile telephone services, internet services (DSL, GPRS, 3G and Edge Modem and video-conferencing). The internet and telephone coverage reaches all over the country (regions and districts) with Telesom reaching about 95% of the country. Somtel provides wireless internet services in remote areas of the country through the installation of a dedicated antenna that picks up signal from the nearest tower. It also provides mobile internet service with the help of *Edge Modem*.

Another landmark initiative in the telecom industry is the introduction of fibre optic and cable internet connection. This process involves both land and sea-based activities. The current ruling Government has agreed to endorse the previous government's decision to give the licence to SomCable. SomCable is now fully engaged with the process. About 12% of the work involves the digging of the sea from Djibouti to Berbera, whereas about 88% of the work involves land construction from Berbera to Hargeisa and other towns. The operation was expected to start in September 2011 and be fully operational by the following September (2012). Once the service is operational it is expected to offer the following benefits:

- Improved internet connectivity;
- Reduced prices
- Time saving fast service;
- Improved download service; and
- Improved telecommunication services such as TV, e-Commerce and e-Learning.

Despite the remarkable advances made in the telecommunication sector, inter-connectivity between the various telecom operators has been elusive. People using mobiles from different companies cannot communicate with each other. Five of the six operators agreed to inter-connect by using one common price for subscribers. However, the biggest operator so far rejected to join the system. The Minister of Posts and Telecommunication may issue a price ceiling directive. This initiative is still under process and will be finalized soon.

Another outstanding issue is the "Spectrum Management" to control the telecommunication activities in the country. Currently, the government has no control over the frequencies the telecom operators use. As a result, the telecom operators entirely control the frequencies, and sometimes rent from each other spectrum space. To overcome the problem, the Government of Somaliland is in the process of engaging an international company to help the Ministry with Spectrum Management. Three companies were approached to provide the service but the matter is still in process. Once it's

finalized, the government will be able to fully control the spectrum and frequencies used by the operators.

Telesom which is the largest of the six operators has introduced a new mobile banking system called ZAD which allows customers to carrying out financial transactions over mobile phones. The ZAD service enables subscribers to send money to friends and relatives or to pay bills by just using their phones. Similarly the Dahabshil-owned operator, Somtel, has introduced an electronic payment system which directly competes with ZAD. Likewise there are several Money transfer companies (*Hawala*) that facilitate transfer of money from anywhere in the world to Somaliland and within Somaliland using internet services.

The prices charged by the operators both for telephone calls and internet services are the cheapest in the region. Telesom company's telephone charges range from US\$ 0.027 to US\$ 0.036 per minute for local calls and US\$ 0.23 to US\$ 0.30 per minute for international calls. Similarly, Somtel which is the closest competitor charges just one U.S. Dollar for 300 minute for local calls and 5 to 12 minutes for international calls.

With regard to internet services, Telesom charges US\$ 30 and US\$300 per month for 64 KB and 2 MBs of internet usage respectively. It also provides 3G internet services at a rate of US\$ 0.05 per one MB of internet usage. As for Somtel Company, the charges for internet usage range from US\$ 25 per month for 64 KB to US\$ 2,400 for 4.048 MBs of internet usage.

A telecom association with its bye-laws has been established. All the telecom companies are members of the association with the exception of Telesom and African Online which are now considering joining the association. Hence, in the absence of the largest operator, the association is still in its embryonic stage. Currently it has only one employee who is involved with its day-to-day operations. The association is expected to be fully functional in the near future with a full board and staff.

The Government started an initiative in 1992 to re-establish postal services in the country. However, nothing tangible was achieved in this respect. The Ministry of Post and Telecommunication is now in the process of reviving the service. It is expected that the postal service will be operational by the year 2012. Currently, there are a number of courier services in operation such DHL and HILAAC.

The Ministry of Post and Telecommunication has initiated a Telecommunications Act, which aims at instituting regulations for the telecom sector. The new Telecommunications Act has been shared and discussed with all major stakeholders. The Act was endorsed by the Council of the Ministries, approved by the House of Representatives and the House of Elders and signed by the president into a law. Some of the provisions of the Act can be immediately implemented by the Ministry, whereas some provisions need further consultation. The Ministry is now in the process of implementing those provisions which can be implemented with immediate effect. As for the provisions which are subject to further consultation, the Ministry may need the services of specialized professional consultants to study and advice on these matters from both legal and operational perspectives.

Challenges and Opportunities

While the Government has taken important steps in developing the telecommunications sector, there are still many restrictions and challenges ahead. Hence the Government is fully engaged in charting a path over the next few years for removing obstacles, encouraging new investments and promoting greater competition within the sector as summarized under

- The new Telecommunications Act, which was approved and endorsed by the legislative bodies of the country, will have to be applied.
- A separate, strong national regulatory authority is required in order to provide professional, fair, transparent and independent regulatory framework for the telecommunications industry;
- The new national regulatory authority needs to control national frequencies and the national numbering plan, and needs international recognition;
- A new spectrum fee and new numbering regime has to be established. This fee is primarily imposed to fund the national regulatory authority;
- An interconnection regime between the existing mobile operators is to be established by the end of 2011;
- The broadband market, which provides the foundation for modern web based services, needs to expand rapidly. Mobile operators must be able to provide 3G services, and wireless access network providers must be able to use the more reliable and efficient WiMAX frequencies;
- The dominant market position of one operator needs to be resolved;
- The cost of national and international bandwidth must be reduced, and Somaliland operators should be able to make their own international connections without relying on foreign operators.

In addition to the above-mentioned challenges, the sector needs to upgrade and enhance the skill level of the communications sector which is rather very poor at the present time. Another major challenge is mobilizing the financial resources required to cover the maintenance and expansion of the infrastructure of the sector.

Priorities and Strategies

The main priorities and strategies of the sector are to:

- Establish telecom spectrum management and telecom interconnections
- Construct a new building for the Ministry of Posts & Telecommunications
- Rehabilitate the ministry's regional buildings
- Establish a telecommunications college
- Put in place a national telecom network coverage
- Create a cable and broadband national network.
- Re-establish postal services

Policy, Legal, and Institutional Reforms

The following policy and legal reforms need to be implemented:

- Establishing a National Communications Commission
- Formulating a framework for regulations, policies, and guidelines
- Establishing a national country code and national postal codes.

Programs and Projects

The following programs and projects will be initiated and implemented during the NDP period:

- Interconnections between different operators
- Establishment of an international gateway
- Establishment of national postal and parcel services
- Creation of national telecom health and safety board
- Establishment of national telecom security centre
- Building the infrastructure and human resource capacity of the ministry
- Establishing a website for the ministry

5.2.3 Postal and Telecommunications Sector Budget and Implementation Matrix

Goal		To make Somaliland IT savvy									
Strategic Objectives		To contribute to Somaliland ICT development through technology and competitive infrastructure facilities									
		To establish regulatory framework									
		To introduce e-Commerce and training centres for e-learning									
		To develop Fibre-Optic and Broad band Internet connectivity									
No.	Programmes	Objectives	Project Outputs/ Outcomes	Source of Fund	Implementer	Required Budget(USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Spectrum Management and international gateway	To manage frequency and gateway	<ul style="list-style-type: none"> Effective and efficient monitoring & control 	Donors and Somaliland Government	Ministry of Posts and Telecommunication	1.20	-	-	-	-	1.2
2	Interconnection between Telephone operators	To make interconnectivity between different operators	<ul style="list-style-type: none"> Enabled communication between subscribers of different operators 	"	"	0.32	-	-	-	-	0.32
3	Infrastructure	To construct new building for the ministry HQ	<ul style="list-style-type: none"> Ministry's HQ built in Hargeisa 	"	"	0.20	0.20	-	-	-	0.40
		To rehabilitate of regional buildings	<ul style="list-style-type: none"> Regional offices rehabilitated 	"	"	-	0.04	0.04	0.04	-	0.12
		To construct a building for the Communication Commission	<ul style="list-style-type: none"> A building constructed for Communication Commission 	"	"	-	0.60	0.60	-	-	1.20
4	Restoration of postal services	To re-establish postal services	<ul style="list-style-type: none"> Mail delivery v enabled 	"	"	-	0.41	0.41	-	-	0.82
5	National Communication Institute	To establish a communication institute	<ul style="list-style-type: none"> Technical skills improved 	"	"	-	1.80	1.80	-	-	3.60
6	Human Resources Development	To employ of qualified personnel and train existing staff	<ul style="list-style-type: none"> Trainings provided to Ministry staff 	"	"	0.13	0.13	0.13	0.13	0.13	0.65
7	Transportation	To purchase vehicles for the Ministry for improved service delivery	<ul style="list-style-type: none"> 10 Vehicles purchased (Vans and Buses) 	"	"	0.14	0.14	0.14	0.14	0.14	0.70
8	Policy & Regulations Development	To formulate and enrich policies	<ul style="list-style-type: none"> Regulatory Framework enhanced 	"	"	-	0.16	0.15	-	-	0.31
Total Posts and Telecommunication Development Budget						1.99	3.48	3.27	0.31	0.27	9.32

5.2.4. Civil Aviation Sector

Situation Analysis

Somaliland has seven airports at: Borama, Kala Baydh, Hargeisa, Berbera, Burao, Las Anod and Erigavo. The two biggest airports are Egal International Airport in Hargeisa and Berbera Airport whose particulars are as summarized below:

Table 5.2.1: Hargeisa and Berbera Airport Particulars

	Egal International, Hargeisa	Berbera Airport
Runway Length (meters))	2280	4150
Runway elevation (meters))	1348	9
Longitude	44° 5' 30''	44° 56' 28''
Latitude	9° 30' 56''	10° 23' 21''
World Code	HGA	573
GMT Offset (hrs)	+3	+3

Ever since Somaliland declared its independence from Somalia, private airlines have flourished and helped in transporting passengers and goods within the country and to and from neighbouring countries. More than ten private airlines including Dallo, Jubba, East Africa, and African Express have offer serves in Somaliland. Similarly, UN flights operate from Hargeisa to transport UN personnel to and from Somaliland. There are also special flight operations. Apart from local destinations, the flight destinations of these airlines included Djibouti, Nairobi, Dubai and Jeddah. Passenger and cargo traffic through the main airports from 2006 to 2009 is summarized in the following table:

Table 5.2.2: Hargeisa and Berbera Airports Traffic Information (2006-2009)

Year	Pax in	Pax out	CGO in (Kg)	CGO out (Kg)	Flights
2006	34566	10519	1763538	687846	1422
2007	77782	67574	1836135	687846	2581
2008	62617	56002	2676840	216042	2783
2009	62234	55973	2872452	309533	2131

The passenger and flight numbers have been relatively stable from 2007 to 2009, while the amount of cargo arriving at the airports has decreased by half. This could be due to higher freight rates, or changes in the regulations affecting the old fleet of aircraft freight carriers which were used to bring cargo from Dubai and Sharja (UAE).

Challenges and Opportunities

The civil aviation sector faces many challenges which must be tackled in the course of the national plan as the following summary demonstrates:

Egal International Airport- Hargeisa:

- The existing runway, taxiway, and parking apron of the Egal International Airport in Hargeisa are in urgent need of resurfacing. The runway and apron should be extended to accommodate current and anticipated aircraft operations safely.
- The safety of aircraft operations at the airport depends on obstruction-free surfaces for landings and takeoffs. Freely roaming animals pose a danger as they wander on to the runway. Moreover, a full airport survey will be required, and plans should include the construction of an airfield perimeter fence.
- An additional key problem is that the airport has no navigational aids and lack proper airfield lighting facilities. This becomes a major safety problem during limited visibility conditions and non-daylight operations. On a number of occasions, Egal international Airport has been forced to handle emergency aircraft landings during evenings and early morning hours, when visibility was poor.

Berbera Airport

- The existing lighting system, which covers the runway threshold, runway, and taxiway edge, and includes isolating transformers, needs rehabilitation. There is also a need for new fencing made of iron posts set in concrete joined with barbed wire, fully surrounding the aircraft movement area and gates at strategic locations.

Other Airports

- The construction of runways, fences, and other amenities is required for airports at Borama, Kala Baydh, Erigavo, and Burao.

Recently, the ministry has obtained financial support for the following entities:

- **Egal Int'l Airport:**
\$0.15 million from UNDP/ICAO: extension of the runway
\$7.01 million from a Kuwaiti Fund: resurfacing the runway, taxiway, apron; security fence and runway lighting system
- **Berbera Airport:**
\$2 million from a Kuwaiti fund: new terminal buildings, a runway lighting system, and a security fence

Priorities and Strategies

In addition to the completion of the improvements required for the Hargeisa and Berbera airports, the priorities and strategies of the Civil Aviation Ministry during the NDP term can be summarized as follows:

- Improvement of the runways at Burao, Borama, and Kala Baydh airports
- Construction of terminal buildings at Burao, Borama, and Kala Baydh airports
- Installation of security fences as essential safety requirements in all airports

- Improvement of the infrastructure of Erigavo airport.
- Provision of fire fighting trucks and ambulances at Hargeisa, Berbera, Burao, Borama, Kala Baydh, Erigavo, and Las Anod airports.
- Installation of a water supply system at Berbera and Burao airports.
- Provision of electric power for Egal Int'l Airport.
- Improvement of airport security, ground-clearing, maintenance, and air traffic services
- Building a training centre for pilots and engineers
- Providing rescue and emergency services

Policy, Legal, and Institutional Reforms

Policy and institutional reforms required include:

- Introduction and implementation of flight safety rules and standards
- Review of all existing rules and regulations to meet FAA and ICAO standards
- Formulation and implementation of a national air transport policy
- Improvement of the overall regulatory framework.

Programs and Projects

The following programs and projects will be considered for initiation and implementation:

- **Burao, Borama and Kala Baydh airports:** these three airports have been identified as major domestic airports, which should accommodate aircrafts bigger than AN24/26. At the minimum, expansions of these airports will require the construction of main runways of 2,300m and crosswind runways of 1,800m built with compacted sand gravel stabilized with an of addition of chemicals, together with new aprons of 160m X 110m and connecting taxiways of 80X57m. Terminal buildings are needed to serve passengers and cargo. Security fences are also essential safety requirements to prevent roaming livestock and people from entering the aircraft operating areas.
- **Erigavo Airport:** runway clearance and terminal buildings
- **Hargeisa, Berbera, Burao, Borama, Kala Baydh, Erigavo, and Las Anod airports:** rescue and fire fighting trucks and ambulances
- **Berbera airport:** Security fence, terminal, air traffic navigation system, runway lighting, baggage and passenger security screening system, water and electricity supply
- **Burao Airport:** water supply systems
- **Egal Int'l Airport:** Runway resurfacing, security fence, modern terminal, air traffic navigation system, runway lighting, baggage and passenger security screening system, electricity supply, aviation training centre.

5.2.4 Civil Aviation Sector Budget and Implementation Matrix

Goal		Develop competitive, efficient and modern airports in Somaliland									
Strategic Objectives		To improve airport infrastructure									
		To enhance the capacity of Berbera and Hargeisa airports									
		To construct new regional airports									
		To build the capacity of civil aviation authorities									
No.	Programmes	Objectives	Project Outputs/ Outcomes	Source of Fund	Implementer	Required Budget(USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Egal International Airport (Hargeisa airport) Terminal Construction	To build new Terminal	<ul style="list-style-type: none"> A modern airport terminal built in Hargeisa 	Donors and Somaliland Government (SLG)	Ministry of Civil Aviation	-	2.00	3.50	2.50	2.00	10.00
		To resurface runway, taxiway and apron	<ul style="list-style-type: none"> Runway resurfaced for safely accommodating big aircraft operations 	Kuwait Fund and other sources	"	-	2.00	5.00	5.00	3.00	15.00
		To construct security fence, lighting system and Navigational Aid	<ul style="list-style-type: none"> Airport security and visibility improved 	"	"	0.50	1.50	1.00	-	-	3.00
		To purchase rescue and fire fighting tracks and ambulance	<ul style="list-style-type: none"> Safety provisions assured 	Donors and SLG	"	-	-	1.00	-	-	1.00
		To supply electricity	<ul style="list-style-type: none"> Day and night flight operations made possible 	"	"	-	-	-	-	0.50	0.50
		To extend the runway	<ul style="list-style-type: none"> Extension runway reconstructed 	UNDP/ICAO	"	-	0.15	-	-	-	0.15
2	Berbera International Airport Construction	To build new terminal buildings	<ul style="list-style-type: none"> Airport facility improved 	Kuwait Fund and other sources	"	-	-	2.00	3.00	-	5.00
		To purchase rescue and fire fighting tracks and ambulance	<ul style="list-style-type: none"> Safety provisions assured 	UNDP & ICAO	"	-	0.50	0.50	-	-	1.00
		To build runway lighting, security fence, water supply and navigational aid	<ul style="list-style-type: none"> Taxiway edge lightings installed, airport boundary fully secured and water supply assured 	Kuwait Fund	"	0.50	1.50	1.00	0.75	-	3.75
3	Improve regional airport system with necessary security facilities	To build new runways, terminal buildings, runway lighting, security fence, runway clearance and Office buildings at regions	<ul style="list-style-type: none"> 3 Regional airports at Burao, Boorama, and Erigavo constructed 	Donors and SLG	"	-	1.00	2.5	1.50	-	5.00
Total Civil Aviation Development Budget						1.00	8.65	16.50	12.75	5.5	44.4

5.2.5 Information and Media Sector

Situation Analysis

Somaliland has only one public radio station, Radio Hargeisa, which can be tuned into in and around Hargeisa on the FM frequencies of 89.00 and 89.70. There are no privately owned radio stations. Radio Hargeisa transmits its programs twice a day, i.e. from 6:30 a.m. (Local Time) to 8:30 a.m. and from 1; 00 p.m. to 5:00 p.m. The Radio transmits its programs in four languages (Somali, Arabic, English and Amharic). Radio Hargeisa programs are also available over the internet. Both the BBC and VOA provide FM radio broadcasting around Hargeisa area. The BBC service is available 24 hours a day in three languages (Somali, English and Arabic). The VOA FM radio transmission coverage is in Somali and English which runs from 6:30 a.m. to 11:00 p.m. The timing of VOA service is synchronized with the Radio Somaliland service.

There is no reliable statistics on Radio receiver ownership in Somaliland, but it is understood to be high. However, radio receivers are no longer essential for tuning into radio stations. Nowadays, radio programs can be accessed using mobile phones which have a wide coverage in the country. The government's own TV station, Somaliland National TV (SLNTV), can be viewed using a satellite dish or a normal TV antenna. It is also available online. The satellite service runs for 24 hours and can be watched around the world, whereas the antenna based local service runs from 6:30 a.m. to 1:00 a.m. There are two privately-owned TV channels, Horn Cable TV (HCTV), and Somaliland Space Channel (SLSC). Horn Cable TV can be viewed via satellite and online for 24 hours daily in the whole of Somaliland, Somalia and all over the World, especially areas with large Somali Diasporas. Somaliland Space Channel can be viewed only locally. It is not yet available on satellite and viewers need just normal terrestrial TV antenna to receive its programs. There is no information on TV set ownership in Somaliland. However, TV ownership is not as widespread as radio ownership.

There is a Government owned daily newspaper called *Dawan* which is published in Somali language by the Ministry of Information five days of the week. Its circulation is estimated at 400 per day. There are also ten private daily newspapers including Haatuf, Ogaal, Jamhuriya, Waaheen, and Somaliland Times (an English weekly) which compete among themselves for readership. There are also many online dedicated news websites that cover events in Somaliland. These sites include Qarannews, Hadhwanagnews, Somalilandnews, Awdalnews, Oodweynenews, and togdheernews. The Government regulates newspapers in accordance with the law that governs the media. This wide range of newspapers provides up to date and diverse news from different sources. Their circulation has increased over the years.

Challenges and Opportunities

Here are some of the sector's challenges and opportunities:

- Absence of a comprehensive national plan on migration from analogue to digital broadcasting in time to meet the internationally agreed switchover deadline of June 2015;
- Inadequate legal and regulatory framework within which to manage emerging trends such as the convergence of technologies;
- Limited access to TV and Radio broadcasting infrastructure across the country;
- Limited radio signal capacity: it covers short distances within the country because of the small size of the available radio transmitters;
- Limited television signal ranges—it doesn't not cover the whole country,
- Lack of appropriate guidelines and procedures for the broadcasting services.

Priorities and Strategies

In terms of priorities and strategies, there is a need to:

- Ensure access to quality, affordable broadcasting services across the country
- Develop broadcasting infrastructure
- Migrate from analogue to digital broadcasting technology
- Enact and operationalize laws to manage the broadcastings services
- Support Public-Private Partnership (PPP) arrangements to extend coverage of the broadcasting services across the country
- Develop and implement a policy, legal, and regulatory framework for the media
- Formulate and harmonize policies and laws governing private channels
- Develop policy guidelines for the establishment of broadcasting infrastructure to create more equitable access to quality program services

Policy, Legal, and Institutional Reforms

Reforms will also have to be enacted which are intended to:

- Review the sub-sector policy for consistency with current Government priorities and strategies
- Formulate a strategic policy document to guide the ministry's programs
- Revise existing policies with a view to bring it in line with current international standards
- Review and implement appropriate policy and legal frameworks for the broadcasting sector
- Implement and enforce the press code of conduct
- License private radio stations
- Safeguard the constitutional right to freedom of expression

Programs and Projects

The following programs and projects need to be implemented during the plan period:

Radio Hargeisa

- Radio transmitter: increase of the transmitter capacity to 25MW
- Acquisition of six Ob Mobile vans for the radio
- Creation of six modern studios
- Installation of high-quality equipment for radio production
- Enhancement of capacity for local and international correspondence
- Re-organization and reproduction of studio archives
- Rehabilitation of the Radio station Buildings
- Provision of suitable training facilities to enhance staff capacity

National Television

- TV transmitter & satellite: increase of the transmitter coverage to all regions of Somaliland
- Acquisition of six Ob Mobile vans for Radio transmission
- Creation of six modern studios
- Installation of high-quality equipment for TV production
- Enhancement of capacity for local and international correspondence
- Improvement of the re-organization and reproduction of TV studio archives
- Providing staff training to enhance their capacity.

Somaliland News Agency (Solna)

- Acquisition of new technology for searching for national and international news
- Enhancement of capacity for local and international correspondence
- Establishment of an advertising and marketing agency
- Development of a foreign languages section
- Production of magazines in different languages (English- and Arabic-language)

Improvement in the Infrastructure of the Ministry

Initiatives to improve the ministry's infrastructure will take the following form:

- 1) Construction of new buildings capable of accommodating the TV station and the ministerial administration
- 2) Provision of capacity-building training in print, radio/TV, broadcasting, production, and editing journalism
- 3) Establishment of records production and electronic storage facilities.

5.2.5 Information & Media Sector Budget and Implementation Matrix

Goal		To make efficient, equitable and quality d media services across all Somaliland.									
Strategic Objectives		To expand Radio coverage									
		To expand National TV coverage									
		To build the capacity of journalists, broadcasters and support staff									
		To provide up to date news coverage									
No.	Programmes	Objectives	Project Outputs/ Outcomes	Source of Fund	Implementer	Required Budget(USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Radio Hargeisa	To construct transmitter and suitable buildings	• 25 KW transmitter installed to expand radio coverage	Donors and Somaliland Government	Ministry of Information	0.60	-	-	-	-	0.60
		To build Radio Studios and provide necessary equipments	• 12 studios provided (6 for the HQ and 6 for the Regions)	"	"	0.20	0.19	0.19	0.19	0.19	0.96
		To purchase Ob Mobile Vans	• 3 Ob Vans provided with equipments	"	"	-	0.10	0.10	0.10	-	0.30
		To construct Radio Archive	• Historical recordings restored	"	"	-	0.05	-	-	-	0.05
2	National TV	To provide TV transmitter with microwave and relay station	• 25 KW transmitter installed to expand TV coverage	"	"	0.50	-	-	-	-	0.50
		To purchase Ob Mobile Vans	• 3 Ob Vans provided with equipments	"	"	-	0.10	0.10	0.10	-	0.30
		To provide equipment & TV studios	• TV studios provided	"	"	0.24	0.24	0.24	0.24	0.24	1.20
		To construct TV archive	• TV archive with a building installed	"	"	-	0.25	-	-	-	0.25
3	Somaliland News Agency (Solna)	To provide 2 buildings with office equipments	• Up to date and reliable news produced	"	"	-	0.20	0.15	0.15	-	0.50
4	Government official Newspaper	To automate news paper	• Printing and other equipments provided	"	"	-	-	0.20	-	-	0.20
5	Infrastructure	To construct 2 buildings	• 2 buildings constructed to accommodate Radio and TV stations, transmitters and staff	"	"	-	0.50	-	-	-	0.50
6	Public Awareness	To improve public awareness	• Public awareness raised	"	"	0.50	0.50	0.50	0.50	0.50	2.50
7	Staff Training	To build a journalistic institute (building, experts and equipments)	• A journalistic institute built t enhance the capacity of technicians and Journalists	"	"	-	-	0.20	0.2	0.2	0.6
8	Transportation	To provide vehicles for Directors and Staff	• 22 vehicles provided for the HQ and regions (including Mini Buses and other 13 cars)	"	"	0.10	0.10	0.10	0.60	-	-
9	Policy Development	To formulate essential policies and laws	• Consultants hired to develop policy and essential laws	"	"	-	0.20	0.10	0.20	0.19	0.19
Total nformation and Public Awareness Creation Budget						2.14	2.43	1.88	2.28	1.32	10.05

5.2.6. Information and Communication Technology (ICT) Sector

Situation Analysis

Information and Communication Technology (ICT) is a vital catalyst for social change and economic development that is increasingly seen as an essential tool for development. The Government of Somaliland has recognized the potential benefits to be gained from harnessing the power of ICT and is determined to creating an ICT literate workforce that can contribute to a high tech dynamic economy and compete in today's information age.

Today, ICT penetration and its use by households and businesses in Somaliland is still very low. Access to ICT services is mainly available to those who live in urban centers. In rural areas ICT services are very much limited. The efficient management of civil service affairs and the effective provision of public services are hampered by the absence of appropriate ICT applications. In today's economies productivity depends on the level of ICT input. Where ICT penetration in production is low, productivity is low and so is the standard of living attainable.

The past decade has shown, in countless ways, the transforming effect that information and Communication Technology (ICT) can have on the way we communicate, live, learn, work and interact with each other. ICT has become a critical factor driving growth and productivity in global economies. The formulation of a sound national ICT policy is the first step in stimulating and transforming the ICT sector and the economy. A proper enabling policy will encourage long term investment by current operators and attract new entrants to bring cash and latest technologies into the industry. The government believes that adequate investment in ICT infrastructure will help stimulate economic growth, raise living standards and contribute to peace, stability and good governance in Somaliland.

In June 2010, the President of Somaliland soon after inauguration established the Somaliland ICT Commission to act as the nation's sole ICT policy and regulatory body. For a number of years, the UNDP provided support to Somaliland ICT Development Project in order to improve the performance of the Somaliland Government through effective ICT use. However, that project came to an end on December 31, 2009 with little progress. Hence, it is imperative to start a fresh again and undertake a comprehensive assessment of the ICT status of government institutions to determine their needs and establish a strategy for building their capacity, and developing appropriate policies.

The objectives of an ICT policy development will be to:

- Assist the Government of Somaliland and decision-makers establish a process that will integrate the country's ICT strategy with the national development plan, and facilitate participation in the international ICT agenda

- Draw on lessons learned in the development and implementation of ICT policies by other countries
- Involve all the key ICT stakeholders in the consultative process.
- Raise awareness about the important role ICT plays in national development
- Facilitate foreign investment in the ICT industry.

Challenges and Opportunities

Challenges:

- Lack of strategic ICT policy and legislative framework
- Poor ICT infrastructure
- Lack of ICT skills
- ICT security needs
- Limited access to ICT equipment e.g. computers
- High cost of the internet services relative to international rates

Opportunities:

There are opportunities offered by the:

- Fast developing ICT technologies unthinkable few years ago
- Increasing number of young people who are ICT literate
- Installation of the fiber optic cable which will usher high speed internet
- International support and commitment to ICT development

Priorities and Strategies

With respect to priorities and strategies, the focus will be on the following:

- Creation of an effective Government-wide network for sharing information
- Development of websites for ministries and agencies;
- The development of a database for public assets and project management;
- The development of an Integrated Financial Management Systems (IFMS) to facilitate treasury, budgeting, auditing, and accounting functions;
- Promotion of public awareness of the benefits of e-Government, e-Economy, e-Commerce, e-Learning, and e-Libraries; and
- Computerization of Government ministries and autonomous agencies;

Policy, Legal, and Institutional Reforms

Policy and institutional reforms during the NDP period will include:

- Formulation and implementation of a Somaliland national ICT policy
- Development of ICT regulations and guidelines
- Establishment of standards for electronic equipment imported into the country

Programs and Projects

NDP programs and projects to be carried out during the NDP period will include:

- Establishing a national domain and data centre
- Setting up local area networks for each ministry/agency
- Promoting internet sharing
- Establishing a Government-wide e-mail network
- Creating software for security and licensing
- Formulating by-laws for the ICT commission
- Building the ICT capacity of Government personnel
- Providing desk-top computers to Government institutions which do not have them
- Establishing computer labs and creating IT focal points
- Introducing e-based services.

5.2.6 ICT Sector Budget and Implementation Matrix

Goal		Create an e-Government and an e-economy									
Strategic Objectives		To improve information and communication technology									
		To develop National ICT programs									
		To improve legal frameworks of the ICT									
		To create e-based government services for the public									
No.	Programmes	Objectives	Project Outputs/Outcomes	Source of Fund	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Enhance regulatory framework	To improve policies and regulations	• National ICT Policy and bylaws established	Donors and Somaliland Government	ICT Commission	0.12	-	-	-	-	0.12
2	Local Area Network for Gov. Ministries and Agencies	To setup Local Area Network (LAN)	• LAN established for Government	"	"	0.33	0.18	-	-	-	0.51
3	Capacity Building	To train staff and provide office equipments for the ICT	• Staff trained and offices furnished	"	"	0.1	0.1	0.10	-	-	0.300
4	ICT Centre	To undertake Research & Development and IT youth training	• Centre of IT Excellence established	"	"	0.50	0.50	-	-	-	1.00
5	ICT and security	To setup ICT security systems	• Security systems at key government entry points established (airports ,see port and land borders, etc)	"	"	1.0	1.0	1.0	-	-	3.00
6	E-Government Programme	To automate public services	• On-line public services delivered efficiently	"	"	-	-	0.50	1.00	0.50	2.00
7	E-Commerce Promotion	To provide guidance, overseeing and promoting e-commerce	• Public awareness created on e-economy	"	"	-	-	0.05	0.05	0.05	0.15
Total ICT Development Budget						2.05	1.78	1.65	1.05	0.55	7.08

5.2.7 Berbera Port

Situation Analysis

Berbera, which is strategically located on the southern coast of the Gulf of Aden, is the main seaport of Somaliland and has emerged as an important regional port. The current port was first built by the Union of Soviet Socialist Republics (USSR) in 1968. It was later extended by the United States (US) in 1984. The port is 9-12m deep, has:

- 650m long wharf,
- 5 linear berths,
- 1 Ro-Ro berth,
- 120,000 tons storage capacity,
- 64,000 sq meter open yard, and
- 20,000 sq meter container yard.

Five to seven ships and boats can dock on a single day, depending on the size of the carriers, which, at times, could be 100 meters and longer.

Port facilities include:

- Fully equipped workshop
- Mobile cranes with capacities from 15 tons to 30 tons.
- A high-powered highway tractor head capable of hauling 40ft-loaded containers
- 20-40 feet long trailers
- Port pilotage services
- Port security services
- Fire-fighting crews with two water tenders and a fireboat with a monitor and extinguishers.
- Forklift trucks

The management of the port facilities has improved significantly despite the limited resources available to it. Port security has been paramount, and a great deal of improvement has been made in this area:

- Modern surveillance cameras have been installed.
- A new alarm system has been installed at the main control gate and on the pedestrian walkways.
- A new sliding steel double door has been fabricated and installed
- Land in the vicinity of the port area and adjacent to the main exterior control gate has been successfully cleared after the demolition and dismantling of kiosks, tea shops, and eating joints which had been operating there.
- Access to the approach area of the main control gate has been enhanced as a result of repair work done on the entrance to the Al-shab Jetty.
- Pavement slabs behind the approach of the Russian Wharf have been totally replaced with new, reinforced concrete slabs of the same dimension.

- Two security checking rooms have been built, one near the pedestrian walkway and the other on the side of the main control gate.
- A wall surrounding the new parking lot is under construction.

Almost all the livestock exports from Somaliland and the eastern provinces of Ethiopia, as well as imports of goods and merchandise to Somaliland and the surrounding areas pass through Berbera port. Nearly 500 vessels dock on the port every year. Almost half of these vessels are Dhows that come mostly from Yemen and the UAE. The rest are livestock, bulk cargo, and container ships from around the world (see table below)

Table 5.2.3: Berber Port Traffic 2005-2009

Year	Dhows	Ships	Total
2005	114	340	454
2006	148	329	477
2007	104	278	382
2008	153	316	469
2009	187	307	494

To realize its potential as a regional gateway, Berbera port requires substantial expansion and facilities enhancement, an effort which calls for significant investment in infrastructure. The expansion of services and facilities at the port will lead to the growth of maritime services which will contribute to economic development and provide greater employment opportunities for the Somalilanders. The port will also strengthen the regional economic and trade cooperation by increasing cross-border commercial traffic.

Challenges and Opportunities

The challenges and opportunities at the port of Berbera are as summarized under:

Challenges:

- Limited capacity
- Skilled labour shortage
- Power shortage–electricity
- Lack of ship maintenance facility
- Lack of Insurance coverage.
- Piracy in the region.
- Security needs further enhancement
- Navigation system needs to be improved
- Salvation and fire fighting capabilities are not fully adequate.

Opportunities:

The port has the potential to:

- Establishing itself as the main shipping outlet for land locked East African countries – Ethiopia, South Sudan, Uganda
- Developing mega commercial and industrial Free zones
- Becoming an international container shipment hub connecting Europe, Middle East, Asia and Africa
- Becoming a major international shipping supply and maintenance centre

Priorities and Strategies

The priorities and strategies for Berbera Port include the following:

- Expansion of the port
- Development of free zones
- Establishment of a container terminal
- Dredging to accommodate large loaded vessels
- Improvement of the infrastructure
- Acquisition of essential marine and handling equipment
- Restoration of the original drainage system
- Provision of necessary civil works and security systems
- Installation of navigation aids

Policy, Legal, and Institutional Reform

To bring port security up to par with United Nations' standards, Berbera Port Authority has engaged Nordic Crisis Management, a Norwegian company, to help them implement the International Ship and Port Facility Security Code (ISPS). The ISPS Code consists of a comprehensive set of measures intended to enhance the security of international shipping and port facilities. The Code applies to all ships over 500 BRT which form part of international traffic and to all ports that serve such vessels.

Additional policy and regulatory reform measures needed are:

- Development of a strategic policy document to guide the port management;
- Alignment of the port policies with the Government plans and strategies

Programs and Projects

The NDP programs and projects to be implemented at Berbera Port can be summarized as:

- Security: improving the current port security and enhancing the navigation lights.
- Civil works: clearing the land in front of the port and around the main gate
- Infrastructure: building a new block-wall boundary fence; reclaiming authority over the Moscow housing compound; fencing the ex-Russian compound; and replacing all the damaged concrete pavement slabs of the Russian Wharf, the port access area, and the approach area roads
- Drainage: restoring the original drain level
- Storage: building additional storage capacity outside the current perimeter of the port
- Mechanical works: supplying two container forklifts, a dump truck, a roller compactor, and a bulldozer
- Marine and handling equipment: providing a modern tug boat, a new pilot boat, a grader, a gantry crane, a hammer truck, and a bagging machine;
- Land reclamation: reclaiming the water-bound area
- Navigation aids: installing new, foam-filled fibre-glass channel buoys, rehabilitating the Mayag steel structure, and replacing all damaged parts

5.2.7 Berbera Port Budget and Implementation Matrix

Goal		Develop Berbera port to provide service to all East and Central Africa									
Strategic Objectives		<ul style="list-style-type: none"> • Improve Port infrastructure • Develop the port to be a free-trade zone • Improve security standards 									
Berbera Port Sector											
No.	Programmes	Objectives	Project Outputs/ Outcomes	Source of Fund	Implementer	Indicative Budget(US DOLLAR, Millions)					
						2012	2013	2014	2015	2016	Total
1	Civil Works	To build new car park and holding ground	<ul style="list-style-type: none"> • A new car parking lot constructed • Holding ground for livestock 			0.25					0.25
		Increase storage capacity and exit road	<ul style="list-style-type: none"> • Additional capacity built 				0.40	0.18			0.58
		Dredging and Fenders	<ul style="list-style-type: none"> • Dredging the area surrounding the timber jetty • Salvaging fending cylinder 				0.16				0.16
		Leading lights	<ul style="list-style-type: none"> • Illumination of the leading lights 				0.09				0.09
		Exit Road & other structural amenities	<ul style="list-style-type: none"> • Second access road completed 					0.20			0.20
		Holding ground for livestock	<ul style="list-style-type: none"> • 400m x 500m holding ground built. 					0.12			0.12
2	Infrastructure	Building	<ul style="list-style-type: none"> • Building a new block wall boundary 				0.32				0.32
		Drainage	<ul style="list-style-type: none"> • Restoration of original drain level. 			0.68				0.68	
		Congestion	<ul style="list-style-type: none"> • Build additional storage capacitor 								
		Reclaiming authority over Masco Compound and fencing the ex-Russian compound	<ul style="list-style-type: none"> • Housing compound reclaimed for staff accommodation 						0.11		0.11
3	Equipments	Supply mechanical and handling equipments	<ul style="list-style-type: none"> • Fork lifters, dump truck, roller compactor and bulldozer supplied. • Modern Tug boat with capacity 25000 HP supplied • Pilot Boat 600 – 800 HP supplied 			0.46			6.00		6.46
							0.93				0.93
									1.20		1.20

			<ul style="list-style-type: none"> Grader grading supplied & salvaging shabelle tugboat sunk in the quay. 							0.10		0.10
		Reclamation of the water-bound area between the port workshop and Alshab jetty.	Formation of land for workshop extension							0.40		0.40
		Gantry Crane	Handling the goods							4.20		4.20
		Purchasing Trucks	Hammer Truck (80 HP) 10 units							1.20		1.20
		To purchase bagging machine	Bagging the goods							1.10		1.10
4	Navigation Aids	Installation of new foam filled fibreglass channel buoys	Seven channel buoys installed								0.40	0.40
		Rehabilitation of the Mayag steel structure	All damaged parts replaced or repaired								0.13	0.13
Total for Berbera Port Authority							1.39	0.97	1.43	14.20	0.64	18.63

5.2.8 Somaliland Electricity

Situation Analysis

Somaliland Electricity Agency (SEA) is an autonomous body which has the overall mandate of managing and developing electricity in the country. The Agency (SEA) generators currently supply 3MW in Hargeisa, and 1.5MW in Berbera. The power coverage area in Hargeisa is around 14km, whereas the coverage area is only 3km in Berbera. In Hargeisa, the Agency has about 4,700 customers. In Berbera, it supplies about 3000 public and private customers.

Hargeis power station, known as Hargeisa Power House (HPH) was established in 1946 by the British protectorate administration with five (5) 600-1000KVA generators. They were meant to light the sha'ab area of Hargeisa city, which was the administrative and residential zone of the colonial government. In the year 1950 the British started to extend electricity supply to other areas of Hargeisa town, and 2 more Engines (Peter Engines) were added to double the capacity of the Power House. Then in 1959 another 2 engines, with a capacity of 400KVA each, were installed. In addition, 2 used engines were brought from Yemen with the capacity to generate 600KVA each.

After independence in 1960, the British handed-over Hargeisa Power House to the local Somali Staff. In 1976 German made *Deutz* 1500KVA Generator was mounted in Hargeisa Power House. Eight years later, in 1984, British made Ruston 1000KVA Generator was installed.

Before the civil war, all the major regional cities of Somaliland: Hargeisa, Burao, Erigavo, Berbera, Borama, and Las-Anod, had electricity generators and distribution lines. After the establishment of the office for rural electrification, generators were also installed in the district level towns including Wajale, Arabsiyo, Sayla, Lawyado, Sheikh, and Dayaha. All the generators were looted during the civil war except those in Hargeisa Power House.

Somaliland Electricity Agency (SEA) has currently the following generators, with varying conditions:-

Hargeisa Power House:

- One Deutz 1500KVA
- One Ruston 1000KVA
- Two Caterpillar 1500KVA Each
- One PERKINS 1500KVA

Berbera Power House:

- Two Generators 1000KVA each.

Apart from Somaliland Electricity Agency (SEA), there are about 15 rival private companies that supply electricity to different parts of Hargeisa. But the main competitors are KAAH, IFTIN and Soltelco. SEA covers about 30% of the city and charges US\$ 0.50 per KWH whereas all the rival private companies charge at least US\$ 1.00 per KWH.

The electricity needs of the country's other major towns are provided for by local privately owned companies. Almost all the electricity produced in the country is used by households, offices and commercial establishments for lighting. Industrial consumption is limited. Most of the cities in Somaliland have witnessed substantial growth in population in recent years. To meet the inevitable increase in demand, Somaliland Electricity Agency is developing a strategy for expansion; more specifically, it is in the process of introducing significant reforms in the sector to make it financially viable, operationally efficient, and conducive to public and private sector investment. The ultimate aim is to provide consumers across the country with reliable, environmentally sustainable, affordable energy.

Challenges and Opportunities

Challenges:

The challenges the agency faces include:

- Limited power generation capacity
- Financial constraints
- Inadequate billing system
- High default payment rates
- High Oil prices
- High unit production cost
- Lack of efficient grid
- Low Staff skill capacity.

Opportunities:

The opportunities include:

- Public private partnership financing;
- Growing customer base;
- Power generation from coal, which is locally available;
- Power generation from renewable sources (Hargeisa is blessed with strong winds); and
- Ample space at the Agency's compound which can be utilized for further expansion.

Priority and Strategies

The priorities within the current NDP period include:

- Expansion of power generation in Hargeisa and Berbera to meet demand
- Utilization of Renewable energy sources– Wind, waves, geothermal, sun;
- Extension of electricity supply to all the regions of the country;
- Splitting of the agency into two companies – power generation and power distribution;
- Automation of the Billing system in order to provide better services to customers;
- Improvement in production and distribution efficiency of electricity
- Enhancement of health and safety
- Building the capacity of the Agency’s technical and administrative staff; and
- Improvement of the infrastructure such as buildings and other facilities.

Priority towns:

Hargeisa: The installation of a 5MW power generation capacity in Hargeisa is the first priority of SEA since the current electricity supply is not sufficient to meet the growing demand.

Burao: Burao comes second in priority to be get 1.5MW installation capacity of electricity. Since it is an industrial city, and the most populous after Hargeisa, electricity demand is very high.

Berbera: Berbera is a coastal city with very high temperatures for much of the year, and so electricity demand is very high. Therefore, it needs a power plant with at least 1.5MW capacity.

Borama: Borama, the capital city of Awdal region, needs standardized, safe electric power. It requires an installed electric production capacity of at least 1.5MW.

Erigavo: Erigavo, the capital city of Sanaag region, requires the installation of 1MW electric power generator

Las-Anod: Finally, Las-Anod, the capital city of Sool region, needs a 1 MW electric power generator to meet the needs of its population.

Policy, Legal, and Institutional Reform

In the course of the current NDP the Agency will:

- Produce a master Plan for increasing power generation;
- Undertake reform in order to strengthen the sector’s institutional and financial positions
- Develop a draft electricity act

- Develop and enforce electricity regulations and guidelines;
- Strengthen health and safety rules
- Improve customer service and relations
- Split the agency into two companies – power generation and power distribution; and
- Consolidate private power generating companies.

Programs and Projects

The following programs and projects are planned to be implemented during the NDP period:

- Construction of power houses
- Installation of generators
- Installation of switch-gears and modern transformers
- Construction of distribution H.T. grid lines
- Installation of a computerized billing system
- Construction of maintenance workshops
- Development and production of safety guidelines
- Building the skill capacity of staff
- Raising community awareness about electricity safety
- Building the physical infrastructure of agency – offices, vehicles, equipment etc.

5.2.8 Somaliland Electricity Budget and Implementation Matrix

Goal		To make affordable and sufficient electricity to all Somaliland Regions									
Strategic Objectives		<ul style="list-style-type: none"> Contribute to the development of Somaliland Electricity infrastructure facilities. Establish regulatory framework Introduce alternate and cheap electricity sources 									
Somaliland Electricity Agency (SEA)											
No.	Programmes	Objectives	Project Outputs/ Outcomes	Implementer	Source of Fund	Indicative Budget (US DOLLAR, Millions)					
						2012	2013	2014	2015	2016	Total
1	Electricity system for Hargeisa	To provide adequate electricity with affordable price to the public.	Two Generators (2.5 MW) supplied and installed.	Somaliland Electricity Agency (SEA)	Not specified		0.70				0.70
			Transmission and Distribution System				0.50	1.00			1.50
2	Electricity system for Berbera		One Generator (2.5 MW) supplied and installed.				0.35				0.35
			Transmission and Distribution System				0.85	0.85			1.70
3	Electricity system for Burao, Borama, Erigavo and Las-Anod.		One Generator (2.5 MW) for each town supplied and installed				0.30	0.30	0.30	0.30	1.20
			Transmission and Distribution System				0.75	1.25	0.85	0.55	3.40
4	Coal-generated electricity development programme		Cheap alternate source supplied with a capacity of 50 MW and Livelihood of the public is improved.				0.50	3.00	4.00	2.50	10.00
5	Infrastructure	To construct a suitable building and rehabilitate existing structures	Headquarter building				0.30				0.30
			Regional power houses			Regional Power houses built	0.10	0.10	0.10	0.10	0.10
6	IT systems	Office Automation	Enhanced Billing System obtained		0.20				0.20		
7	Capacity Building	Training Centre with two consultants	Staff capacity enhanced		0.20				0.20		
8	Transportation	To purchase vehicles	11 Vehicles for the HQ and Regions (including seven with cranes)		1.10	2.00	1.40		4.5		
9	Policy & Regulations Development	Formulate & Improve policies	Regulatory Framework enhanced and number of electricity-caused incidents reduced.		0.20				0.20		
Total for Somaliland Electricity Agency						0.10	6.05	8.50	6.65	3.43	24.75

5.2.9 Hargeisa Water

Situation analysis

Hargeisa Water Agency (HWA), which is a public company, is responsible for supplying water to the inhabitants of Hargeisa. The population of Hargeisa metropolitan area is currently estimated at over 900,000 inhabitants, with an estimated growth rate of 4.2% per year. If the present trend continues, the inhabitants will be about 1.35 million in 2020, and in 2030 the population will reach about two million. The cost of water in Hargeisa depends largely on three variables: (1) the availability of the piped water supply, (2) the delivery location, and (3) the season. It is estimated that 40,000 houses receive water by means of the network managed by the Hargeisa Water Agency. The highest price for water supply in Hargeisa is paid in the Sheikh Noor and Airport areas; the price spikes during the summer and winter months, a time when a 200-liter drum of may sell by as much as 15K SomaliLand Shillings.

The present water supply to the town is estimated to be:

- 10,400 metric cubic a day (cum/day) of water from Geed Deeble Well Field,
- 200 cum/day from shallow wells dug in the Hargeisa dry-river (Dooxa), and
- 1,000 cum/day from outside i.e. (Dararweyne, Aw-Barkhadle, Arabsiyo, etc.).

Considering the leakages of the water system, the mean consumption in Hargeisa is 10 litres a day per person. The available quantity of water is not, however, equitably shared. Accurate statistics on this matter do not exist. However, it is well known that parts of the central and western quarters of the town receive regular supply, and the per-capita consumption in those areas is much higher than 10 litres a day. On the other, the relatively poorer neighbourhoods in the eastern side of the city receive less than 5 litres a day. International organizations recommend that the minimum water consumption in the urban areas should be about 32 litres per day per person. Hargeisa Water Agency expects to supply that much in 25 years' time, i.e. in 2032.

Looking back in history, the shortage of water in Hargeisa arose during the colonial period at the beginning of the formation of the town. The British Administration tried to look for water sources by digging shallow wells in the river bed (*Togga*) of Marodijeex and by drilling boreholes in the bedrock, which had a depth of over 100 meters; none of these attempts were successful. Some micro-dams were later built in different urban areas (commonly known as Daami, Qudhader, Jig-jiga Yar, and Herada Digaga), along with several large, unroofed cisterns. These water sources gave some relief to the shortage of water, but the water from these facilities was of very poor quality, and today none of them are operational. In 1969, under the auspices of the Economic Cooperation between the Chinese and the Somali Governments, a water project including regional study of ground water resources was undertaken. This activity lasted until the mid-1980s and involved the drilling of several boreholes. The major finds of the study were the Geed Deeble and Almelo zones.

The existing water distribution system was designed during the seventies when the population of Hargeisa was less than 180,000. At that time, in addition to the piped water, the micro dams provided water for animals, house cleaning, and laundry. Today these sources are non-existent. The present water supply of the town is estimated at about 11,600 cum/day (cubic meters per day); most of that water (10,400 cum/day) flows from the Geed Deeble Well Field, through a piped system managed by the Hargeisa Water Agency (HWA). The rest, 1,200 cum/day, comes from other sources outside the control of the HWA and is supplied by means of privately owned trucks. The HWA network loses unknown amounts of water through leakages. In order to solve the current and future water supply problems of Hargeisa, Africa 70, an international NGO, has prepared a master plan in 2007 (*Hargeisa Water Supply Master Plan*). The Master Plan requires the identification of water resources that met the following basic conditions:

- i. The source must have a productive capacity suitable, in quality and quantity, for meeting the city's demand.
- ii. The availability of the water source must be proven with a high level of confidence.
- iii. The production cost of the water must be lower than the selling price for the field to be profitable
- iv. The production cost must include the depreciation, pumping, and treatment costs. In the case of Hargeisa, the Water Agency has given as indicative a maximum production cost of \$0.8/cum.
- v. The investment must be realistic as regards the mean per-capita revenue.

Challenges and Opportunities

There is no civil registration system in Somaliland, and the last general census was carried out in 1986/87. In 2007, the population of Hargeisa was estimated at about 800,000 inhabitants, with a growth rate of some 4.2% per year, where a 3.2% increase per year was the natural growth rate and a 1.0% increase per year was represented by immigrants.

The study concerning the search for new sources of water for Hargeisa has been limited to a circle with a radius of 50km and in areas not below 400m of the town. The main water sources identified in the Master Plan that met the above conditions were as follows:

- 1) **Hora Haadley Basin:** Hora Haadley Basin is located about 5 kilometres northeast of the Geed Deeble Basin, at the junction of Laas Duur and Garboley Rivers; in the same area, three other minor streams flow into the major rivers and form the Hora Haadley River. The catchment area, which consists mainly of flat terrain, totals about 199 sq km. The beds of the watercourses are large, and they consist of quartz sand.

- 2) **Jalelo Basin:** Jalelo Basin is located about 30 km northeast of Hargeisa, at the confluence of Marodijeh and two minor streams. The catchment area of the basin totals about 700 sq km, the upper part of the morphology developing into a flat terrain, while the lower part is steeper. The beds of the water courses are large and made of quartz sand. The Chinese Team carried out some Vertical Electric Soundings (VES), drilled an exploratory borehole, and completed a production well; however, this level of investigation is not sufficient to define the volume of sediments stored in this basin. A detailed analysis of high resolution satellite imagery indicates the surface of the sedimentary basin to be about 7.0 sq km wide. Assuming a mean thickness of 60 meters found in the boreholes, the volume of the alluviums results in a 420 mill cum. And assuming an effective porosity coefficient equal to 2%--which should be considered a conservative estimation--the stored volume of water is equivalent to about 8.5 mill cum/year. The utilization of the Jalelo Well Field requires a heavy investment. According to the Master Plan, the exploitation of this well field is an alternative to the construction of Butoch Dam, if the latter initiative is delayed for a long time.
- 3) **Haraf Infiltration Gallery:** About 5 km to the west of Hargeisa, the Marodi Jeh River meanders, and the water course forks into two channels separated by an island. In this area, there are several hand-dug wells which are mainly utilized for farming, though some are exploited to sell water to the town truckers. According to information received from local farmers, runoffs in this area occur for six or seven months a year, mostly during the summer, when the demand for water in Hargeisa is at its highest. The site proposed for the construction of the infiltration gallery is located at the point where the riverbed has a maximum width; a long, deep infiltration gallery produces a low flow towards the river sand, and the water thus produced will be very clear. The design of the infiltration gallery has been made on the basis of the geophysical survey carried out by the Africa 70 team in October 2007. This water point is not intended to be a permanent one. However, the abstraction will be stopped for a period of four to five months a year, in coincidence of the dry season; otherwise the plantations in the surrounding area will suffer from water shortage. The Master Plan recommends the exploitation of this water resource, even if it is not productive all year round; this recommendation is based on several considerations: (a) it is only 5 km from the town, and consequently the implementation of a development project there will be rapid and relatively cheap; (b) from the top of the collection chamber, the water will flow towards the town network by virtue of gravity; consequently, the resulting cost of water will be low compared to those of other water sources, which involve high-priced, heavy-duty, pumping operations; and (c) the temporary exploitation of this water point will reduce the utilization of the underground resources stored in the Geed Deeble, Hora Haadley, and Jalelo Basins, which can thereby be saved for the dry seasons.
- 4) **Butoch Dam:** Underground water alone is not sufficient to satisfy the water demand of a large town like Hargeisa. On the other hand, the desalinization of brackish or saline waters is absolutely out of the question for the simple reason that it is

economically unsustainable in Somaliland. Therefore, the only feasible alternative available is surface water. In Somaliland, there are no perennial rivers or natural lakes; the only way to secure a supply of surface water is to create artificial lakes: dams. The approaches which can be adopted to satisfy the water demand of a large town with surface water alone are two: the creation of several small dams, or just one large dam with sufficient storage capacity. A small dam is considered suitable for urban water supply if the produced water is not less than 10% of the yearly water demand because below this limit, the investment is too heavy, and the resulting cost will be too high. The Master Plan identifies only three sites in the environs of Hargeisa which are suitable for the construction of small dams, but they do not meet the forecast water demand of the town. Hence, the small-dam option is to be ruled out. The Master Plan has found a sole site within a 50-km radius around Hargeisa suitable for the construction of a large dam for the town's water supply; it is located along the Laas Xadhaadh riverbed in the locality of Butoch. It is possible to build there a dam over 50m high with a storage capacity of over 50 Mill cum. This dam site is located in the Laas Hadhaadh River, which has a runoff of some 19.9 Mill cum/year in this section. This quantity is not sufficient for the 25-year project period; it is, however, possible to reach the target by diverting the Daaso Asays River, which will contribute an additional 21.6 Mill cum/year, the resulting total runoff being 41.5 Mill cum/year. The potential diversion point of the Daaso Asays River towards the Laas Hadhaadh River basin is located at a favourable site, and the operation is achievable with a channel of about 500 m long. This diversion will constitute the second phase of the project.

The construction of the dam and ancillary works require a very large-scale funding and will take a long completion time (estimated at a cost of \$75.7 million and no less than 7 years for the implementation of the first phase). Thus, the development of underground water resources, together with the reduction of leakages in the system, will increase the per-capita water availability. The greatest challenge constraining the Water Agency is non availability of investment funding to implement the envisaged programs and projects.

Priorities and strategies

As indicated earlier in the report, the population of Hargeisa is estimated to grow at a rate of 4.2% per year, i.e. from its present level of 900,000 inhabitants to about 1.35 million in 2020. Looking into the future, the population is expected to reach about two million by the year 2030. Thus, the priority and strategy of the Government is to provide affordable clean water to the population and to narrow the differential between the affluent and poorer quarters of the town. The Government is, therefore, planning to implement the following strategies:

- Develop the main water sources which were identified in the Master Plan, namely:
 - Hora Haadley Basin;
 - Jalelo Basin;
 - Haraf Infiltration Gallery; and

- Butoch Dam
- Increase pumping and transmission line capacities
- Increase water storage capacities
- Expand and improve distribution network
- Improve and implement flood protection schemes
- Enhance security by installing fencing and chambers.

The city of Hargeisa has a hilly shape with differences in elevation between low and high quarters exceeding 180 meters. Optimal operation pressure in water supply systems in developing countries is +/- 3.0 bar (= +/- 30 meters). With low pressure water losses are minimized. In the case of Hargeisa, this target will be rendered achievable by dividing the network into belts with differences of less than 40 meters in elevation. The use of pressure reducers is not recommended because these valves are fragile and require maintenance.

The sole solution to the problem is the construction of satellite reservoirs each one of which will govern a sector of the city; these reservoirs also constitute delocalized stocks of water to satisfy the demand peak. The subdivision of the network into un-interconnected sectors is a very efficient method to control leakages and abuses. Such an arrangement will necessitate the division of the Hargeisa water distribution network into five administrative units or private companies.

Policy, Legal and institutional reform

The Hargeisa Water Agency (HWA) has serious operational problems in the management of water distribution, characterized by:

- Chronic scarcity of water;
- Unsuitable organization of the pipe network in relation to the morphology of the urban area; and
- Poor status of the infrastructure.

In this regard, there is an acute need for a structural re-organization of the Water Agency and the water distribution system. The Hargeisa Water Supply Master Plan has recommended the following structural change:

- 1) HWA will be broken into four privately-owned companies and the fifth entity will be the re-organized Hargeisa Water Agency;
- 2) HWA will have the responsibility for the production of water, the control of the water sector, and the implementation of water-related projects; it will also act as cashier in the name of the State. HWA will remain a public company, maybe with a minority participation of private investors.
- 3) Four of these private companies will be responsible for the distribution of water in the town and will act as concessionaires. The concessionaires will also be responsible for the

rehabilitation and extension of the secondary and tertiary pipe networks. All infrastructures, whether already existing, or developed by the concessionaires, will be the property of the State; the concessionaires will be refunded for the investments they made from tariffs.

The Hargeisa Water Agency (HWA) will be the fifth company, and its ownership will be either fully public or partially private. In any case, the majority shareholder and controller should be the State because this company will have a strategic role in the life of Somaliland. The responsibilities of HWA will be the following:

- Production, storage, and transportation of water up to the concessionaire networks' inlet points, which will be controlled with water-meters;
- Tariff policy definition and yearly refunds to the concessionaires as returns on their investments;
- Conception, funding, and implementation of projects related to the production of water;
- Coordination and supervision of the activities of the concessionaires; and
- Acting as cashier in the name of the State.

The recommended restructuring and the privatization process, however, is not feasible under the current conditions due to the lack of available financial resources, scarcity of water and the very poor status of the infrastructure.

Programs and projects

The programs and projects envisaged under the NDP for Hargeisa Water Agency are summarized as under:

- Increasing water production and supply by developing Humbaweyne Well field, replace K10 and k13 Geed-Deeble well fields;
- Increasing pumping and transmission lines by installing booster pumps and stations;
- Increasing storage capacity by constructing five storage tanks;
- Construct and expand the distribution network;
- Fully centralized, efficient and affordable power supply;

- Install flood protection and mitigate risk of damage to installations and infrastructures;
- Improve access to water supply sources by building roads and other necessary structures; and
- Enhance the capacity of the Water Agency by providing necessary training skills and office equipments.

5.2.9 Hargeisa Water Budget and Implementation Matrix

Goal		To supply sufficient water to the inhabitants of Hargeisa which is expected to increase from 930,000 in 2010 to 1.35 million by the year 2020									
Strategic Objectives		To increase the daily water consumption to international level (i.e. from 18 lit/day to 32 lit//day)									
		To make equitable distribution of water to all quarters of the city									
		To build water reservoirs for the city									
		To improve the water supply infrastructure									
		To improve the water distribution network									
No.	Programmes	Objectives	Projects Outputs/Outcomes	Sources of funds	Implementer	Indicative Budget (US Dollar Million)					
						2012	2013	2014	2015	2016	Total
1	Increasing water production and supply	To develop Humbaweyne well field To drill 3 test wells To replace K10 and K13 of Geed-Deeble well fields To work on Haraf infiltration Gallery	About 7,300,300 m ³ of water produced	Donor and Somaliland Government	Hargeisa Water Agency	-	4.04	-	-	-	4.04
2	Increasing pumping and transmission line capacitors	Install: 500 mm transmission line Booster pumps Gen sets Booster station	20,000 m ³ /day pumping capacity produced	"	"	-	-	13.94	-	-	13.94
3	Increasing storage capacity	To construct 5 storage tanks (4 @ 500 m ³ and 1 @ 1750 m ³)	The target of 12,000 m ³ water storage capacity reached	"	"	-	0.86	-	-	-	0.86
4	Expand Distribution network	To construct and expand the water distribution network in the city	Networking mapping conducted The distribution network expanded to 64,000 meters Asbestos pipes replaced	"	"	-	-	-	1.85	-	1.85
5	Flood protection	To protect flood that often threatens to destroy water installations and infrastructure	Flood water course diverted with gabion Flood protection of 300 linear meter constructed Subsurface dams (3 locations @ - 100m) constructed	"	"	0.38	-	-	-	-	0.38
6	Security fencing and chambers	To install Security fencing and chambers	Fence walls for 3 reservoirs constructed Reconstruction and rehabilitation of chambers conducted	"	"	0.32	-	-	-	-	0.32
7	Full centralized power supply	To reduce operational costs by more than 60%	Power supply units of Geed-Deeble and Biyo-khadar booster stations centralized	"	"	-	1.50	-	-	1.50	3.00
8	Buffer Stock	To improve the water buffer stock	Booster pump sets, submersible pump sets, Gensets, etc. installed	"	"	0.60	-	-	-	-	0.60
9	Rain water harvesting	To increase access and availability of water through rain water harvesting initiatives	Five earthen dams with 2,500,000 m ³ capacity constructed Pilot project on roof-top water harvesting for 300 IDPs households started	"	"	-	-	-	-	1.75	1.75
10	Mechanical	To ensure operational efficiency	Mechanical and electrical workshops built	"	"	-	-	-	-	0.80	0.80

	workshops	of machinery	Machinery and tools acquired Water testing, quality control and surveying equipments purchased									
11	Awareness creation	To create public awareness on key issues affecting proper use of water resources	Awareness created on wise use of water resources, water policy and rain water harvesting	"	"	-	0.05	0.05	0.05	0.05		0.20
12	Technical studies	To conduct technical studies	Viability solar power for water pumping studied Water catchment areas around Hargeisa assessed	"	"	-	-	0.70	-	-		0.70
13	HR development	To improve the technical and managerial capacities of staff	New and refreshment trainings organized for the technical and managerial staff Consultants hired for training staff and developing programs	"	"	-	0.50	-	-	-		0.50
14	Resources centre	To improve availability and access to data, publication and relevant documents	A 3-room resource center built and water related resource/study materials supplied	"	"	-	-	-	0.40	-		0.40
15	Access roads to well fields	To improve access to well fields and pumping stations	25 KMs of asphalt road constructed to Geed-Deeble with 2 iris crossings 36 KMs long gravel road constructed from Hargeisa to Jaleelo (via Ba'ado)	"	"	-	-	-	-	3.30		3.30
16	Office buildings	To establish branch offices in the sub-cities of Hargeisa	Four - roomed office branches established in each district of Hargeisa	"	"	-	0.02	-	-	-		0.02
17	Emergency water trucking	To make available stock for emergency water trucking	Mini-water supply systems established for 10 IDPs settlements, and 5 Water tankers supplied	"	"	-	0.30	-	-	-		0.30
Total for Hargeisa Water Agency							1.30	7.27	14.69	2.30	7.40	32.96

5.3 Governance Pillar

5.3.1 Justice Sector

Situation Analysis

Somaliland has established a system of good governance under the Constitution of Somaliland, combining traditional and western-style democratic values and principles. It is a hybrid, purpose-built system that serves Somaliland well. Shortly after the civil war ended and Somaliland declared independence, there were a series of inter-clan conferences, which culminated in the Borama Conference of 1993. There, a largely clan-based (but still fairly democratic) system of government was constructed. It consisted of an executive branch (comprising a President, a Vice President, and a Council of Ministers), a bi-cameral legislative branch, and an independent judiciary system. The traditional Somali council of elders (Guurti) was incorporated into the governance structure and formed the Upper House of Parliament. The Lower House is an elected body. The Somaliland Government was in essence a "power-sharing coalition of Somaliland's main clans", with seats in the Upper and Lower houses proportionally allocated to clans according to a predetermined formula.

The Government of Somaliland evolved into a multi-party democracy in 2002 after a number of extensions of the interim government's mandate. At that time, there were district council elections contested by six parties. These were landmark elections recognized as one of the most peaceful political events to take place in Africa. The three most successful parties became the national political parties, and in 2003, Daher Rayale Kahin became the first Somaliland president to be elected in a free and fair election. Seven years later (in 2010), H.E Ahmed Mohamed Mohamoud Silanyo became the second Somaliland president to be elected in a free and fair election.

The Somaliland Government, through a process of self assessment, established a Law Reform Commission(LRC) in August 2009. This process of critical review and reform serves the people of Somaliland by way of improved governance and contributes to the realization of a society built on democratic values, social justice, and fundamental rights for all.

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—that is, laws or statutory provisions that are no longer in use or have been superseded by new legal provisions. In the course of its review, the newly established commission is mandated to excise those pre-1991 statutes which are not entirely in synchronization with legal concepts properly understood and those which blatantly violate the

fundamental principles of justice. The law review process is undertaken by teams of experts from various academic institutions, professional legal organizations, and civil society entities. The LRC will coordinate its activities with those of law reform bodies and institutions in other countries by way of consultation and interaction. This collaborative effort will facilitate the exchange of consultation papers, reports, and other relevant information.

Until July 1960, Somaliland had its own judicial system, which was led by the High Court in Hargeisa. The 1960 Somaliland Constitution re-confirmed the existing Somaliland judicial system but suspended the appeals to the East African Appeal Court. On the reassertion of its independence in 1991, Somaliland re-built its judicial system fairly quickly with the creation of the 1993 Somaliland Charter (Article 21), which established the Somaliland Supreme Court as the highest court of the land. The court structure which existed in Somalia prior to the military coups d'état of 1969 and based on the organization of the Judiciary Law of 1962 (Legislative Decree No. 3 of 12 June 1962) was re-established and re-confirmed by the Somaliland Organization of the Judiciary Law in 1993 (Law No. 41 of 18 August 1993). This legal achievement was enabled by the Somaliland Charter, which adopted the pre-1969 laws in preference to the draconian laws of the (1969-1990) dictatorship era, during which the 1962 law was replaced by the 1974 Organization of the Judiciary Law. This court structure was re-confirmed in the Somaliland Interim Constitution of 1997 and is now set out in Chapter Four of the current Somaliland Constitution, which was approved in 2001.

The Ministry of justice, in full recognition of fundamental rights and freedoms, has established effective legal mechanisms that protect citizens against oppression and abuse. Thus, the Government of Somaliland is committed to take all the required steps to ensure transparency and effectiveness in the justice system, a commitment that applies to the rule of law in general including court proceedings and investigation processes of civil and criminal cases.

The Somaliland judiciary courts include the following:

1. District Courts
2. Regional Courts
3. The Appeal Courts (based in each region)
4. The Supreme Court (also serve as the Constitutional Court)

This Court can also sit, with additional representatives as the High Court of Justice when dealing with impeachment of public officers, other than the President & the Vice-President.

District Courts

These are the first instance courts and are presided by a District Judge. These courts should also have a Juvenile section and an Enforcement Section. The District Courts deal with the following legal matters:

1. All claims based on Sharia, which are primarily matters relating to family matters and successions
2. Civil litigation concerning suits for amounts up to 3 million Somaliland Shillings
3. Criminal cases punishable by imprisonment for up to 3 years or fines up to 3 million Somaliland Shillings

Regional Courts

The Regional Courts are based in regional capitals and deal with:

1. All civil litigation which does not fall within the jurisdiction of the District Court
2. All criminal cases which do not fall with the jurisdiction of the District Court
3. All labour or employment law claims
4. Any claims arising out of local district council government elections

Regional Appeal Courts

Regional Appeal Courts deal with all appeals from District and Regional Courts. The President of the Appeal Court in each region acts as the head of the judiciary in the region (*Article 11 of the Organisation of the Judiciary Law*).

Each Appeal Court is divided into the following sections:

1. The **General Appellate Section** which deals with all civil and criminal appeals
2. The **Assize Appellate Section** which deals with appeals from the Regional Assize Courts and are heard by the President of the Court, two Appeal Judges and two assessors with the knowledge of Sharia Law
3. The **Juvenile Section**
4. The **Taxation and Finance Section**

The Supreme Court

The Supreme Court is the highest judicial organ in the country and consists of the Chairman and at least four judges. The Supreme Court deals with:

1. All appeals from the Appeal Courts
2. Jurisdictional issues between the courts of the land
3. Administrative Suits relating to the final decisions of public bodies
4. Declaration of General election, presidential and parliamentary, results and decisions on any complaints relating to such elections, and appeals from lower courts' decisions in respect of complaints relating to local government elections
5. Review of its own decisions under the relevant Articles

The Supreme Court can also serve as the **High Court of Justice** with the inclusion of four additional representatives elected by the two Houses of Parliament (Article 7 of the Law). This special court deals with the impeachment of ministers, members of parliament and other specified public officers but not, since 2000, with the impeachment of the President and the Vice-President.

Appointment of Judges

The Judges of Courts, other than the Supreme Court, are appointed by the Judicial Commission which was set up under Articles 107 and 108 of the Somaliland Constitution. It also deals with the promotion and, when necessary, the disciplining of judges, the procedures of which are set out in detail in Articles 35 to 43 of the Organisation of the Judiciary Law. The Judicial Commission is chaired by the Chairman of the Supreme Court, and consists of two other Supreme Court Judges, the Attorney General, two high ranking civil servants (heads of the Ministry of Justice and the Civil Service Agency) and four members of the public, selected once every two years by the two Houses of Parliament, as its members.

Highlights of the current status of the Justice Sector

- The High Judicial Commission has ten (10) members
- The High Judicial Commission does not have a staff
- The Ministry of Justice has thirty-five (35) employees
- Eight (8) members of the Ministry of Justice staff are law school graduates
- The Office of the Attorney General has seventy-three (73) staff members; eleven (11) Deputy Attorney Generals; twenty-six (26) Prosecutors; thirty-six (36) other personnel
- Fourteen (14) members of the Attorney General staff are law school graduates
- There are seven (7) Attorney General Offices: 1 National Attorney General Office in Hargeisa; one Attorney General Office in each of the six (6) Regions
- The Somaliland Judiciary has ninety-seven (97) staff members
- The Somaliland Judiciary has one hundred and thirty-six (136) judges
- Ten judges are law school graduates
- Ninety per cent (90%) of sitting judges have not studied beyond secondary school
- There are fifty-one (51) Ma'adum (religious judges) registered by the Ministry of Justice
- There are seventy-six (76) Notaries registered by the Ministry of Justice
- There are fifty (50) court houses in Somaliland; the Supreme Court in Hargeisa; six (6) Appeal Courts; six (6) Regional Courts; thirty-seven (37) District Courts
- There are one hundred and thirty-five (135) registered lawyers in Somaliland. The Ministry of Justice is legal profession registration authority
- There is one Somaliland bar association (Somaliland Lawyers Association), and two separate lawyer associations (Somaliland Women Lawyers Association and Gargaar Lawyers Association)

- There are two Somaliland Law Faculties that graduates Bachelor of Law Degree (LLB.) holders: University of Hargeisa Faculty of Law, established in 2002; Amoud University Faculty of Law and Islamic Sharia, established 2008
- There are three hundred and twelve (312) law school graduates in Somaliland; 277 University of Hargeisa law graduates and 35 Amoud University law graduates
- Seventy-eight (78) law graduates are female
- There are twelve (12) prisons in Somaliland
- There are four (4) legal-aid providers: University of Hargeisa Faculty of Law Legal Clinic; Amoud University Faculty of Law Legal Clinic; Somaliland Lawyers Association; and Somaliland Women Lawyers Association

Challenges and opportunities

The following are conspicuous challenges of Somaliland justice sector:

- Overwhelming public preference and usage of traditional clan mediation over modern court system, which deters the growth of modern justice system in Somaliland
- Inadequate and/or outdated policies
- Insufficient judges and courts
- Shortage of legal professionals
- Lack of specialized courts and judges
- Lack of harmony between penal and civil codes and procedures, and between the Sharia penal code and international laws
- Inconsistencies in the laws and absence of established high-powered judiciary, crime, and case review committee(s)
- Excessive case loads

However, the following can be mentioned as opportunities that exist in Somaliland for advancing the justice sector:

- The commitment of the government to upgrade the justice sector
- Educational institutions that are able to produce professional legal personnel
- Support from the international community for improving the justice sector

Priorities and Strategies

Justice sector priorities of Somaliland include:

- **Law reform**

The government of Somaliland has shown its intense commitment to promoting the rule of law and human rights, and to delivering an effectively functioning justice system for its citizens. In line with this, the government has very recently adopted a National Justice Reform Strategy entitled “Somaliland’s Ten Point Agenda for Justice Reform Strategy” for reforming the entire laws and procedures of the justice sector in Somaliland, and for improving the law/justice enforcement/implementation capacity of the institutions of the sector.

- **Capacity Building**

To strengthen and build the capacity of the justice sector, the government is committed to:

- Supporting members of the High Judicial Council to fully undertake their responsibilities of establishing and protecting the independence of the judiciary;
- Providing training to members of a High Judicial Council Secretariat to effectively serve as judicial system professional administrative staff;
- Training professional staff of the Ministry of Justice to effectively undertake justice sector monitoring and reporting;
- Transforming legal educational institutions; and
- Rehabilitating and building the justice sector infrastructures

- **Stemming out corruption**

In line with its high commitment for reforming the justice sector, the government has established a strong body (Good Governance and Anti-Corruption Commission) to combat all kinds of corruption in the government institutions in general and the justice sector in particular.

- **Legal empowerment**

The implementation of the legal empowerment processes is undertaken under the auspices of the Law Reform Commission. The agreed priority laws to reform, for improving legal empowerment, include, but not limited to: the Penal Code, the Criminal Procedures Code, the Civil Code and Civil Procedures Code, and the Organisation of the Judiciary Act.

- **Legal education**

In here the government aims at invigorating the support provided to law faculties and clinics, encouraging the establishment of postgraduate legal vocational trainings for upgrading and

allowing lawyers to practice law, and recognizing the importance of the development of the Lawyers Associations.

- **Access to justice**

Under this priority area, the government intends to work towards substantially improving access to justice for all citizens and for the effective delivery of court services in Somaliland. In line with this, it aims at enhancing the rights of citizens to fair trial and legal representation at all stages of criminal proceedings, including arrest, pre-trial detention, trial and appeal of sentences.

- **Alternative dispute resolution systems**

This initiative attempts to promote and cultivate a justice sector in which the three legal justice systems (xeer, sharia and formal/modern) can work together in harmony. This in turn will strengthen and improve the cooperation between the formal and informal conflict resolution mechanisms in the country. The process will also enable the justice system to identify and encourage compatible areas of the three; and discourage/abolish practices contradictory with the Somaliland Constitution that may exist in any of them.

- **Rule of law**

As stated above, promoting the rule of law is the top priority of the justice sector in Somaliland. Consequently, expanding access to justice and raising public awareness of the rule of law; ensuring that the rule of law is abided by all the citizens of Somaliland; and strengthening the capacity of the law enforcement institutions for enforcing the rule of law are among the major priorities to be addressed in the justice sector reform program.

- **Improving service delivery and speed**

Within this priority area, the justice sector reform program aims at improving the legal, personnel and infrastructural capacity of the system so as to enhance the speed with which justice is delivered to the citizens of Somaliland.

- **Increasing public confidence in the judiciary**

The justice sector reform program acknowledges the need to increase public confidence and awareness of the role of the judiciary and legal systems in the country. Consequently, it envisages the creation of public trust for the modern judiciary system and gradually lessening the heavy dependence on the traditional clan mediation practices so as for adopting an amalgamation of the best components of the three justice systems in Somaliland, as indicated above.

- **Increasing women participation in the justice sector**

Recognizing the importance of women participation in the justice system, the justice sector reform program aims at promoting women's legal education, entry into the legal profession, and women's equal access to justice.

Policy, legal and institutional reform

The justice sector reform program entails the reforming of various justice sector policies and laws. It emphasizes the drafting and amending appropriate justice system laws and policies for strengthening and empowering the capacity of the judiciary, and ultimately enhancing the justice delivery system in Somaliland. The reform process also indicates that all justice sector policies and laws should be written in Somali and that Somali legal terminologies should be produced accordingly. Some of the most important policies and laws to be reformed include:

- The Penal Code
- The Criminal Procedures Code
- The Civil Code and Civil Procedures Code
- The Organisation of the Judiciary Act
- The Civil Registers and Commercial Code

Other important policy, legal and institutional reform issues that need to be addressed in the justice reform program include:

- Implementing Juvenile Justice Law
- Developing and implementing a national policy on FGM
- Implementing the national gender policy
- Implementing the national Gender Budgeting Guideline

Projects and programs

The following are among the most important planned projects and programs to be implemented for improving the justice delivery system in Somaliland:

- Increasing mobile courts
- Providing case management trainings and reforms
- Building the capacity of various courts
- Constructing regional and headquarter court yards
- Improving application and implementation of laws
- Assessing the current legal system
- Carrying out legal awareness campaigns
- Publishing and disseminating various approved laws for public awareness
- Recruiting legal experts as advisors in crucial legal matters

5.3.1 Justice Sector budget and Implementation Sector

Goal		Achievement of an effective equal justice for all citizens									
Strategic Objectives		To strengthen and empower the capacity of Somaliland judiciary system									
		To develop and implement regulatory framework for legal services and legal professionals									
		To promote access to justice among the public									
		To create awareness of the public on their rights and the rule of law									
		To train justice personnel on the law enforcement									
No.	Programs	Objectives	Projects Output/Outcome	Source of Fund	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Capacity building for Ministry of Justice (MoJ) , office of the Attorney General and the judicial system	To build the capacity of MoJ and office of the Attorney General for better service delivery	<ul style="list-style-type: none"> The Head Quarter (HQ) and regional offices of MoJ built an/or rehabilitated, and provided with furniture and equipments Attorney General's Headquarter office constructed in Hargeisa 5 regional offices built in 5 regions for the Attorney general and the required equipment supplied 	Donors and SLG	MoJ, Attorney General (AG)	0.12	0.19	0.14	-	-	0.45
			<ul style="list-style-type: none"> Training and workshops organized for judges and staff Trainings provided to the public and the staff on crimes prevention, piracy, child trafficking, police investigations, and cases management (close to 250 trainees) by the office of the Attorney General 	"	"	0.15	0.15	0.10	0.05	0.05	0.50
			<ul style="list-style-type: none"> 6 transport vehicles purchased for mobile courts for their case management at various regions 7 transport vehicles purchased for the HQ and regional offices of the attorney general 	"	"	0.09	0.15	0.17	0.08	-	0.49
			<ul style="list-style-type: none"> A staff Training centre established at HQ, and provided with furniture and equipments A legal and justice library established for the office of the Attorney General 	"	"	0.2	0.3	-	-	-	0.5
			<ul style="list-style-type: none"> ICT system established at HQ, web-site developed and swift connections with regional offices maintained 	"	"	-	0.2	0.2	-	-	0.4
			<ul style="list-style-type: none"> Two consultants and an international legal advisor hired and essential policies and justice laws developed; and hired Four consultants hired by the office 	"	MoJ , AG, and Law review Commission	0.3	0.65	0.4	0.1	0.1	1.55
2	Policy development and law reform programs	To develop essential policies and laws for the justice sector To review, draft and develop	<ul style="list-style-type: none"> Two consultants and an international legal advisor hired and essential policies and justice laws developed; and hired Four consultants hired by the office 	"	MoJ , AG, and Law review Commission	0.3	0.65	0.4	0.1	0.1	1.55

		essential laws and policies for the smooth functioning of the office of the Attorney General	of the Attorney General, and essential policies and laws developed <ul style="list-style-type: none"> • Assessment conducted on current legal framework • New laws drafted and existing laws amended • Regulatory framework for legal services and legal professionals established 								
3	Public Awareness creation and Improving access to justice	To remove barriers to access to justice for citizens, and improve public awareness on justice	<ul style="list-style-type: none"> • Legal awareness creation and education campaigns conducted among the public 	"	MoJ	0.3	0.25	0.2	0.18	0.15	1.08
		Sub-total MoJ Budget				1.16	1.89	1.21	0.41	0.3	4.97
	Custodian Corps (CC) Component										
4	Building Women and Juvenile prisons	To build separate women and juvenile prisons for improving prison conditions and addressing the rights of inmates	<ul style="list-style-type: none"> • A women prison built in Hargeisa and provided with required facilities • A juvenile prison built in Hargeisa and provided with required facilities 	"	MoJ and CC	0.35	0.4	-	-	-	0.75
5	Building new big prison in Hargeisa and rehabilitation existing prisons	To improve prison conditions and address the rights of inmates	<ul style="list-style-type: none"> • One new big prison built in Hargeisa and three existing prisons rehabilitated, and provided with required facilities 	"	"	1.0	1.00	-	-	-	2.0
6	Procurement of prison equipment and facilities	To improve prison conditions and address the rights of inmates	<ul style="list-style-type: none"> • Extremely essential prison equipments procured for various prisons in Somaliland for improve prison conditions and address the rights of inmates 	"	"	1.4	1.4	-	-	-	2.8
7	Human Resource for the Custodian Corps	To develop the human resource of the Custodian Corps for enhancing its service delivery capabilities	<ul style="list-style-type: none"> • Appropriate and essential trainings provided to the existing and new qualified staff of the Custodian Corps for enhancing its service delivery capabilities 	"	"	0.5	0.5	0.5	0.5	0.5	2.5
8	Enterprise development programs	To develop various enterprises and engage inmates in productive programs /projects	<ul style="list-style-type: none"> • Viable enterprises developed for inmates to engage in productive activities 	"	"	0.5	0.3	0.3	0.3	0.3	1.7
	Sub-total Custodian Corps					3.75	3.6	0.8	0.8	0.8	9.75
	Total Justice Sector Development Budget					4.91	5.49	2.01	1.21	1.1	14.72

5.3.2 Human Rights

Situation Analysis

Since 1948, when the Universal Declaration of Human Rights was signed, most countries around the world, started to apply its principles accordingly and that consequently improved respect for human rights. Somaliland is no exception to this, Article 10(2) of the Constitution of the Republic of Somaliland states clearly that “the Republic of Somaliland shall act in conformity with the United Nations Charter, International Law, and shall respect the Universal Declaration of Human Rights”. Accordingly, The Somaliland constitution guarantees all the main fundamental human rights and freedoms including Civil and political rights, socio economic and cultural rights and other collective/group rights such as the right to peace, development and clean/healthy environment in line with its Constitution. Somaliland established a democratic governance system that has all the necessary state institutions for the enforcement and protection of the fundamental human rights and freedoms enshrined in the Constitution.

To ensure compliance with the human rights and freedoms awarded by the constitution, the government of Somaliland issued a presidential decree which established the Somaliland National Human Rights Commission (SLNHRC) in April 2006. The SLNHRC is an independent HR public institution, whose core mandate is to further the protection and promotion of fundamental human rights and freedoms in Somaliland. Many countries have similar bodies which Audit the government on HR. United Nations encourages governments to create NHR commissions as a strategy towards enhancing protection & promotion of human rights

The commission has a good working relationship with the elected Parliamentarians and the members of House of Elders, especially with the relevant sub-committees including the Human Rights sub-committee. SLNHRC also works closely with the Government Ministries such as Ministries of Justice, Interior, Labor& Social Affairs, and Health. In addition, SLNHRC works with the immigration services, regional governments, local authorities, traditional and religious leaders, women’s groups, minorities and organizations supporting the disabled & children and other civil society associations, in order to promote and consolidate a culture of respect for human rights and the rule of law in Somaliland.

The SLNHRC in cooperation with the Somaliland Government and international organizations in Somaliland has drafted the SLHRC ACT, which was passed by the Parliament on October 30, 2010 and signed by President on Dec 25, 2010.

The main objectives of SLNHRC are to promote and protect the fundamental human rights and freedoms enshrined in the constitution, and to ensure the enjoyment of human rights for all individuals and sections of society while putting primary focus on the rights and freedoms of the vulnerable, marginalized and disadvantaged groups. During its short history, the Commission has taken several steps to improve its institutional capacity and to promote and protect human rights. It developed and adopted a three-year strategic plan for the period 2009-2011. The strategic plan was based on the lessons learnt during the evolutionary first 3 years of the organization and feedbacks received from various sectors, the staff, and several national and international stakeholders.

Opportunities and Challenges

Challenges:

Among the challenge that the Commission faces are:

- Lack of working space. The commission shares office space with another organization.
- Limited staff and human resource capacity. Total staff is just 12, including 6 support staff
- Increasing case load. The commission is overwhelmed with complaints and investigations
- Under Funding. The Commission is primarily funded by the Somaliland government
- Lack of public awareness of their fundamental human rights
- Lack of appropriate legislation for enforcement

Opportunities:

These are:

- Political will: The government of Somaliland puts human rights issues right at the top of its national priorities list
- Legal constitution of the commission: The commission was established by an act of parliament
- Vibrant human rights community organisations to work with
- International and regional network of human rights commissions to draw on their experience
- International support for human rights issues

Priorities and Strategies

The priorities during the NDP period are:

- Physical and human resources capacity building
- Promotion and public awareness of the human rights enshrined in the constitution
- Research into the human rights condition of vulnerable people – IDPs, women, children, elders, migrants, , minorities, and disabled people
- Protection of human rights
- Networking, working in close cooperation with civil society human rights groups in Somaliland and counter parts in other countries

Policy, Legal and institutional reform

The commission will focus on:

- Implementing and enforcing the human rights act
- Examining existing laws to check them against the principles of human rights and advocating towards amending those laws that violate human rights

Programs and Projects

Key projects and programs during the NDP period include:

- Building the Commission's headquarter and regional branch offices
- Training staff and raising their skill levels
- Developing appropriate policies and laws to strengthen and complement existing ones
- Establishing complaints and case investigation procedures and systems to protect civil and political rights
- Establishing a website and an online service
- Training the judiciary and law enforcement officers about human rights
- Raising public awareness of their constitutional rights
- Producing human rights manuals for schools and the public
- Building shelters for the victims of human rights abuses
- Monitoring the custodial service

5.3.2 Human Rights Budget and Implementation Matrix

	Goal	Strengthen the rule of law, culture, and peace to end the violation of human rights									
	Strategic Objectives	To promote and respect the human rights									
		Encourage and advocate for the human rights of all citizens									
		To promote peace and stable democracy									
		To have freedom of speech among all citizens in Somaliland									
No.	Programs	Objectives	Project outputs/outcomes	Source of Fund	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Capacity Building for Human Rights Commission (HRC)	To build the capacity of Somaliland Human Rights Commission	• The Human Rights Commission Head quarter office constructed in Hargeisa	Donors and SLG	HRC	0.2	-	-	-	-	0.2
			• Trainings provided to the staff of the commission on Human Rights related subjects	"	"	-	0.1	-	-	-	0.1
			• 5 regional offices built in 5 major regions of Somaliland and the required equipment supplied	"	"	-	0.2	-	-	-	0.2
			• 6 transport vehicles purchased for the HQ and regional offices	"	"	0.04	0.08	0.08	0.04	-	0.24
			• ICT system established at HQ, web-site developed and swift connections with regional offices maintained	"	"	-	0.15	-	-	-	0.15
2	Policy development	To develop essential policies and laws for properly addressing Human Right issues in Somaliland	• Three consultants hired and essential policies and laws developed	"	"	0.1	0.2	-	-	-	0.3
3	Human Rights advocacy and promotion	To train police and judiciary personnel for enhancing human rights protection and promotion	• Police and judiciary personnel trained in human rights protection and reduction of human rights violation	"	"	0.1	0.1	0.1	0.1	0.1	0.5
4	Public Awareness creation in Human rights	To sensitize the citizens about their human rights and its protection	• Nationwide Public awareness created on human rights and its protection	"	"	0.05	0.05	0.05	0.05	0.05	0.25
5	Establishment of shelters for people that require special protection	To establish shelters for protecting people exposed to human rights violation	• 3 houses built in each of the 6 major regions of Somaliland (18 in total) for sheltering and protecting people facing human rights violation	"	"	-	1.0	0.5	0.5	-	2
Total Human Rights Development Budget						0.49	1.88	0.73	0.69	0.15	3.94

5.3.3 Security and Internal Affairs Sector

Situation analysis

Security and the rule of law are now well established in Somaliland. The country has made significant progress during the past 20 years in establishing the necessary institutions and procedures of government. However, there are still potential security threats due to the instability in the region in which it is located. Extremists, insurgents, and pirates operating in neighboring countries present danger to the security and stability of the country. Somaliland has built its capacity to counter these destabilizing forces over time and is now in a position to neutralizing them effectively. The police force is relatively well-established despite the presence of some institutional weaknesses, and the government is committed to strengthening the sector within the time frame. Therefore, as improving security in the country is an important priority of the government, the task of building the security sector will continue vigorously within the frame work of the National Development Plan.

The Ministry of Interior is the government institution in charge of in-land peace and security in Somaliland including the control and management of the police force, coastal police guards, anti-terrorism functions, immigration, mine clearance, and collaboration with traditional elders (aqils, chiefs, sultans etc) for dispute resolution purposes as the traditional leadership are the prime force for peace and stability in Somaliland. The Ministry is currently in charge of security and stability in the thirteen Regions and 71 districts of the country.

The internal security apparatus of the country lead by MOI consists of the following:

The Police Force

The formation of the Somaliland Police goes back to 1910 when a Somaliland Coastal Police was formed. This was followed by the establishment of the Somaliland Camel Constabulary for inland policing. A combined police force was set up in 1926 which included a rural force (Ilalo). Following Somaliland's union with Somalia in July 1960, the Somaliland Police became part of the new Somali Republic. The Ilalo was merged with the Police in 1970 (Law No. 5 of 17/1/1970).

The Somaliland Police Force was re-formed with effect from 2 November 1993 under the Law on the Structure of the Somaliland Police Force, which set up the current national Somaliland Police Force. The Somaliland Constitution (and the interim 1997 Constitution) confirms under Article 124(1) that the Somaliland *“Police Force shall be responsible for protecting the peace and for enforcing the law, and (that) its structure and duties shall be set out by law.”*

Currently, there are over 4,000 police officers and a large number of community police force operating in all the 13 regions of the country. There are close to 30 police stations operating fully throughout the country. Local Governments also have municipal and community police on their payroll who also take part in ensuring the security of their communities. In addition, there is a 300 strong Special Protection Unit (SPU) police force. The Unit is often called the Rapid Police Force (BIRMAD). The government is planning to recruit another 450 servicemen as part of strengthening the SPU unit. The Coastal Police patrols and guards the long coast of Somaliland against illegal intruders, pirates and poachers.

Apart from the police, 900 registered traditional leaders (Aqils/Sultans) work with MoI on security matters and conflict resolution. Though still inadequate, the police force does have good communication gear and means of transport that facilitate its operations throughout the country. The force has also a training academy in Mandhera.

Somaliland Mine Action Center (SMAC)

SMAC plays an important role in ensuring safety and security in Somaliland by demining the country's landscape which was extensively mined during the civil and Ethiopia-Somalia wars. SMAC was established in 1998 with the support of UNDP. On February 02, 1999 the House of Representatives passed a resolution that demarcates the mandates and responsibilities of SMAC and designated it as the body responsible for the overall coordination of Somaliland mine clearance and actions. Somaliland Mine Action is organized and operates under the supervision of the office of the Vice President of Somaliland. An inter-ministerial committee consisting of eight ministries also looks over its operations.

Between 1977 and 1978, Somalia went to war with neighbouring Ethiopia, as a result the border area between the two countries and some important access roads were heavily mined, and most of those mines are still there. Between 1981 and 1991, the Somali National Movement (SNM) waged an armed insurrection against the regime of Mohamed Siad Barre which saw indiscriminate use of landmines against the civilian population and their homes, farmland, and water reservoirs. The then-regional capital of Hargeisa (now Somaliland's capital) was heavily mined. The areas around military bases, refugee camps, and the airport, in particular, were subjected to extensive mining.

According to SMAC, there are twenty-eight mined roads in Somaliland. There have been several mine incidents on the coastal road between the port city of Berbera and neighbouring Djibouti, and a section of this road just east of Berbera has at least one minefield of undetermined size. Sections of the regular Djibouti-Jidhi-Borama road are also mined and traffic has been diverted into alternate routes for the past eight years. The regular unpaved road between the largest towns of Somaliland, Burao and Hargeisa, has been abandoned, in part due to landmine threat.

There are more than eighty minefields in Somaliland, sixty-three of which have been confirmed by SMAC. The majority of minefields are found near the Ethiopian border. Mine clearance and mine survey activities expanded significantly in Somaliland in 1999 and 2000, with donors

contributing some \$6.65 million. Mine clearance in Burao has allowed 70,000 residents to return to the city. In 1999 the government, for the first time, started collecting systematically data on mine victims, and established that there had been more than 3,500 mine casualties since 1988. The Parliament passed a resolution calling for a unilateral ban on landmines; the President endorsed the resolution.

Somaliland cannot become a signatory of the Mine Ban Treaty (MBT) until it receives international recognition as a separate state. Nevertheless, on several occasions, Somaliland affirmed its willingness to abide by the MBT.

Ministry of Defense (MoD)

MoD is the other important government institution mandated to look after the national security and sovereignty of Somaliland and its international borders through organizing and managing the country's army. Somaliland has a professional army which consists of several divisions with bases across the regions.

Currently, army personnel consist of mainly Somali National Movement (SNM) former combatants, soldiers who fled from Siad Barre's army and nationalized former tribal militia men. In the after math of the former regime's defeat, there were numerous rag-tag armies organised along tribal lines. But in 1992, the former president, through consultation with clan elders demobilized the armed groups and integrated them into one outfit that is now the current Somali army.

Up until 2009, when cases of piracy grew at the Somaliland Coast line and lead to hostages being held at the waters, which are within Somaliland Jurisdiction, the Somaliland army was composed entirely of army personnel. The surge in piracy and illegal fishing along the Somaliland coast lead to the establishment of a navy unit. The unit has later become Somaliland Coast Guard and has succeeded in apprehending hundreds of suspected pirates, who were later arraigned in Somaliland courts and sentenced to jail terms. The Unit has benefited from support by the international community. Its Headquarter is located in Berbera, the main port on the Red Sea, and operates with speed boats mounted with guns, pickups and trucks.

National Demobilization Commission (NDC)

NDC contributes to the security and stability of Somaliland by implementing the Disarmament, Demobilization and Reintegration (DDR) of ex-combatants into civil life. NDC was established in 1993 at the conference in Borama in which the Somaliland government was formed after it declared independence from Somalia. The Commission is led by a Chairman and is composed of four departments. It has a Director General and a total of 28 staff working at the head office in Hargeisa and in six branch offices at the regions.

In 1996, NDC conducted an overall survey of the Military of Somaliland in order to carry out a head count and establish a baseline data to perform the required disarmament, demobilization and reintegration activities. During the first round of operations, it successfully disarmed, demobilized and reintegrated around 811 ex-combatants from the Somaliland military with financial and technical support from GTZ. During its second and third round of operations, it provided vocational training, and established small scale enterprises and farms for around 994 ex-combatants and their families including disabled people, orphans and widows with the technical and financial support of UNDP.

Currently, NDC is in the process of updating its database on the status of the Somaliland army personnel. It has been conducting a survey since May 30, 2011 in order to establish facts and needs, and plans appropriate response to meet those needs.

Challenges and Opportunities

Challenges

- Institutional weaknesses among the police force, including low level of education, lack of professional integrity, lack of discipline and the prevalence of corruption
- Weak judicial institutions partly caused by the public's preference of traditional adjudication structures for settling disputes over modern courts and law enforcement structures
- Growing Youth crime due to widespread unemployment
- Strong feeling of abandonment and dissatisfaction with assistance provided by the government among war veterans and their families.
- Mine fields that remain to be cleared, posing an ever present risk to both people and livestock
- Land disputes that sometimes turn into ugly conflict between neighboring communities and tribes
- The external security threats posed by insurgents, extremists, piracy, illegal fishing by foreign fleets, immigration, and the Puntland border claims
- Inadequate funding and limited resources

Opportunities

- Commitment by the government of Somaliland to security in order to create safe, secure and stable country for its people
- Strong support by the international community to strengthen the police force and law enforcement,
- Community awareness and support to government security institutions to ensure peace and stability
- The development of training institutions for security personnel with assistance from the international community
- Open and free democratic environment where people can express their grievances and views without fear of persecution

Priorities and strategies

- Reforming and/or developing critical security sector laws and regulations
- Addressing institutional weaknesses of the national security establishment through focused capacity building initiatives that, among others, include building security infrastructures, enhancing professional skills, providing essential equipment, etc.
- Encouraging and enhancing community participation and involvement
- Creating public awareness, especially for cultivating public support to modern security apparatus and for enhancing vigilance
- Creating jobs for the youth through public investment and the replacement of personnel who reached state pension age through the establishment of retirement/pension laws/packages
- Strengthening border controls of illegal immigrants
- Initiating and soliciting peaceful border conflict resolution mechanisms
- Strengthening democracy and protection of human rights
- Establishing strategic security plans and programs for local governments
- Improving good governance, enhancing transparency in financial management and service delivery, and combating corruption
- Promoting effective demobilization and reintegration initiatives for ex-combatants,
- Clearing remaining land mine fields
- Allocating sufficient resources to security institutions

Policy, legal and Institutional Reform

The previous Somaliland criminal law and criminal procedures (based on Indian Acts) continued to apply until 1964 and 1975 respectively in guiding police duties in Somaliland. The Law on the Structure of the Somaliland Police Force came into force in 1993 and formed the basis for setting up the current national Somaliland Police Force.

The 1993 Somaliland Police Law has amended the 1972 Organisation of Police Force (Law No. 2 of 23/12/1972). However, no detailed Somaliland Police Regulations have been passed up until now and hence the provisions of the 1973 Police Regulations (Decree No. 14 of 4/1/1973) are still in force, except in so far as they are inconsistent with the Somaliland Constitution and the 1993 Law. The 1979 Police Uniform and Equipment Law (Law No. 30 of 13/8/1979) is no longer in use.

Somaliland is currently engaged in re-organising and modernising the Police Force. A number of consultation meetings have taken place in 2010 regarding the re-organisation, re-structuring (including ranking) of the Force, and the adoption of new modern laws that emphasise the role of a modern police service in a democratic country (see: Somaliland progress towards police

reform - April 2010). A national Somaliland Police charter was adopted after a national convention on police reform held in April 2010.

The following proposals have been put forward for the police reform:

- The objective of the reform should be the entrenchment of a culture of a “police service”, rather than a police force, and of respect for the fundamental rights and freedoms enshrined in the Somaliland Constitution. Strengthening our nascent democracy and ensuring that citizens enjoy fully their fundamental rights requires different policing policies and practices.
- Central to any police reform is the ending of the Dictatorship era practice of including the police in the armed forces and making their members subject to Military Law. Article 2 (1) of the 1972 Police Law states categorically that the “police force is an integral part of the armed forces...” and Article 1 and 2 of the 1973 Regulations confirm that the members of the police force shall abide by the Military Laws including the Military Penal Code (see Article 41). Somaliland police officers (and prisons officers) are therefore still subject to the Military laws in respect of all the offences of whatever nature that they may commit. This is above and beyond the police disciplinary offences which are dealt with under Part Two of the 1973 Regulations
- Although the Somaliland Police has, as yet, no detailed established rank structure, many of the current command officers have served in the Somali Republic police and army and are more conversant with the military rank structure set out in Article 23 of the 1972 Police Law i.e senior officer ranks of General, Colonel, Major, Captain etc. This looks like to further reinforce militaristic tendencies. Police forces in many countries maintain discipline and hierarchical structure without necessarily adopting military ranks and laws
- The maintenance of law and order in a post conflict society, like Somaliland, makes necessary that the police should be suitably equipped and trained to deal both with situations that require fast mobile responses in rural areas and those that require crowd control in urban areas
- Old criminal laws relating to the public order and the old Penal Code provisions that, contrary to the fundamental rights and freedoms enshrined in the Somaliland Constitution, criminalise the freedoms of assembly and expression, such as some public order offences, offences against the dignity of public officials and criminal libel/slander, bring the Somaliland Police unnecessarily into an arena where they are seen as enforcing repressive old laws
- The problems of traffic and the ever increasing number of serious accidents which require considerable police involvement also need to be addressed separately

- Somaliland and the region is facing terrorism and this is an ever present challenge for the police force and the other security services, as well as the public at large

Therefore, in reforming the police and drafting a new Somaliland Police Law and Regulations, the following legal issues may be taken into consideration:

- The new law and regulations must emphasise the principles of accountability, respect for human rights and equality and must be based on the needs and circumstances of the Somaliland people and nation
- The police provide a service to the Somaliland nation by protecting their law and order, and are no longer a “force” that controls the Somaliland public. Enforcing the law of the land is not the same as imposing the will, lawful or not, of whoever is in power. The rule of law applies to everyone
- Whilst there will be central divisions or units, the police in the stations in the regions and the districts should also be accountable to their local elected district authorities. A system of police liaison committees at local station level will reinforce the community’s confidence in and support for the police. And so will the introduction of auxiliary or part time community police support at village or neighbourhood (xaafad) level
- It should be declared in the new law that the police are not part of the armed forces and that consequently the members of the police force (service) are subject to their own disciplinary rules in matters relating to the performance of their duties and to the normal criminal and civil laws in all other issues. Article 123 of the Somaliland Constitution deals separately with the national armed forces. The new police law should include transitional provisions which takes note of this fundamental change so that there is clarity about jurisdiction of the courts that can deal with offences during the transitional period
- In view of the real and present threats to the Somaliland nation, the Police Law should include a provision which allows the President (and the Parliament) under the Emergency provisions of the Constitution to assign some police divisions to serve in military operations in times of constitutionally declared war or emergency. In such situations the police officers affected shall acquire the responsibilities and privileges of the military ranks corresponding to their police ranks
- Notwithstanding the above, and to underline the non-military nature of the Somaliland Police, the following police rank structure (with some modification) may be adopted:
 - (a) Commissioner
 - (b) Deputy Commissioner
 - (c) Commander
 - (d) Chief Superintendent
 - (e) Superintendent

- (f) Chief Inspector
- (g) Inspector
- (h) Cadet Inspector (trainee)
- (i) Senior Sergeant
- (j) Sergeant
- (k) Corporal
- (l) Constable (Askari)
- (m) Cadet Constable (trainee)

- On the structure, other than the regional and district stations, some of the central police divisions and units can be:
 - (a) A Criminal Investigation Division (CID)
 - (b) A Traffic Division
 - (c) A Mobile Division
 - (d) A Special Division (which can also deal with anti-terrorism)
 - (f) An Immigration & Border Control Division (but not dealing with the issue of Somaliland passports or nationality identity cards)
 - (e) A Transport Division
 - (g) A Communication & Equipment Division
 - (e) An Administration & Training Division
 - (f) Community liaison and complaints unit
 - (g) Specialist operational units
 - (f) The Police Academy
- A complaints unit that deals with public complaints. This unit will have specific responsibility for investigating allegations including those relating to abuse of human rights. Redress through the Somaliland Human Rights Commission Law (which has recently come into force) and the courts shall also be available to complainants
- On staffing of new officers, places for a fast stream recruitment system for university law graduates who fulfil the necessary job requirements should be set aside.
- Finally there is an urgent need for changing the old laws dealing with public order and the Penal Code provisions that are inconsistent with the modern human rights law. As an immediate step libel and slander criminal laws should be repealed and replaced by civil laws that protect the rights of individuals. This will remove the police from involvement in these issues. Review of public order laws must also be initiated and speeded up.

The government of Somaliland has firm commitment to reform existing and/or develop/enact new other essential in-land and border security related laws and regulations (including security policy, immigration policy, maritime policy and laws, community police law, defence policy, etc.) to consolidate and upgrade the safety, security and stability of Somaliland.

Projects and Programs

The security sector enhancement, in Somaliland, is expected to be effected through implementing the understated priority projects and programs during the course of the National Development Plan execution period:

- Enacting security sector reforms
- Building police hospital
- Procurement and provision of essential police equipments
- Administration of Ranking
- Provision of essential security personnel trainings
- Procurement and provision of speed patrol boats to coastal guards
- Introduction of ICT security systems
- Public education and awareness
- Veterans head counting and effecting demobilization and reintegration initiatives
- Installing social security systems including pensions
- Establishing a police rank-and-discipline project
- Constructing police stations nation-wide (subject to project documentations of 40 localities)
- Initiating a police command premises rehabilitation project
- Purchasing and installing VHF(s) and HF(s) where required
- Improving the immigration system
- Establishing regional and coast-line immigration offices
- Conducting research on legal and law impacts
- Integrating international law with national law
- Invigorating land mines clearance and carrying out mine action awareness trainings
- Initiating a project identifying national mine precaution areas
- Carrying out justice system reforms, strengthening and empowering the capacity of Somaliland's judiciary
- Enhancing access to justice
- Deepening peace and strengthening security institutions
- Strengthening national army and securing national borders

5.3.3 (a) Internal Affairs Sector Budget and Implementation Matrix

Goal		To strengthen Somaliland security Institutions										
Strategic Objectives		To reduce crime rate in the community and for the People to feel safe at home and at their places of work										
		To Enhance community safety										
		To Support peace-building initiatives										
No	Programs	Objectives	Project outputs/outcomes	Source of Fund	Implementer	Required Budget (USD Millions)						
						2012	2013	2014	2015	2016	Total	
1	Capacity Building for Ministry of Interior (Moi) and its departments	To build the capacity of Moi and its departments for better service delivery	Security Component									
			• Police Headquarter (HQ) built in Hargeisa and provided with furniture and equipments	Donors and SLG	Moi	-	1.0	-	-	-	-	1.0
			• CID (Criminal Investigation Department) Head quarter built in Hargeisa and provided with furniture and equipments	"	"	-	-	0.25	-	-	-	0.25
			• Maritime Police Headquarter built in Berbera and provided with furniture and equipments	"	"	-	-	0.7	-	-	-	0.7
			• National Policy Academy in Berbera fenced	"	"	-	0.1	-	-	-	-	0.1
			• 13 regional police stations built in the capitals of the 13 regions of Somaliland, and the required equipment and furniture supplied	"	"	0.1	0.5	0.3	0.3	0.1	-	1.3
			• 30 new police stations built at local towns and villages in the 13 regions of Somaliland, and the required equipment and furniture supplied	"	"	0.20	0.70	0.50	0.01	-	-	1.5
			• 40 old police stations, at local towns and villages in the 13 regions of Somaliland, rehabilitated and the required equipment and furniture supplied	"	"	0.10	0.20	0.30	0.20	-	-	0.8
			• Immigration Head Office built in Hargeisa and provided with furniture and equipments	"	"	-	0.5	-	-	-	-	0.5
			• 3 regional immigration offices built at each of the 13 regions of Somaliland (39 in total) and provided with furniture and equipments	"	"	0.2	0.5	0.5	0.45	0.3	-	1.95
• Head quarter office build in Hargeisa for Special (fire) Protecting Unit (SPU)	"	"	-	0.5	-	-	-	-	0.5			

			• Three Fire Extinguisher Vehicles purchased for SPU	"	"	0.3	-	-	-	-	0.3
			• Traffic Police Headquarter (HQ) built in Hargeisa and provided with furniture and equipments	"	"	-	0.2	-	-	-	0.2
			• A National Police Hospital Built in Hargeisa	"	"	1.0	-	-	-	-	1
			• 92 transport vehicles purchased for HQ and regional police offices	"	"	0.48	0.8	0.8	0.8	0.8	3.68
			• 13 traffic police transport vehicles purchased	"	"	0.04	0.12	0.12	0.12	0.12	0.52
			• 4 cranes purchased for traffic police (one big and 3 small)	"	"	-	0.20	0.04	0.04	0.04	0.32
			• 20 motorbikes purchased for traffic police	"	"	0.01	0.03	0.03	0.02	0.01	0.1
			• 5 transport vehicles purchased for SPU	"	"	-	0.12	0.08	-	-	0.2
			• An auto-track with its workshop equipments purchased for the police for car maintenance at all locations	"	"	-	0.2	-	-	-	0.2
			• 10 transport vehicles purchased for CID	"	"	0.04	0.12	0.12	0.08	0.04	0.4
			• One ambulance purchased for the National Police Hospital	"	"	-	0.04	-	-	-	0.04
			• 20 speed boats purchased for maritime police	"	"	0.01	0.03	0.03	0.02	0.01	0.1
			• Purchase of Security Communication Equipments	"	"	0.5	-	-	-	-	0.5
			Administration Component								
			• 7 new regional administrative offices built at 7 regions of Somaliland (one in each region) and provided with furniture and equipments	"	"	-	0.14	0.14	0.14	0.07	0.49
			• 6 old regional administrative offices at 6 regions of Somaliland rehabilitated (one in each region) and provided with required furniture and equipments	"	"	-	0.06	0.06	0.03	0.03	0.18
			• 40 new district administrative offices built at 40 districts' capitals of Somaliland (one in each district) and provided with furniture and equipments	"	"	0.2	0.4	0.4	0.4	0.2	1.6

			<ul style="list-style-type: none"> • Civil Registration Headquarter (HQ), with its furniture and equipments , and warehouses built in Hargeisa 	"	"	0.5	-	-	-	-	0.5
			<ul style="list-style-type: none"> • 42 regional Civil Registration offices built in 13 regions of Somaliland , and supplied with the required furniture and equipments 	"	"	0.4	0.5	0.3	0.3	-	1.5
			<ul style="list-style-type: none"> • Trainings provided to appropriate staff of the Ministry on civil registration and other essential fields 	"	"	-	0.3	-	-	-	0.3
			<ul style="list-style-type: none"> • ICT /data base system established at HQ, web-site developed and swift connections with regional offices maintained 	"	"	-	0.2	-	-	-	0.2
			<ul style="list-style-type: none"> • Training Institute established in Hargeisa for training public administrators and local government staff 	"	"	-	-	0.5	-	-	0.5
2	Policy development	To develop essential policies and laws for enhancing national security	<ul style="list-style-type: none"> • 5 consultants were hired and the following essential policies and laws were developed: <ul style="list-style-type: none"> ○ Police Act ○ Immigration laws (to be reviewed) ○ Citizenship law ○ Civil Registration Regulations ○ Maritime Policy and laws ○ Local government and civil protection law ○ Community Policing law 	"	"	0.2	0.3	-	-	-	0.5
3	Strengthening Department of Returnees and Resettlement (DRR)	To build the capacity of DRR in Mol for better service delivery	<ul style="list-style-type: none"> • 2 consultants hired and policies on returnees an refuges developed (a Strategic Planning Expert and a Legal Advisor) 	"	"	0.1	0.1	-	-	-	0.2
			<ul style="list-style-type: none"> • 3 regional DRR offices built at Berbera, Lascanod and Burao regions and provided with furniture and equipments 	"	"	-	0.15	-	-	-	0.15
			<ul style="list-style-type: none"> • 4 laptop and 10 desktop computers purchased for DRR 	"	"	-	0.028	-	-	-	0.028
			<ul style="list-style-type: none"> • 3 transport vehicles purchased for DRR for coordination and monitoring purpose 	"	"	0.04	0.08	-	-	-	0.12

			<ul style="list-style-type: none"> • Job creation for IDPs through engaging them in farm, livestock and small business projects 	"	"	-	0.2	0.2	0.2	0.2	0.8		
			<ul style="list-style-type: none"> • 4 secondary schools constructed for IDPs in Togdhere region 	"	"	-	0.3	0.3	-	-	0.6		
			<ul style="list-style-type: none"> • Trainings provided to appropriate department staff on subjects related to DRR functions 	"	"	-	0.05	-	-	-	0.05		
			<ul style="list-style-type: none"> • ICT /data base system established at DRR for effectively controlling and managing IDPs and refugees affairs 	"	"	-	0.1	-	-	-	0.1		
	Total Security Sector Development Budget							4.42	8.77	5.67	2.92	1.92	23.70

5.3.3 (b) Mine Clearance Budget and Implementation Matrix

Goal		Ensure that Somaliland government officials, law enforcement agencies, military, and citizens are aware of the Mine Ban Legislation.										
Strategic Objectives		Promote trainings on mine risk educations to facilitate the prioritization of clearance efforts										
		Awareness and alerting the public on mines and promote safer behaviour among communities										
		Training the experts and personnel on mine emergency response										
		Investigating on all related mine incidents and abandoned Explosive Ordnance (AXO) on the population										
		Establish the coordination of mine risk operations to improve capacities to respond to mine incidents in communities										
No.	Programs	Objectives	Project outputs/outcomes	Implementer	Source of Fund	Required Budget (USD Millions)						
						2012	2013	2014	2015	2016	Total	
1	Capacity Building for Somaliland Mine Action	To build the capacity of Somaliland Mine Action	• Head quarter (HQ) office of Somaliland Mine Action constructed in Hargeisa	Somaliland Mine Action	Donors and SLG	-	0.2	-	-	-	-	0.2
			• 3 transport vehicles purchased for the HQ and regional offices (Land Cruisers)			0.12	-	-	-	-	-	0.12
			• 3 computers purchased for the office to strengthen the ICT system			0.003	-	-	-	-	-	0.003
			• IT related equipments purchased for 5 regional offices of Somaliland Mine Action			0.015	-	-	-	-	-	0.015
			• Quality assurance and control trainings provided to the staff of Somaliland Mine Action and a consultant hired for the purpose			0.05	-	-	-	-	-	0.05
2	Awareness creation for the public and undertaking Mine Risk education	To create awareness for the public on land mines to minimize and avoid death and injuries from landmines on the population, and also ensure that Somaliland government honours its obligations of the anti-personnel mine ban legislations	<ul style="list-style-type: none"> Land mine related injuries and deaths minimized and ultimately avoided in Somaliland Media awareness campaign via television, radio and newspaper and Billboard campaign conducted in every district of Somaliland 			0.03	0.03	0.03	0.03	0.03	0.15	
3	Implementing mine victims assistance programs and advocating for victims' rehabilitation	To support mine victims and to advocate for the formation of a government agency for disabled people	• The negative social and economic impacts of landmines reduced in Somaliland			0.02	0.02	0.02	0.02	0.02	0.1	
Total Mine Action Budget						0.238	0.25	0.05	0.05	0.05	0.638	

5.3.3 (c) National Defence Sector Budget and Implementation Matrix

Goal		To have a peaceful state and promote International relations									
Strategic Objectives		To deepen peace and strengthen security institutions									
		To secure national borders and live in harmony with Somaliland neighbours									
		To Secure National Borders and enhancing international relations									
No.	Programs	Objectives	Project Outputs/Outcomes	Implementer	Source of Fund	Required Budget (USD Millions)					Total
						2012	2013	2014	2015	2016	
1	Capacity Building for Ministry of National Defence (MoND)	To build the capacity of Ministry of National Defence	<ul style="list-style-type: none"> The Head Quarter (HQ) office of MoND in Hargeisa provided with furniture and equipments 	MoND	Donors and SLG	0.05	-	-	-	-	0.05
			<ul style="list-style-type: none"> Three regional Military offices and stores constructed in Lasanod and Sanaag regions 	"	"	-	0.5	0.25	-	-	0.75
2	Defence Policy development and MoND administrative staff training	To develop essential Defence policies and provide up to date training for Ministry's office level staffs	<ul style="list-style-type: none"> 4 experts/consultants hired for the development of Somaliland Defence Policy, regulations and manuals, and for training Ministry's administrative staff 	"	"	-	0.3	-	-	-	0.3
3	Establishment of Military centres	To establish military centres for armed forces to improve their living conditions	<ul style="list-style-type: none"> 5 Military centres established and equipped in 5 regions of Somaliland 	"	"	-	0.75	0.75	-	-	1.5
4	Construction of Military courts	To promote justice within the military of Somaliland	<ul style="list-style-type: none"> 4 Military courts established at four appropriate locations 	"	"	-	0.2	0.2	-	-	0.4
5	Building the capacity of Somaliland Military Academy	To strengthen the capacity of Somaliland Military Academy for better service delivery	<ul style="list-style-type: none"> Somaliland Military Academy provided with essential equipments for improving its services 	"	"	-	0.1	-	-	-	0.1
6	Building Military Hospitals in Somaliland	To improve the access to health services for national armed forces	<ul style="list-style-type: none"> 3 Military Hospitals (one every year) built and equipped at 3 appropriate military locations for providing improved health services to armed forces 	"	"	0.35	0.35	0.35	-	-	1.05
7	Cadets assessment and Ranking	To produce and keep proper records of active and inactive military personnel in Somaliland, and effect associated military ranking procedures	<ul style="list-style-type: none"> A national Cadets Assessment and Ranking program implemented 	"	"	-	0.2	-	-	-	0.2
8	Production of National Military Garments	To initiate the home production of National Military costumes	<ul style="list-style-type: none"> A Military uniform production centre established in Hargeisa 	"	"	-	-	0.2	-	-	0.2
9	Initiation and strengthening of productive projects for the military	To enhance and support the livelihood of the army and its dependants through project initiatives such as farming, fishery, etc	<ul style="list-style-type: none"> Appropriate military personnel provided with the required support for engaging in productive projects such as farming, fishing, etc. 	"	"	-	-	0.3	-	-	0.3
Total National Defence Development Budget						0.4	2.4	2.05	0	0	4.85

5.3.3 (d) National Demobilization (NDC) Budget and Implementation Matrix

No.	Programs/Projects	Objectives	Project Output/Outcomes	Implementer	Source of Fund	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
	Goal	To contribute to the building of effective armed forces, and ensuring sustainable peace and development in Somaliland									
	Strategic Objectives	To conduct registration of armed forces and demobilization of non-combatants									
		To reduce the prevalence of civilian, ex-combatants, former regime and clan militia weapon risks through Small Arms Control									
		To strengthen and continue with the ongoing DDR programs for downsizing the armed forces									
		To rehabilitate the armed groups that are not integrated into the national armed forces and demobilized for downsizing the national army									
		To provide social and psychosocial support to traumatized former fighters and war affected population									
		To expand the DDR program to east Sanag and south Lasanod regions' local militias									
1	Registration and verification of armed forces in active service	To determine forces	<ul style="list-style-type: none"> Number of armed forces in active service verified Number of armed forces not active verified 	NDC	Donors and SL government	0.3	-	-	-	-	0.3
2	Reintegration of demobilized army groups into the civilian community and life		<ul style="list-style-type: none"> 10,000 demobilized ex-fighters reintegrated into civilian life 	"	"	2.0	2.0	2.0	2.0	2.0	10.00
3	War trauma counseling and rehabilitation	To council and rehabilitate traumatized war veterans and victims	<ul style="list-style-type: none"> 2000 traumatized war veterans and victims rehabilitate 	"	"	-	1.00	1.00	-	-	2.00
4	HIV/AIDS prevention and control	To create awareness on HIV/AIDS among the army	<ul style="list-style-type: none"> Awareness created on HIV/AIDS prevention and control among the SL armed forces 	"	"	0.1	0.1	0.1	0.1	0.1	0.5
5	Capacity building of NDC	To build the capacity of NDC for improving its national development contribution	<ul style="list-style-type: none"> The HQ office of NDC built in Hargeisa, and furniture and equipments provided 6 branch offices of NDC built at 6 major regions, and furniture and equipments provided 	"	"	-	0.3	0.25	-	-	0.55
			<ul style="list-style-type: none"> NDC staff provided with the required training 	"	"	0.02	0.02	-	-	-	0.04
National Demobilization Budget Total						2.24	3.42	3.35	2.10	2.10	13.39

5.3.4 Foreign Relations Sector

Situation analysis

History

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 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 as presented chronologically below:

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.

Jul, 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 neighboring 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 Syla.

Aug, 1940- Mar, 1941 – Italy occupied British Somaliland

Apr, 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.

Jun 26, 1960 - British Somaliland protectorate obtained independence as the **State of Somaliland**. Mr. M.H.I. Egal who previously served as an official member of British Somaliland Protectorate’s Executive Council and the Leader of the government business in the Legislative Council became the **Prime Minister** of the State of Somaliland before the unification.

Jul 1st, 1960 – the State of Somaliland united with the Trust Territory of Somalia on its independence day to form Somalia Republic.

Jun, 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

Oct, 1969 – The military toppled the civilian government in coup d'état

Apr, 1981 – Somali National Movement (SNM) formed

Jan, 1991 – Somalia government collapsed

Apr-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 – Hargeisa Somaliland Communities Conference and an interim constitution was adopted

May, 2001 – The Constitution of Somaliland was overwhelmingly (97%) approved in a referendum

Dec, 2002 – Local municipal elections were held

April, 2003 – First presidential elections were held

Sep, 2005 – First parliamentary elections were held

Jun, 2010 – Second presidential elections were held

International Relations

The Ministry of Foreign Affairs and international cooperation is responsible for building relations with foreign governments and international organizations. Its duties include seeking recognition and promoting the international commercial, cultural, security and political interests of Somaliland and its citizens. The ministry has a network of representatives in many countries and maintains four offices that carry out consular functions in London, Washington DC, Addis Ababa, Djibouti, and Nairobi.

Since its inception in 1991, the Ministry 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 variety of states and intergovernmental organizations such as Ethiopia, United Kingdom, Denmark, Djibouti, Kenya, South Africa, the United States of America, the U.N and the African Union. 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, workshops and seminars, a sign of its de facto recognition as a member of the international community.

Challenges and opportunities

The biggest challenge which Somaliland faces in the international foreign affairs arena is the task of securing recognition as a sovereign state. Somaliland has an indisputable legal case to be recognized. It fulfils all the requirements of statehood in international law including:

- A permanent population
- A defined territory
- A stable system of Government
- 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 Democratic Republic. Somaliland's independent status therefore represents the dissolution of a voluntary union between sovereign states, not an act of secession

Somaliland has also its own:

- Constitution
- Currency
- Flag and
- Passport

Somaliland's constitution stipulates a multi-party, pluralistic democratic system, with a presidential executive branch, a bicameral parliament and an independent judiciary. Since the approval of the constitution, Somaliland has held four successive peaceful, fair and free elections: one municipal, one parliamentary and two presidential elections.

The absence of recognition creates a host of other challenges which Somaliland faces, including:

- Lack of access to direct bilateral and multilateral aid
- Lack of access to international credit facilities
- Limited access to commercial services of international financial institutions
- Limitations on attracting direct international foreign investment
- Inability to participate in regional trade blocks and customs unions
- Travel restrictions on national passport

Somaliland has also opportunities and strengths:

- It has proven to possess the capacity and resilience to overcome enormous difficulties
- It succeeded in building peace and stability in a conflict prone region
- It established democratic systems and institutions
- It has been able to achieve remarkable progress in the last twenty years against the odds
- It is located in a very strategic location and can play a constructive role in ensuring regional security.

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Priorities and strategies

The first priority of Somaliland in matters of foreign affairs is international recognition. Other priorities include:

- Preservation of national integrity and sovereignty within secure borders
- Strengthening of regional and international security cooperation
- Creation of a favourable environment for international trade and investment
- Developing good neighbourly relations and regional cooperation based on shared interests, through bilateral and multilateral agreements with neighbours and trading partners in East Africa and the Middle East
- Raising the profile and image of Somaliland in the international arena
- Protecting and representing the rights and interests of Somaliland citizens
- Establishing formal relations with states and regional bodies
- Building the capacity of the Ministry and representative offices in foreign countries

Legal, policies and institutional reform

The foreign policy of Somaliland is based on the following universally recognized norms:

- Respect for sovereignty of other states and preservation of national security
- Good neighbourliness and peaceful co-existence
- Peaceful settlement of disputes
- Non-interference in the internal affairs of other states
- Adherence to the Charters of the UN and OAU/AU
- Compliance with international laws and agreements

Programs and Projects

With respect to top-priorities stated, the following projects will be carried out during NDP period:

- Constructing new headquarters for the ministry
- Re-structuring the Ministry, expanding its operational functions
- Developing information management system
- Strengthening the capacity of representative offices and opening new ones in selective countries
- Establishing a training and research centre with a library within the Ministry
- Organizing a conference and carrying out a review of the county's foreign policy in the last two decades
- Promoting the case for international recognition of Somaliland
- Building an international network of friends of Somaliland

5.3.4 Foreign Relations Sector Budget and Implementation Matrix

No.	Programs	Objectives	Project outputs/outcomes	Source of Fund	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
	Goal	To advocate for the International recognition of Somaliland									
	Strategic Objectives	To establish and promote international relations									
		To establish cooperation among the bordering countries of Somaliland									
		To promote international trade									
		To solicit recognition for Somaliland in the African Union (AU) as a member state and from the International Community									
		To attract international donors to invest in Somaliland									
1	Capacity Building for Ministry of Foreign Affairs (MoFA)	To build the capacity of MoFA for better service delivery	<ul style="list-style-type: none"> The Headquarter (HQ) office of MoFA built in Hargeisa and provided with furniture and equipments 	Donors & SLG	MoFA	0.3	-	-	-	-	0.3
			<ul style="list-style-type: none"> Establish a Diaspora Services department and build capacity of the staff of MoFA on disciplines related to their duties and responsibilities for staff skill improvement purpose 	"	"	-	0.05	0.02	0.05	0.05	0.2
			<ul style="list-style-type: none"> 5 guest vehicles and one mini-bus purchased for the Ministry 	"	"	-	0.08	0.08	0.04	-	0.2
			<ul style="list-style-type: none"> ICT /data base system established at HQ and web-site developed 	"	"	-	0.2	-	-	-	0.2
2	Policy development	To develop essential policies and laws (including the Diaspora)	<ul style="list-style-type: none"> Foreign and Diaspora policy developed 	"	"	0.1	0.1	-	-	-	0.2
3	Establishment of Research and training centre, and a library	To conduct required research and studies on foreign relations, and improve public knowledge on foreign cooperation and policies	<ul style="list-style-type: none"> A research and training centre established and a library constructed 	"	"	0.1	-	-	-	-	0.1
4	Establishment of Somaliland liaison offices	To solicit international recognition for Somaliland	<ul style="list-style-type: none"> 12 liaison offices opened in friendly countries, and furniture and equipments provided 	"	"	-	0.08	0.08	0.04	0.04	0.24
			<ul style="list-style-type: none"> 12 transport vehicles purchased for liaison offices 	"	"	-	0.16	0.16	0.08	0.08	0.48
5	Lobbying for International Recognition	To solicit international recognition Somaliland	<ul style="list-style-type: none"> Widespread and continuous lobbying conducted through international forums and International Court for securing recognition for Somaliland as an independent country 	"	"	-	1.0	-	1.0	-	2
6	Domestic public awareness raising through media and other programs	To raise public awareness and understanding for joining voices in seeking recognition for Somaliland	<ul style="list-style-type: none"> Knowledge based awareness campaigns conducted among the public to promote the international recognition of Somaliland 	"	"	0.1	0.5	0.5	0.5	0.5	2.1
Total International Relations Development Budget						0.6	2.17	0.87	1.71	0.67	6.02

5.3.5 Good Governance

Situation Analysis

There is an increasing awareness throughout Somaliland society that corruption and bad governance pose a serious threat to the creation and institutionalization of an effective government, economic growth, and socio-political stability. There is recognition of the need for a system that ensures good governance and deals with corruptive behaviour and practices. Poor governance is prevalent in the public sector, and most of the public institutions are not adequately equipped to deliver services effectively and efficiently. Most of them do not have clear terms of reference for their mandate and functional structure. Weaknesses in public service policy and management are among the most serious hindrances to the development of public institutions.

The current Government, which was elected in June 2010, is taking its cue from its citizens, whose desire for strong and effective public institutions has been expressed repeatedly. It has, therefore, created the Good Governance and Anti-corruption Commission which is set up to promote and enforce good governance. It will formulate, and recommend appropriate policies, institutional arrangements, and regulatory framework, which are intended to help the Government achieve its objective of good governance. The commission has also the mandate to eliminate corruption and create an environment with zero tolerance for corruption

Challenges and Opportunities

There are many challenges in the way of achieving good, corrupt free government including the following:

- ***The absence of clearly defined mandate:*** Most of the public institutions lack clear mandate in writing. As a result, there have been repeated conflicts over turfs and mandates among themselves. Moreover, some of these institutions do not have a strategic plan, and their activities are very much confined to routine, day-to-day administrative work.
- ***Poor decentralization:*** Decentralization has yet to take root within the socio-political context of Somaliland. Although some programs, including the UN Joint **Programme** on Local Governance and Decentralised Service Delivery (JPLG), have invested a lot of effort and time in improving local governance decentralization, they have not entirely succeeded due to structural constraints. A cogently delineated system in which ministries, departments, and Government agencies can collaborate with regional and district municipalities has yet to be devised.
- ***Corruption and misuse of resources:*** There is a widely held belief that corruption and misuse of national resources are common in government. Although there is no exact information about how pervasive graft is within the Government, most people believe that

it is common. There is very little doubt that corruption has negatively affected justice and service delivery, as well as the economic growth of Somaliland.

- ***Inadequacy of systems and policies:*** There are organizational weaknesses in the formulation of policies and legislations, problems which are hindering progress towards the institutionalization of good governance culture.
- ***Inadequacy of civic education:*** There is a need for a multi-faceted, carefully developed program of civic education, to combat cynical public attitude towards government by sensitizing young and old to the value of *good* governance, and responsible citizenship.
- ***Lack of base-line information:*** There is a lack of research and real data on the status of governance and corruption in Somaliland.
- ***Weaknesses in civil servant polices and management:*** There are weaknesses in the management system of Somaliland's civil servants. Remuneration, motivation, and capacity building are all fairly low, and together pose a threat to the advancement of good governance
- ***Limited practical application of the existing regulations:*** lack of application of existing good management practice policies including policies on procurement, financial management and human resources is a problem.
- ***Gender imbalance in public institutions:*** Women are underrepresented in both the executive and legislative public institutions. This is inconsistent with good governance which should inclusive, fair and participatory.

Priorities and Strategies

The priorities during the current NDP period include:

- Promoting awareness, acceptance, and observance of good governance within the public sector through the adaptation of policies and programs formulated in consultation with concerned institutions
- Ensuring the implementation of public reform policies,
- Identifying and promoting the values of dialogue, understanding, respect for others, and consensus building in the development of policies and programs that promote inclusivity, participation, and justice which are essential to good governance;
- Coordinating capacity building initiatives
- Leading the development of policies and programs which promote civic education on good governance which aim at making people aware of their rights, responsibilities, and obligations as citizens
- Monitoring and evaluating the impact of good governance programs and interventions
- Establishing research-based policies which address the causes and effects of corruption, and introducing strategic interventions designed to eliminate corruption
- Creating public forums, workshops, and debates for commission stakeholders on good governance and the obstacles hindering progress towards that goal
- Developing and maintaining good working relations with all public institutions and creating an environment that encourages public dialogue

- Guiding public institutions in the process of adopting principles of good governance
- Providing capacity building trainings and pertinent materials to good governance and anti-corruption
- Receiving and screening corruption and misuse complaints from the citizens and initiating relevant actions
- Preventing, investigating, and prosecuting reported cases of corruption
- Establishing a *blacklisting system*, to be devised by the commission, for the purpose of identifying, singling out, and penalizing individuals who behave unethically and engage in corruption.

Legal Policies and Institutional Reform

- Legislating the Commission in an act of parliament
- Initiating legal and political reforms to institutionalize good governance
- Developing a strategic framework to respond to--and ultimately eliminate--corruption and its causes
- Ensuring the implementation of anti-corruption legislation, policies and strategies; taking all appropriate measures to ensure their continuous improvement
- Proposing amendments to the existing anti-corruption laws with the intention of developing adequate anticorruption legislation
- Promoting efficiency by initiating the rationalization and demarcation of institutional mandates and structures;
- Promoting appropriately designed, merit-based systems for public sector personnel
- Developing a national integrity monitoring and evaluation mechanism

Programs and Projects

- Developing legal frameworks and policies against corruption
- Supporting institutions to adopt principles of good governance
- Developing the physical infrastructure and human resource capacity of the Commission
- Dealing with corruption complaints and cases and taking the necessary action
- Developing operational tools for the application of good governance systems
- Strengthening coordination, communication, and collaboration among public institutions and between them and the public
- Promoting decentralization, transparency, accountability and inclusivity in the management of public affairs
- Developing a quality assurance system for public entities
- Developing a name and shame blacking listing system for public officials proven guilty of corruption practices
- Educating the public about their roles and responsibilities in promoting good governance and stemming out corruption

5.3.5 Good Governance Budget and Implementation Matrix

	Goal	Realize transparent, democratic and effective Institutions accountable to its Citizens and a system of governance free from all forms of corruption with zero tolerance of corruption									
	Strategic Objectives	To develop comprehensive legal framework towards achieving a culture of good Governance and a system of governance free from all forms of corruption									
		To enhance the capacity of GGACC to be able effective operate in undertaking its mandate									
		To change attitudes by educating society away from corruption, soliciting public support in the fight against corruption and enhancing the public image of the GGACC thereby promoting confidence in the GGACC									
		To Promote reforms through recommending the rationalization of institutional mandates and structures; coordinate capacity building initiatives, and the development of appropriately designed merit-based system									
		To ensure and undertake all measurements in dealing with corruption cases and Improving Good Governance									
No.	Programs	Objectives	Project Outputs/Outcomes	Source of Fund	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Capacity Building for Good Governance and Anti - Corruption Commission (GGACC)	To build the capacity of GGACC for better service delivery	• The Head Quarter (HQ) office of GGACC built in Hargeisa and provided with furniture and equipments	Donors and SLG	GGACC	-	0.25	-	-	-	0.25
			• 5 regional offices constructed in the 5 major regions of Somaliland, and provided with office furniture and equipments	"	"	-	0.28	0.14	0.14	0.14	0.7
			• Transport vehicle purchased for HQ and regional offices	"	"	-	0.1	-	-	-	0.1
			• Trainings provided to the staff of the commission on topics related to GGACC functions	"	"	0.03	0.03	0.03	0.03	0.03	0.15
			• ICT /data base system and Resource centre established at HQ, web-site developed and swift connections with regional offices maintained	"	"	-	0.2	-	-	-	0.2
			• Study tour organized for GGACC staff to learn from experiences of other countries in Africa	"	"	0.05	0.05	0.05	0.05	0.05	0.25
2	Policy development	To develop essential policies and laws for establishing good governance and combating corruption in Somaliland To increase proportion of seats held by women and marginalized groups (Youth,	• Five consultants hired for developing essential policies and laws, and for providing trainings and advises to enhance the capacity of GGACC in promoting good governance and fighting corruption • proportion of seats held by women and marginalized groups increased	"	"	-	0.52	0.52	0.26	-	1.3

		Disabled, etc) in National Parliament									
3	Studies and Baseline assessment	To conduct baseline assessments and undertake research and studies to establish existing facts on good governance and corruption, and solicit methods to solving malpractices related to these issues	<ul style="list-style-type: none"> • A baseline assessment conducted on good governance and corruption situations in Somaliland • Research and studies to conducted to solicit ways of enhancing good governance and fighting corruption in Somaliland 	"	"	-	0.1	-	-	-	0.1
4	Civic Education	To enhance public awareness for the general public to actively participate in promoting good governance and fighting corruption	<ul style="list-style-type: none"> • Nationwide public awareness campaigns conducted for enhancing public participation in promoting good governance and fighting corruption 	"	"	0.2	0.5	0.5	0.3	0.2	1.7
5	Monitoring and evaluation of Ministries and government agencies	To monitor and evaluate service delivery functions of government ministries and agencies for enhancing good governance and combating corruption	<ul style="list-style-type: none"> • Service delivery duties and responsibilities of government ministries and agencies monitored and evaluated regularly for enhancing good governance and combating corruption 	"	"	0.1	0.1	0.1	0.1	0.1	0.5
Total Good Governance and Anti-Corruption Budget						0.38	2.13	1.34	0.88	0.52	5.25

5.3.6 Quality Control

Situation Analysis

Somaliland lacks a structure or a mechanism for testing consumer goods and ensuring the health and safety of its people. This opens the door to all types of products being imported from all corners of the world without any regulations whatsoever; consequently, the markets are flooded with low quality products some of which are not safe for consumption. Such goods range from foodstuffs, clothing, building materials, cleaning, and sanitation products, children's products, electronic goods, home appliances, electrical accessories, fuels and car accessories, toothpaste, chewing gum, soft drinks and the list goes on. The health and safety of the consumer market in Somaliland is evidently bleak when one looks at the overall picture for no area can be considered safe enough.

A radical transformation regarding how the consumer market in Somaliland operates is therefore needed. Our markets need to be brought to the level of other markets in the world in terms of safety and quality. The rights of consumers can no longer be ignored, complacency must be discarded away and product safety and quality must be of high priority. Peoples' lives should be protected, and businesses should be informed of the fact that some of the products they are being sold (by different companies around the world) are poor in quality and not fit for consumption. It is this urgency for consumer protection that lead to the creation of Somaliland Quality Control Commission (SQCC) whose purpose is to safeguard the rights and wellbeing of the consumers.

The SQCC is working to put into place a set of standards that should be met by all importers, manufacturers and distributors of products such as food products, drugs and medicines, cosmetics, agricultural products and veterinary products. These consumer products must adhere to a defined set of quality criteria and meet the requirements of the SQCC. With regard to products that are donated, the SQCC is required to meet with and carry out discussions with all organizations and aid groups that are involved with the distribution of donated food and medical supplies. The commission has its headquarters based in Hargeisa, and has 8 other regional offices located in Berbera, Burao, Borama, Erigavo, Laas Aanod, Sayla, Gabiley and Wajaale.

Challenges and Opportunities

Challenges

The main challenges to be dealt with include:

- Lack of trained staff with the necessary technical skills

- Lack of even a basic QC lab
- Lack of adequate financial resources
- Lack of mobility and transportation for monitoring and sampling
- A general lack of understanding of the SQCC's functions and its role as a regulatory agency for all consumer products.
- Inability to assist consumers in evaluating the safety of consumer products

Opportunities

There are opportunities and encouraging signs that support the success of the commission's work:

- The government is committed to protecting its citizens from unsafe products. The Commission has a board which consists of five ministries. Minister of water, energy and mineral resources, Minister of Planning, Minister of Livestock, Minister of Agriculture, and Minister of Health
- The drug importers association has agreed to cooperate and work closely with the SQCC on matters regarding drug quality standards.
- The SQCC has established preliminary guidelines for the regulation and supervision of both food safety and drug quality standards

Priorities and Strategies

The priorities for the current NDP period include:

- Hiring consultants, qualified professionals and other experts in the field
- Planning and developing a framework for maintaining QC methods and practices
- Establishing relations with relevant institutions inside and outside the country
- Building the institutional capacity of the Commission.
- Providing training programs and carrying out public awareness campaigns
- Establishing specifications for all consumer products
- Promoting research and investigation into the causes and prevention of product related deaths, illness and injuries
- Establishing quality assurance checks and a quality control services

Policy, Legal and Institutional Reform

The SQCC was legally established on the 26th of September following the presidential mandate Ref:RSL/P/SQCC/092010.

The SQCC is currently in the process of establishing government regulations and policies that deal with food safety standards that will need to be followed by all those (e.g. industries, groups, individuals, etc.) who are involved in the production, sale, distribution and storage of food products. By putting into place food safety standards, the SQCC aims to promote good practice, establish quality assurance systems, and ensure traceability from retail, to manufacturing, and to country of origin.

With regard to the quality and safety standards of drugs and medicines, the SQCC plans to follow a set of strict regulations and requirements for drug quality. The problems posed by poor quality drugs are very serious as they render pathogens resistant to standard treatments. The SQCC's official standards will cover key issues such as source, strength, quality, purity, packaging and labelling.

The SQCC will establish quality control procedures and policies as well as good procurement practices for all consumer products. It will be also setting up monitoring and evaluation systems.

Programs and Projects

In the course of the NDP period, the government will:

- Establish a well-staffed and well-equipped Quality Control (QC) testing laboratory
- Acquire analytical equipment and laboratory instruments such as an ultraviolet (UV) spectrophotometer, chromatographs such as a high-pressure liquid chromatography (HPLC), gas chromatography (GC), and mass spectrometer or liquid chromatography-mass spectrometry (LC-MS) system
- Train and hire specialized laboratory personnel
- Procure necessary chemical reagents and reference standards
- Set up and maintain Quality Management System (QMS)
- Implement good manufacturing practices(GMP) and good hygienic practices (GHP)
- Follow international quality standards (in line with international organization for standardization or ISO) and form standard HACCP (Hazard Analysis and critical control points)plans
- Carryout product safety Assessment and set up import Surveillance and Control Division
- Update consumers with press releases, television programs and awareness campaigns
- Establish data collection programs
- Develop and update quality control policies, rules and regulations

5.3.6 Quality Control Budget and Implementation Matrix

	Goal	Protect the safety of Somaliland consumers from unnecessary injuries caused by defective, substandard, or expired consumer products									
	Strategic Objectives	To stop dangerous products from entering the stream of commerce and identify hazardous products									
		To develop national standards for imported and locally manufactured consumer products									
		To minimize conflicting regional and local regulations and establish specifications for all consumer products									
		To develop meaningful test methods to assess consumer product hazards									
		To establish an effective national product testing center									
No.	Programs	Objectives	Project Outputs/Outcomes	Source of Fund	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Capacity Building for Somaliland Quality Control Commission (SQCC)	To build the capacity of Somaliland Quality Control Commission for better service delivery	<ul style="list-style-type: none"> The Head Quarter (HQ) office of SQCC built in Hargeisa and provided with furniture and equipments 	Donors and SLG	SQCC	-	0.2	0.1	-	-	0.3
			<ul style="list-style-type: none"> A national laboratory (in Hargeisa) and regional laboratories (at appropriate locations) built and supplied with required accessories and equipments for quality testing and analysis of food and drug products 	"	"	-	1.7	-	-	-	1.7
			<ul style="list-style-type: none"> Trainings provided to the staff of the commission on quality control and standardization related disciplines 	"	"	-	0.3	0.2	-	-	0.5
			<ul style="list-style-type: none"> ICT and data base systems established at HQ and regional offices, web-site developed and swift connections with regional offices maintained 	"	"	-	0.05	-	-	-	0.05
			<ul style="list-style-type: none"> 5 transport vehicles purchased for HQ and regional offices 	"	"	-	-	0.25	-	-	0.25
2	Policy development	To develop essential policies and laws for putting in place food and consumer goods safety standards	<ul style="list-style-type: none"> Three consultants hired and essential policies and laws developed for regulating consumer product qualities and standards 	"	"	0.5	-	-	-	-	0.5
3	Public awareness creation on qualities and standardizes related to food and consumer goods	To enhance public awareness on perceptions related to food and consumer goods qualities and standards for preventing associated public damages	<ul style="list-style-type: none"> Nationwide public awareness campaigns conducted for enhancing public perceptions on quality controls and standardization 	"	"	0.05	0.1	0.05	0.05	-	0.25
4	Establishment of Research Centre	To conduct required research for enhancing food and other consumer goods quality control and standardization capabilities of SL	<ul style="list-style-type: none"> A research centre established and required accessories provided 	"	"	-	-	0.2	-	-	0.2
Total Quality Control and Standardization Budget						0.55	2.35	0.8	0.05	0	3.75

5.3.7 Civil Service

Situational Analysis

The constitution of Somaliland mandates the CSC with the responsibility to establish an efficient and effective civil service that is transparent and accountable, to ensure that the public service delivery is effective, appropriate and accessible. The CSC approves the hiring, promotion and the termination of civil servants, as well as the eligibility for pensions. It establishes the salary scales for civil servants and advises the president of the Republic and his government in all matters related to the civil service.

The CSC has just concluded a nationwide mapping of civil servants of all ministries, independent government agencies and commissions (staff of local governments and municipalities is not included in the civil service. Security forces are also excluded). Though the results of the survey are not yet fully analyzed, it shows that the number of civil servants that receive salaries has increased from 6,645 last year (2010) to 9183 in June, 2011 (an almost 30% increase).

Out of the total of 6,645 civil servants that were on payroll in 2010 in all ministries, 371 were found to have reached the retirement age (65), 145 were off sick for a prolonged period, 210 were regular absentees, while 95 were deceased though relatives were still collecting their salaries. These groups should not have been on the payroll, other arrangements such as pension and welfare schemes should have been in place to take care of them. In the absence of such arrangements, it was decided to take them off the ministries' payroll lists and to pay them through CSC as a temporary measure.

The CSC has also carried out an assessment exercise, by testing all the staff in five ministries for job competency. The ministries piloted were the Ministries of Planning, Finance, Justice, and Aviation & Labour. Out of a total 782 staff examined in the five ministries, 130 failed to pass the test. Those who failed have been put on training programs provided by the Civil Service Institute (CSI) to upgrade their skills. CSC is planning to extend its assessment to the remaining ministries, commissions and government agencies until the end of the year.

The change of administration last year brought new opportunities in the form of renewed commitments by both the new Government and the donor community.

In a Presidential Decree of 16.12.2010, the President of the Republic confirmed his commitment to the civil service reform approved by the cabinet and instructed the Civil Service Commission (CSC) and the Civil Service Reform Ministerial Steering Committee (CSR MC), comprising of the Minister of Finance, Minister of National Development and Planning, Minister of Justice and the Minister of Labor and Social Affairs, to execute the civil service reform strategy adopted.

A new Civil Service Reform Technical Committee (CSR TC) set up has been already providing valuable technical assistance for the past months so that the implementation of the reform is

reassured. At the first Somaliland civil service reform conference held June 20th to 21st, 2011, all attending ministers and donor representatives reaffirmed their commitment to increase support for the CS Reform.

The success of the reform process will be measured against the following outcomes:

- Improved service delivery to the people,
- Effective implementation of development plans,
- Efficient, transparent, accountable public sector that optimally utilizes available resources, as well as
- Merit-based recruitment and promotion,
- Results oriented management practices,
- Consultative decision making,
- Creativity and innovation in problem solving, and
- Effective gender mainstreaming

Challenges and Opportunities

Challenges

The main challenges facing CSC related to:

- Slow pace of the civil service reform
- Lack of institutional commitment to civil service reform
- The difficult task of bringing about a cultural change
- Lack of a coherent strategy and work plan,
- Institutional and human resource constraints
- Financial limitations.

Priorities and strategies

The priorities and strategies of the CSC for the current NDP period include:

- Development of the institutional capacity of the Commission
- Completion of a civil service reform, including rightsizing and the consolidation of staff in ministries, agencies and departments so that these are of a sufficient size to be operationally viable
- Development of human resource strategic plans in all ministries and agencies
- Introduction and adoption of pension and welfare schemes for retirees and incapacitated staff

- Creation of opportunities for greater information-sharing between ministries and government agencies, especially for sharing experiences regarding best practice in human resource management and administrative practices.
- The development of appropriate legal and institutional framework as well as the human resources and ICT, which are key components of the CS reform program.
- Assessment and identification of barriers to effective government functioning

Policy, legal and institutional framework

The development of the right legal and policy environment is necessary for the civil service reform to succeed. Hence:

- Assessment of the legal frame work and policies of the civil service will be undertaken.
- The civil service reform strategy approved by the cabinet and the president will be pursued with vigor
- Pension and welfare laws will be drafted and presented to the cabinet and parliament for approval.

Projects and Programs

- Development of the physical infrastructure (offices, facilities, etc.) and human resources of CSC
- Introduction of job descriptions and job specifications for all positions, to include a minimum requirement of qualifications and training for each job
- Establishment of a pay structure that rewards staff adequately for their work and gives them the opportunity to advance in a carrier ladder.
- Development of a comprehensive promotion system, linked to performance
- Introduction of a performance monitoring system in all ministries/ agencies
- Development and implementation of a comprehensive training plan for the civil service,
- Introduction of a line item in the budget of ministries and agencies for the purposes of staff development and training
- Introduction of civil service pension and welfare contributions scheme to a pension fund
- Introduction of a pension system for retirees
- Review of staff performance and administrative procedure
- Mapping and rightsizing of the civil service

5.3.7 Civil Service Budget and Implementation Matrix

No.	Programs	Objectives	Project Outputs/Outcomes	Source of fund	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
	Goal	To create efficient and productive civil servant as well as accountable and transparent public sector administration that can guide Somaliland to prosperity									
	Strategic objectives	To establish an accountable and transparent civil service that can control corruption, nepotism, misuse of public resources and the abuse of power									
		To improved public service delivery and the access of marginalized groups to public service, and introduce affirmative action for women and disadvantaged groups in the public sector									
		To safeguard the rights of civil servants and supervise the exercise of their responsibilities and rights									
		To approve the hiring, deployment, promotion, demotion, termination, disciplinary measures and the retirement of the civil servants									
		To implement systematic and sustainable civil service reform program when required									
		To advise the President of the Republic in matters related to the civil service									
1	Institutional Capacity Building	To build the capacity of Civil Service Commission (CSC) for better service delivery	<ul style="list-style-type: none"> 4 new departments established in CSC 4 new offices constructed and the required furniture and equipments provided 5 transport vehicles purchased Study tour organized for CSC staff to learn from experiences of countries in Africa (e.g. Rwanda) Central Civil Service data base system established in CSC and web-site developed 	Donors and SLG	CSC	0.01	0.01	0.01	0.01	0.01	0.05
				"	"	-	0.06	0.06	0.06	0.06	0.24
				"	"	0.04	0.08	0.04	0.04	-	0.2
				"	"	0.02	0.03	-	-	-	0.05
				"	"	0.04	0.01	0.01	-	-	0.06
2	Civil Service Reform (CSR) strategic planning conference	To make consultations with stakeholders, especially government, and build consensus on the Civil Service Reform program	<ul style="list-style-type: none"> Improved CSR strategy and work plan endorsed by stakeholders 	"	"	0.02	-	-	-	-	0.02
3	Policy development, and review of existing laws, code of conduct, regulations, procedures, and manuals concerning CSC & CSI	To develop policies and laws that provide adequate legal framework for establishing productive civil servant and viable public administration in Somaliland	<ul style="list-style-type: none"> Consultants hired, and the following policies and laws developed and finalized: <ul style="list-style-type: none"> Draft CSC and CSI laws New CSC code of conduct, procurement manual, etc. Civil service pension law and pension scheme 	"	"	0.1	0.12	-	-	-	0.22
4	Civil Servant rightsizing in	To implement the civil service	<ul style="list-style-type: none"> Leaner and more efficient civil 	"	"	0.06	0.09	-	-	-	0.15

	government ministries and agencies	reform program for the creation of efficient civil servant	service established									
5	Scaling the salaries of civil servants	To establish merit and law based remuneration system in Somaliland	<ul style="list-style-type: none"> Draft law of civil servant salary scales finalized and approved 	"	"	0.02	0.04	-	-	-		0.06
6	Comprehensive assessment, mappings and surveying of government ministries and agencies	To conduct comprehensive assessment of the capacity of government institutions for capacity building policy formulation	<ul style="list-style-type: none"> Comprehensive public administration reform strategies formulated Public administration capacity development policies and sectoral capacity development plans (cross sectoral capacity building policy) developed 	"	"	0.07	0.09	-	-	-		0.16
7	Public sector capacity building including training workshops in the six regions	To build the capacities of public institutions in line with the public administration reform program	<ul style="list-style-type: none"> An increase in the efficiency of government institutions' service delivery capacity realized 	"	"	0.03	0.09	0.09	0.09	0.09		0.39
8	Planning , consultation and evaluation conference	To conduct regular monitoring and evaluation exercises on public sector service delivery systems to improve accountability and transparency	<ul style="list-style-type: none"> Systematic monitoring and evaluations exercises conducted in Hargeisa twice a year to improve public sector service delivery 	"	"	0.02	0.04	0.04	0.04	0.04		0.18
Total Civil Service Development Budget						0.43	0.66	0.25	0.24	0.2		1.78

5.3.8 Parliament

Situation Analysis

A bicameral parliament

Somaliland has a bicameral parliament. The House of Representatives is elected and is the main legislative body of the Somaliland Constitution and the House of Elders (Guurti, in Somali) is currently indirectly elected by the various communities and is the revising chamber for legislation (except for financial bills) of the Somaliland Constitution.

Background

The first Constitution of the independent State of Somaliland set up a parliamentary state in which the Government was part of Legislature and has to keep the latter's confidence for its continued existence. The 1960 Constitution of Somali Republic also set up a parliamentary system with the Government headed by a prime minister who although appointed by a President (elected by the legislature) was expected to obtain and keep the confidence of the Legislature (the National Assembly) for his Government to survive.

Leaving aside the long period of military dictatorship, Somalilanders were more familiar with the 1960s "parliamentary" systems of government until 1991. During the May 1991 conference in which Somaliland re-asserted its independence, a "presidential" system of government was adopted. This type of government was articulated in the Somaliland National Charter of 1993, which confirmed an Executive headed by a President and a Legislature of two Houses, the Representatives and the Elders ("Guurti"). Under Article 9 of the Charter, members of the Executive (ministers and deputy ministers) could not become members of the legislature. The same system of government was re-confirmed in the 1997 Interim Constitution of the Republic of Somaliland, which replaced the National Charter in February 1997, and of course in the current Constitution, which was adopted by the two Houses on 30th April 2000 and endorsed at the national referendum held on 31 May 2001.

Membership

Both Houses consist of 82 members each, but the House of Elders also includes honorary members who are either former holders of the offices of president, vice-president or speakers of both Houses and who serve for life or up to 5 persons chosen by the President on the basis of their "special significance to the nation" and who serve for the term of the House they are appointed to.

Elections

The first direct election of the House of Representatives took place in September 2005. Somaliland has, by law, only three political parties, and in the election, the President's party garnered the largest share of the 82 seats, but failed to have overall control of the House. The two other parties have agreed to work together and have currently assumed the leadership of the House. The current House of Elders' term started in 1997 Grand Conference of the Somaliland Communities, but the House, as an institution goes back to 1993 and before that to the mid 1980's during the struggle against the dictatorship. The procedures for the indirect (or direct) election of the Elders are currently under discussion although the House has extended its term of office (on the proposal of the President) for another four years from October 2006. When this extension was about to expire, the House of Elders decided again (Ref:GG/JSL/127/09/2010) on 7 September 2010 to extend its term in office for another three years and eight months, the House of representatives' term in office for another two years and eight months, the term of the local councillors for another year and half (18months).

The National Electoral Commission of Somaliland which was established by the Presidential and Local Council elections law (Law No. 20/2001) on January 21, 2001, taking into consideration the extension approved by the House of Elders, issued the following election activity timetable on July 30, 2011:

Table 5.3.1: Election Time Table 2011-2015

Date	Activity
August 2011 – April 2012	Registration of new political parties and election of local councillors
June 2011 – June 2012	Feasibility study, design and implementation of the electoral registration system
Feb 2013	Completion of the registration of the electorate
May 2013	House of Parliament election
May 2014	House of Elders election
June 2015	Presidential election

The House of Elders approved the opening of new political parties on August 13, 2011, and the president signed it into law (No.14/2011) on August 24, 2011. On September 4, 2011, the President appointed a seven member commission for the approval and registration of new political parties.

The Respective Roles of the two Houses

The Somaliland House of Representatives is described in Article 39 the Constitution as “the first part of the country's legislature, passing laws and approving and overseeing the general political situation and the direction of the country”. The powers of the House of Representative

are set out in Article 53, 54 and 55 of the Constitution and can be summarized under the following headings:

- Legislation: To pass all legislation, together with the House of Elders, but exclusively in respect of all financial laws.
- Finances, taxation, and oversight of the budget and financial accounts of the State.
- Presidential Appointments: To approve all the presidential appointments set out in the Constitution.
- Oversight of Government Policies/actions: To debate, comment on and approve the Government plan and programme; give advice and recommendations to the Government about the general direction of its policies.
- Powers to summon ministers or officials as part of their oversight of executive action.
- Ratification of international agreements.
- Decisions about state of emergency.
- Impeachment powers.

The House shares some of these powers with the Elders, but it has an exclusive power in relation to financial issues, confirmation of presidential appointments (other than that of the Chairman of the Supreme Court), changes in the symbols of the nation (flag etc) and a pre-eminent position in respect of changes to the Constitution under Article 126 of the Constitution, and in the ratification of treaties (other than the debates about treaties which are of a regional or international character must be discussed at a joint meeting of both Houses (Article 38(6) (b)).

The House of Elders shares some of the powers with the Representatives, but it has also a discrete role in respect of "religion, traditions and security". The Elders have also a special constitutional role in "consulting the traditional heads of the communities" (Article 61(4)). It has also an exclusive power to extend terms of office of the President and the representatives when exceptional circumstances make an election impossible. Together with the traditional leaders, the Elders have excelled in their peace and security role. In the protocol of the state the Speaker of the Elders comes before that of the Representatives.

The House of Elders is also a revising chamber for legislation (other than that relating to financial matters), but it is more like the UK House of Lords in that it cannot block legislation which the Representatives are determined to pass. In fact the Elders can only return a bill once and if the Representatives push it back unchanged in the following session, the bill shall pass. So the Elders have a delaying power only, and even when they refuse a bill on "a point of principle" and by a 2/3's majority, the Representatives can pass it with a similar 2/3's majority.

House Committees

Under Article 18(1) of the House of Representatives Standing Rules, the House shall have the following Standing Committees:

- the permanent Committee;
- the economic, finance and commerce committee;
- the social and religious affairs committee;
- the environment, livestock, agriculture and natural resources committee;
- the internal affairs, security and defence committee;
- the foreign affairs, international co-operation and national planning;
- the constitution, Justice and human rights committee.

Ad hoc Committees may also be formed (Rule 19). The Committees usually meet on Wednesdays and Thursdays (Rule 20(9)).

Under the House of Elders Rules, the standing committees of the House are (Article 7):

- the permanent committee, and four other committees that deal with
- the security committee
- the economic committee
- The social affairs committee, and
- law & justice committee

The House may also have ad hoc committees and fact finding missions (Article 34)

Challenges and Opportunities

Challenges

The parliament faces many challenges including:

- Limited financial resources
- Lack of adequate facilities
- Limited human resource capacity
- Limited parliamentary support staff
- Lack of adequate information and data for decision making
- Disconnection from constituency – lack of consultation facilities at the constituency level
- Weak political party discipline and membership cohesion
- Patronage and tribal allegiance
- Lack of accountability
- Underrepresentation of women – gender imbalance
- Backlog of draft laws waiting to be debated and approved
- Need for constitutional reform
- Inability to hold elections on time followed by perpetual extensions
- Back to back elections in the coming four years(municipal, house of parliament, house of elders and presidential)
- Holding government to count

- Lack of own channels of communication (TV, radio, official bulletin, website)
- Poor public perception

Opportunities

- New facilities built with assistance from the EU
- Continuous support from Association of European parliament for Africa (AWEP) and Inter Peace
- Commitment from government
- Established Links with other parliaments
- Institutionalization of parliamentary democracy in Somaliland
- Experienced members with a minimum of six years of service

Priorities and Strategies

- Carrying out Constitutional reform
- Building institutional capacity
- Enhancing linkages between elected members of the parliament and their constituencies
- Strengthening the capacity of the selected parliamentary committees and House staff
- Improving the system of reviewing and approving laws and regulations proposed by the executive
- Building research and information generation and dissemination capacity
- Addressing the gender imbalance in Parliament
- Holding the government to account

Policy, legal and Institutional reform

- Enacting on bills before parliament
- Carrying out Constitutional reform

Programs and projects

- Building a library shared by both Houses
- Establishing a printing press shared by both Houses
- Building new cafeteria for both House
- Recruiting support staff
- Training members and staff to enhance their skills
- Organizing study tours
- Establishing regional offices for constituency consultation
- Clearing backlog legislation
- Upgrading the security of the parliament
- Enhancing the ICT system and data base creation for the HoR

5.3.8 Parliament Budget and implementation Matrix

Goal		To establish conducive work environment for Somaliland Parliament for promoting democratic governance									
Strategic Objectives		To build the staff and material capacity of the parliament for better performance									
		To establish suitable work environment for the parliamentarians									
		To enhance security and safety for parliament premises									
No	Programs	Objectives	Project outputs/outcomes	Source of Fund	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Capacity Building for House of Representatives/ Parliament (HoR)	To build the capacity of HoR for better service delivery	• 6 shared service transport vehicles purchased for parliamentarians			-	0.12	0.12	-	-	0.24
			• An emergency unit (clinic) constructed to provide emergency health services for MPs and staff of both parliament houses	"	"	-	0.03	-	-	-	0.03
			• Yearly drug and medicine supply maintained for the emergency unit	"	"	-	0.02	0.02	0.02	0.02	0.08
			• One ambulance purchased for the parliament emergency unit (clinic)	"	"	-	0.04	-	-	-	0.04
			• One library built, and furniture, equipments, and relevant books supplied to serve both parliament houses	"	"	-	-	0.3	-	-	0.3
			• One printing house built, and the required furniture, equipments, and machinery supplied to serve both parliament houses	"	"	-	0.15	-	-	-	0.15
			• Security equipments installed for the parliament premises based on the recommendations of the security assessment	"	"	-	0.4	-	-	-	0.4
			• One cafeteria built, and furniture and equipments provided to serve both parliament houses	"	"	-	0.15	-	-	-	0.15
			• One building containing 79 offices, one hall and one cafeteria constructed for MPs of HoR in Hargeisa, and provided with required furniture and equipments for enhancing the linkages between MPs and their constituencies	"	"	-	0.44	-	-	-	0.44
• 79 desk top computers and their accessories supplied for newly			-	-	0.79	-	-	0.79			

			constructed 79 offices of MPs									
			• 20 lap top computers supplied to parliament (HoR) management and standing committees			-	0.02	-	-	-	-	0.02
			• Members of 8 parliament (HoR) standing committees trained in legislative processes, communication skills, and national annual budgeting processes (2 trainings/year/committee – total 16 trainings/year)	"	"	-	0.06	0.06	0.06	0.06	0.06	0.24
			• ICT /data base system established at parliament (HoR) and web-site developed	"	"	-	0.1	-	-	-	-	0.1
			• Parliament support staff trained in secretarial duties, documentation and other required skills (4 trainings/year)	"	"	-	0.03	0.06	0.06	0.06	0.06	0.12
			• Leadership study tours organized for parliament management and standing committees (tours for 2 standing committees/year, and once every year for parliament management –speaker and deputies - each tour is for 10 days including travel time)	"	"	-	0.11	0.11	0.11	0.11	0.11	0.44
2	Facilitation of audio-visual follow-up of parliament sessions for the media and the public staying outside the hall	To facilitate parliament sessions' follow up for the media and public while staying outside of the hall so as to reduce interferences during parliament deliberations	• Camera systems installed within the parliament hall (6 cameras supplied) for the dissemination of live parliament deliberations for audiences outside the hall	"	"	-	0.04	-	-	-	-	0.04
3	Policy development	To enrich and/or amend national constitution, and develop other essential parliamentary and national policies and laws for enhancing national development and democratic governance	• 3 consultants hired for the parliament in the following areas for developing essential policies and laws:	"	"							
			○ Constitutional lawyer (for two years)	"	"	-	0.12	0.12	-	-	-	0.24
			○ Legal drafter (for one year)	"	"	-	0.12	-	-	-	-	0.12
			○ Legal advisor (for one year)	"	"	-	0.12	-	-	-	-	0.12
Total Parliament (House of Representatives) Development Budget							0	2.07	1.55	0.22	0.22	4.06

5.3.9 NON-GOVERNMENTAL ORGANIZATIONS SECTOR

Situation Analysis

The World Alliance for Citizen Participation defines civil society as "the arena, outside of the family, the state, and the market where people associate to advance common interests." Civil society is made up of institutions, organizations and individuals. The forms of civil society are many and varied and range from formal institutions and private sector bodies to informal associations and networks and faith based groups.

Up until 1991, civil societies barely existed in Somaliland. The military government in power was hostile to civic associations in the country. All that changed after its collapse in 1991. Civic societies mushroomed in the absence of an oppressive environment and started filling the gaps left by the defunct regime which the new Somaliland government could not cover for lack of resources and capacity. The local societies were supported right from the start by international non-governmental organizations (INGOs) and UN agencies who partnered with them in the provision of relief and humanitarian aid initially and in the process of reconstruction, rehabilitation and rebuilding of institutions in the ensuing years.

In the new, free, democratic and stable environment created in Somaliland since the mid 90s, civil societies flourished and their numbers increased tremendously. Over the years, nearly 1800 local nongovernmental organizations (LNGOs) have registered with the Ministry of National Planning and Development, out of which 427 have kept their registration current. There are also a large number of small, informal civil society groups that are not registered at all. The increase in the presence of International Non-governmental organizations (INGOs) has been equally impressive – up to 104 of them registered, out of which about 80 have maintained their registration up to date. In addition, there are 21 UN agencies currently working in the country.

The local civil society organisations in partnership with their international counter parts are involved in a wide range of humanitarian and development programs, including feeding undernourished children and mothers, building schools, clinics and wells as well providing books and medical supplies. The following table shows a breakdown of their key activity areas:

Table 5.3.2: Local NGOs Activity by Sectors

Section	% of LGOs
Development	31.87 %
Education	19.02 %
Health	11.56 %
Livelihood	11.08 %
Environment	5.41 %
Production (agriculture, livestock, fisheries)	4.88 %
Youth	4.38 %
Governance/Resolutions	2.05 %
Water and Sanitation	1.28 %
Others	1.54 %

The Ministry of National Planning and Development, mindful the scale and scope of the work undertaken by the sector, has established a coordination structure based on its National Aid Coordination Policy and Framework to avoid duplication and ensure efficient resource utilization. The structure consists of four levels:

- Sector Coordination Forum (monthly meetings chaired by the lead Ministry, Co-chaired by a UN agency, with an International NGO secretariat)
- Inter-sector coordination forum (quarterly meetings attended by sector Forum Chairs, Co-chairs and secretariat)
- National aid coordination forum (Quarterly meetings attended 11 ministers, and heads of NERAD and ICT commission)
- High Level Coordination Forum (Semesterly meetings attended by 18 members – 3 donors, 3 UN, 3 INGOs, 5 Ministers, 1 parliament, 2 LNGOs, 1 from the Private sector)

The Ministry also promotes the application of Development Assistance Database (DAD), an online program that facilitates information sharing and coordination.

There had been a debate over the years about the need to regulate the non-governmental sector and to hold it to account. The need became all the more pressing as the sector grew and became a dominant feature in public services and the economy of the country as a major employer. This culminated in the legislation of the Non-Governmental Organizations Act in 2010. The stated purpose of the act is to:

- Ensure that NGOs working in the country are legally constituted and registered

- Coordinate and guide the activities of NGOs so that they are aligned with national priorities
- Ensure accountability and transparency
- Promote the development of community based organizations

There are sections of the law over which international agencies have expressed concern. The most contentious has been Article 35(3) according to which **an International NGO shall not become a project/program implementer for another International NGO or UN agency working within the country.** The spirit of the article is to prevent projects/programs cascading through different organizations each one taking a cut in the form of administrative fee, dwindling before the final delivery stage. The aim is not to discourage international organizations working in partnership, and clarifications will be made in due course on this and other articles.

In line with the spirit of the NGO Act, the medium to long term aim of the NDP 2012-2016 is to support the development of the non-governmental sector. Local community organizations and professional associations in particular, will be encouraged to take a lead role in the development of the country by raising their capacity, accountability and efficiency. The ability of the government to provide essential public services to all citizens, maintain security and at the same time invest in the long term development of the country is limited. It does not have the resources required, hence, the importance of the role of the nongovernmental sector. In areas where the state provision of services has been deficient or its access limited, the role of community groups, civil societies and international organizations have been crucial in making up for the deficit. Although a relatively new phenomenon in Somaliland, civil society organizations are today active in the provision of social services, peace building and reconciliation, democratization process and economic development.

CHALLENGES AND OPPORTUNITIES

Challenges:

The goal of nurturing a well functioning nongovernmental sector that is working in harmony with the public sector towards the same objectives is a challenging one. Many obstacles will have to be overcome in the course of the NDP period. These include:

Implementation of the INGO law: tasks that remain to be completed include:

- Nomination of registrars at regional and district levels
- Formulation of a Consultative Committee
- Establishment of a National Forum for local NGOs
- Creation of a National Trust Fund for local NGOs
- Clarification of some of the articles

Lack of alignment between aid program and national priorities: Most of the programs run by international organizations, particularly those implemented by UN agencies are supposed to reflect the Somaliland Reconstruction and Development Program (RDP) based on the 2005/6 Joint Needs Assessment (JNA) exercise. The RDP document sets out priorities for development over a 5 year period, and is used as a framework for mobilizing international assistance. The problem is that funding is unpredictable and may not be consistent with planned programs when found, and the programs themselves do not reflect the priority needs of the country. A breakdown of aid provided in 2009 proves the point as shown in the following table.

Table 5.3.3: Development Aid Disbursed by Sector in 2009

Sector	Amount (US\$)	%
Governance	9,000,000	10.8
Education	18,100,000	21.7
Health	26,000,000	31.2
Water/Sanitation	7,000,000	8.4
Infrastructure	500,000	0.6
Livelihoods	21,100,000	25.3
Private	1,600,000	1.9
Total	83,300,000	100

While governance, education and health are important, equally important, if not more so are **PRODUCTION, INFRASTRUCTURE** and the **ENVIRONMENT**. But production and environment do not feature in the table and Infrastructure is allocated a mere 0.6% of the total disbursed. The challenge is bringing aid in line with national priorities and needs. The National Development Plan (NDP) is expected to provide the guidance needed for alignment.

Inappropriate funding modality: Aid programs at the present time are very much donor driven. International organizations determine priority programs, amount and schedule, and donations are generally unpredictable and short term. What is required is a funding modality that is flexible, responsive to national needs and long term. The Trust Fund under consideration by DFID and Danish government is a step in the right direction, which other donors should consider until we move to a direct budgetary support which is the best modality.

Insufficient program coordination: Significant progress has been made in the past 12 months in coordinating key players in each sector through 10 sector Forums. However, participation by international NGOs in some of the Forums has been dismal. The coordination process needs to be strengthened, and region based Forums should be considered to promote coordination and partnership at the regional level.

Lack of adequate transparency and accountability: The introduction of the database, DAD, which is used as an online reporting vehicle, has made information sharing and monitoring

much easier and improved transparency substantially. But the system is still far from adequate. Some of the organizations are not yet familiar with it and have difficulty using it; others have to wait for permission from their regional or head office for authorization; information is not often timely, and there is no legal obligation for organisations to submit externally audited accounts yet.

Lack of capacity: This is particularly true among local NGOs which are usually small organizations run by few individuals with limited physical, financial and human resources. Because of these limitations they cannot compete with well resourced international NGOs and are often excluded from bidding for large scale programs. They need capacity building in leadership, general management, accounting, project development, monitoring and evaluation, fundraising systems etc. They also need assistance with infrastructure – facilities, furniture and equipment.

Lack of cohesion among public institutions dealing with INGOs: International organizations and UN agencies, in the course of their work, have to deal with many government institutions including the ministries of Planning, Foreign Affairs, Finance, Interior, Labour and several other entities. These organizations sometimes send out mixed, competing and sometimes contradictory messages and instructions. Hence, there is a need to coordinate their work and clarify their individual roles to avoid confusion

Opportunities

While there are many challenges which the sector faces, there are also the following opportunities that favour its development and eventual success.

- The NDP 2012-2016 will provide national priorities and will form the basis for international intervention, and programs in Somaliland.
- The new Somaliland Government is committed to building the capacity of local NGOs and will encourage them to participate actively and effectively in the development of the country. Within the framework of the NGO law, a common fund will be established to improve and strengthen the capacity of local NGOs.
- Donors and international organizations show new commitment to making sure that aid is more transparent, accountable and effective
- There is a realization that Somaliland is, on the whole, in a developmental phase and more program funding should be directed towards production, infrastructure and the environment

- The Trust Fund will offer a more flexible funding regime which allows the government to set and determine priorities for program funding.
- The Development Assistance Database (DAD) will render information sharing, coordination and monitoring far more expedient.
- The implementation of the new NGO law will contribute to the institutional building of the sector and to its accountability and transparency.

PRIORITIES AND STRATEGIES

Key priorities and strategies for the sector include:

- Ensuring better coordination among NGOs and the government to avoid unnecessary duplication and waste of resources. The Government of Somaliland will work with NGOs to establish a comprehensive cooperation framework that will lay out partnership principles, including communication, mutual accountability and transparency
- Strengthening the role of stakeholders in the planning and implementation of development programs;
- Looking for more sustainable sources of financing the work of the NGOs in ways that will guarantee their autonomy and at the same time ensure accountability
- Ensuring alignment between the priorities of the National Development Plan and international recovery and development programs.
- Ensuring the implementation of the NGO Act.
- Undertaking the necessary reforms to enhance transparency and accountability in the use of donor resources.
- Carrying out regular program monitoring and evaluation to establish performance
- Building the capacity of local NGOS
- Improving coordination among international NGOs, UN agencies, local NGOs and government institutions

POLICY, LEGAL AND INSTITUTIONAL REFORM

Sector policies and institutional reforms that will be carried out include:

- Implementation of the NGO Act
- Formulation of by-laws, rules, regulations and guidelines administering NGOs in accordance with the NGO Act.
- Grading/ranking of LNGOs in accordance with the requirement of the NGO Act.

PROGRAMS AND PROJECTS

During the implementation of the NDP 2012-2016, the following programs, projects and/or activities will be executed:

1. Monitoring and evaluating INGO and LNGO projects and programs
2. Establishing regional civic society and NGO centers
3. Strengthening the institutional capacity of local NGOs and community organizations
4. Organizing an annual NGO exhibition and awards conference
5. Legislation of external auditing requirement for large NGOs
6. Strengthening of sectoral and intersectoral coordination structures
7. Facilitating the establishment of DFID/Danish Trust Fund
8. Devolving registration to regional and district levels.
9. Establishment of a comprehensive online information resource centre for NGOs where they can find information, forms, instructions and guidance which includes sample constitution templates, online reporting facilities, registration guidelines, training opportunities, etc.

5.3.9 Non-Governmental Organizations Sector BUDGET AND IMPLEMENTATION MATRIX

Goal		Strengthening the role of Civil Society Organizations in the development of the country									
Strategic Objectives		To strengthen and improve the coordination mechanism already established.									
		To enhance the capacity of Local NGOs.									
		To implement NGO Ac, M&E Policy, and National Aid Policy.									
		To align aid programs with national development priorities.									
No.	Programs	Objectives	Project Outputs/Outcomes	Source of fund	Implementer	Required budget (USD Millions)					Total
						2012	2013	2014	2015	2016	
1.	Auditing System	To enhance Transparency	<ul style="list-style-type: none"> 30 random Audits 	Donors GoSL	MNDP & Auditor General	0.03	0.03	0.03	0.03	0.03	0.15
3.	Capacity building program for Local NGOs	To enhance the capacity of Local NGOs	<ul style="list-style-type: none"> 6 NGO and Civil Society regional centres One common treasury for Local NGOs Training programs On-line support Service 	Donors/Government/Private Sector/INGOs	MNPD	0.2	0.2	0.4	0.2	0.2	1.2
4.	Annual Exhibition and Awards	To share information on program activities & plans and reward performance	<ul style="list-style-type: none"> Annual exhibition and awards event 	Donors	MNDP	0.03	0.03	0.03	0.03	0.03	0.15
	Total		<ul style="list-style-type: none"> 			0.26	0.26	0.46	0.26	0.26	1.5

5.4 SOCIAL PILLAR

5.4.1 Health Sector

Situation Analysis

Data on the nation's health status is sketchy, often outdated and conjectural. Nevertheless, UN and World Bank reports yield the following vital health statistics for Somaliland.

Table 5.4.1: Child and Mother Health Status

	1990	1999	2006	2010 (predicted)	2015 (MDG Target)
Child mortality/1000	275	188	166		92
Infant mortality/1000	152	133	73	53	51
Measles vaccination %		27.3	41	49	76
Malnutrition under 5%		36	21	12	
Maternal mortality/100000	1100	1044	1013	995	367
Contraceptive prevalence rate%		9	26	35	60

The table shows that the child mortality rate in Somaliland, which was 275 per 1,000 in 1990 dropped to 188 in 1999, and then to 166 in 2006; measured against global standards, these figures signify a very steep decrease. These remarkable achievements could be attributed to many factors, including an improved nutrition status and heightened public awareness of the benefits of child vaccination. Infant mortality rate, which is the number of deaths per 1000 cohort of live born babies before the first birthday, also decreased from 152 in 1990 to 113 in 1999 and down to 73 in 2006 in Somaliland. If this trend continuous, then the **Millennium Development Goals (MDG)** target for 2015 is most likely to be achieved.

Although the proportion of children that received vaccination against measles increased from 27.3% in 1999 to 41% in 2006, Somaliland is far from achieving the MDG target of increasing that proportion by two thirds in the year 2015.

The proportion of underweight children under five years of age can be used as an indicator of the proportion of the population who suffer from hunger. The proportion of children under five who are undernourished declined from 36% in 1999 to 21% in 2006, which demonstrates that Somaliland could achieve the MDG poverty reduction target by 2015. Peace, security, and stability in Somaliland, and the resulting socio-economic recovery and development achieved in the 2000s, have together brought about this sharp decline in the proportions of underweight children.

The maternal mortality rate in Somaliland was 1,044 per 100,000 in 1999, a ratio which listed Somaliland women among the highest-risk groups in the world. The rate dropped slightly, to

1,013, in the year 2006. This trend shows that the MDG target of reducing the maternal mortality ratio by three quarters by 2015 is very unlikely to be achieved,

Upper respiratory tract infections and diarrhea are the two most important causes of morbidity among children and adults in Somaliland. But TB and malaria are also major health problems targeted for intervention by the Millennium Development Goals. Malaria kills about 1 million a year, mostly in Africa. Mosquitoes of the Anopheles genus which are the primary vectors of malaria thrive in hot and wet climates. Somaliland has an arid climate which attenuates the scale of problem, though still cause for concern, as the following tables indicate. Out of 3259 people tested, only 55 turned out to be positive, which is equivalent to only 1.69% of the total.

Table 5.4.2: Malaria test results in hospitals and MCHs in 2010

Malaria Cases Hospitals In 2010							
City	HGH	Borama Hosp	Burco Hosp	Berbera Hosp	Gabiley Hosp	L/anod Hosp	National
Total tests	468	207	556	107	62	1296	2696
Total + Ve	1	6	0	0	2	2	11

Malaria Cases MCHs In 2010							
City	Awdal	M. Jeex	Sahil	Togdher	Sanag	Sool	National
Total Malaria tested	0	51	145	7	4	356	563
Total Positive cases	0	14	0	2	0	28	44

Somaliland Malaria Summary Hospitals and MCHs in 2010	Cases
Total Malaria tested	3259
Total Malaria +Ve	55
Percentage	1.69%

The Ministry of Health is the public institution responsible for the health care of the nation. The ministry operates through a three-tier health provision system. At the lower end are the health posts; then there are the MCH clinics, and the hospitals at the upper end. For a population of 3.5 million, the public health care system is inadequately resourced to meet people's needs as the following table shows:

Table 5.4.3: Public health care facilities and personnel in 2011

Facilities/staff	Number
Health posts	160
MCH centers (clinics)	87
Hospitals	7
Hospitals beds (including TB)	1750
TB Centers	10
Public mental health clinic	3
Doctors	86
Nurses	369
Midwives	89
X-ray technicians	4
Laboratory technicians	24
Medical schools (accredited)	2
Nursing and midwifery schools	5

According to the table, there are 7 public hospitals, 87 health centers and 160 health posts in Somaliland. Most, if not all, of these facilities are not in good working condition. Still, many are not fully operational. In 2008- 2009, the last year for which data is available, all Somaliland's public health facilities were manned by 86 doctors, 369 nurses, 89 midwives, 4 X-ray technicians and 24 laboratory technologists. Available public hospital beds were 1750.

Alongside the public health care system, operates a private health care system which is still small but favored by anyone who can afford it. The private sector system consists of General practitioner or specialist doctor surgeries normally attached to a pharmacy, or based in a private clinic or hospital. The following table summarizes the sector's facilities and personnel as of 2008/9.

Table 5.4.4: Private sector health provision

Facilities/staff	Number
Hospitals	7
Mental clinics	3
Pharmacies	779
Beds	228
Doctors	25
Nurses	45
Midwives	24
X-ray technicians	2
Laboratory technicians	20
Pharmacists	9

The private health sector has been growing rapidly, and in light of that the current numbers in all the categories are probably significantly higher than the figures for 2008/9 as presented in the above table.

In the private health-care sector, pharmacies are generally considered to be the most accessible modern health-care delivery points in Somaliland and are often the first point of care for many in the community. However, because of lack of prescription drug regulations, the services they provide often does not meet international standards for drug dispensation. According to the last UNICEF survey, there are 779 pharmacies in Somaliland. Yet, there are only 9 certified pharmacists in the whole country.

There is no accreditation and licensing system for health workers in Somaliland. And in the absence of proper regulation and clearly defined professional standards and guidelines to maintain and adhere to, service delivery tends to be poor and haphazard.

Despite the growing demand, public health service is limited in scope and coverage. However, substantial UN and NGO intervention in the public health sector, and increasing private practices in the major urban centres help ameliorate the situation. This multi agent intervention sometimes gives rise to duplication, redundancy and waste of scarce resources. Still, the role of International NGOs and UN Agencies in Somaliland's public health sector is crucial at this point in time.

In order to achieve the Millennium Development Goals in the health sector, the government needs to take further action to improve health care services for children, including: natal and post-natal care, vaccination and nutritional promotion through locally tailored mechanisms. It also needs to combat infectious diseases such as malaria, TB and HIV. These actions should be coupled with sound policies, and closer coordination with international organizations

Challenges and Opportunities

Challenges

- Very little health care-related information--such as statistics and other relevant data—is available. In such circumstances, it is difficult to monitor and evaluate the performance of the sector.
- Given the scarcity of financial, technical, and human resources, the provision of an Essential Health Service Package that balances preventive, curative, and rehabilitative health services is not feasible yet.
- The delivery of basic health-care services is very poor, particularly with respect to rural and nomadic populations.
- Access to TB and mental health services is very limited.

- Public health sector uptake by service users is low, mainly as a result of the poor quality of the service, the lack of health-care facilities, and customer preference for private service providers.
- There are often shortages of prescription drugs in public health institutions, a problem that leads to a shift of patients to the private sector, where drugs are either expensive or of poor quality—or both.
- Basic diagnostic services are almost entirely lacking in most public health facilities, a shortcoming compounded by the community's low awareness of the few services that *are* available in these facilities.
- The quality of private health-care services is not well known.
- There is a critical shortage of trained manpower among all the cadres of the health sector, a problem made more acute by an internal and external brain-drain. Even when—and where—skilled manpower can be found in public hospitals and health centres, a lack of incentives and a low ceiling of remuneration lead to high rates of absenteeism.
- There are distribution and capacity-related problems too. Older, better qualified, and experienced health workers are concentrated in major urban centers, and some of them are employed by international organizations with comfortable pay scales.
- The available institutional capacity to train health-care professionals in the various categories is also fairly limited. There are no systematic on-the-job training programs to meet service requirements or to upgrade the managerial and technical competence of the health workers.
- Donors supply most of the available drugs in the public health institutions and keep them in storage facilities of their own. From the perspective of the ministry, this is an unreliable, uncontrollable, unpredictable arrangement, which seriously undermines the role of the Government and its ability to develop its capacity for a drug supply system.

Other challenges include:

- Inadequate sanitary policy and environmental health regulations
- Lack of a supervision and health and safety inspection of consumer goods – food, chemicals, water etc. to ensure their quality and/or safety
- Critical shortages of sanitarians, public health officers, and chemists
- Poor hygiene practices
- High rates of malnourishment in children (underweight 18%, wasting 13%, stunting 16%)
- High prevalence of anaemia in mothers – both pregnant and lactating
- High rates of anaemia among school children

- Lack of medical buffer stocks and logistics infrastructure for an effective and timely response to disease outbreaks and disasters

Opportunities

The sector does have its own strong points:

- Management structures are in place at national and regional levels, although they function with limited technical and operational competence.
- Also, the health care system operates within a decentralized management system through the delegation of administrative and service delivery functions to the regions and districts and by empowering communities to participate in the management and financing of their services.

Priorities and Strategies

At this juncture, it is important to strengthen the institutional capacity of the health sector and to put in place an effective oversight authority. A District Health Care Management System is to be introduced into six selected districts in the six regions of Somaliland, an arrangement in which the District Health Management Board (DHMB) will be the primary management unit. A detailed map showing the areas inhabited by vulnerable and disadvantaged populations and a database of the health care network which includes information about equipment and facilities available to guide planning will be created.

Other major priorities include:

- Construction and establishment of basic health-care facilities in rural areas
- Construction and upgrading of regional referral hospitals
- A systematic training needs assessment to establish the human resource needs of the health sector for the next 10 to 15 years
- Continuous professional development programs for all cadres, including on-the-job training
- Construction/rehabilitation of medical stores in the regions and districts
- Quality control system to ensure the quality of all drugs, food, and chemicals
- Improved access to nutrition counselling for pregnant and lactating women through health services and community-based structures

Policy, Legal, and Institutional Reforms

- A national health policy document is in its early stages of development. The policy requires further refinement and more clarity on what constitutes—or should constitute—the national vision and mission regarding the country’s health-care system.
- The formulation technical policies, including policies on reproductive health and family planning, health sector financing, human resource development, laboratory blood transfusion, etc. are needed to set the technical and professional standards of the health sector.
- A regulatory framework for ensuring the professional fitness of the health workers to practice has not yet been formulated. Associations for medical, nursing, and allied health-care professionals do exist, but they are not fully functional.
- A national drug policy proposal, with clear strategies for funding and implementation, has been drafted; however, it has neither been enacted into law nor implemented.

Programs and Projects

The Ministry of Health (MoH) will focus on the following programs and projects during the current NDP period:

- Review of the existing national health policy to provide a coherent vision and strategic direction for the delivery of the Essential Package of Health Services (EPHS)
- Development of technical policies in Reproductive Health (RH), laboratory, blood transfusion; health financing, mental health, child immunization, and nutritional improvement
- Rehabilitation and expansion of existing MOH facilities
- Establishment of three regional health offices with necessary infrastructure, equipment, and trained personnel
- Building new modern referral hospital in Hargeisa
- Introduction of a district health-care management system into the six regions of Somaliland in which the District Health Management Board (DHMB) will administer the affairs of district health service delivery
- Strengthening and expanding the health management information system
- Creation of a detailed map of the vulnerable and disadvantaged communities
- Establishment of a health-care network database that includes information on equipment, facilities, and health service accessibility to guide planning and decision making

- Increasing access to TB and mental health services (6 TB centers and 2 mental hospitals planned)
- Carrying out a systematic training needs assessment to establish the human resource needs of the health sector and to determine projections for the future.
- increasing accessibility to Mother and Child Health (MCH) clinics by women,
- improving access to safe drinking water
- enhancing the training of health workers,
- expanding health education to communities living in pastoral areas and along coastlines

5.4.1. Health Sector Budget and Implementation Matrix

Goal		To strengthen the institutional capacity of the Health Sector										
Strategic objectives		To provide essential Health Services										
		To improve availability and quality of the essential drugs										
		To improve career development of the health workforce										
		To improve maternal health and child nutrition										
		To improve environmental sanitation and social hygiene										
No.	Programs	Objectives	Project Outputs/Outcomes	Source of funds	Implementer	Required Budget (USD Millions)					Total	
						2012	2013	2014	2015	2016		
1	Strengthening the institutional capacity of the health sector to have a vibrant and effective governance system	To establish appropriate policy and legislative environment for the health sector of Somaliland	• Review is made of the existing national health policy to provide coherent vision and strategic directions for the delivery of the EPHS	Donor and Somaliland Government	Ministry of Health	0.10	-	-	-	-	0.10	
			• Technical policies are developed in RH, Laboratory & blood transfusion, health financing, mental health, child health, nutrition, BCC, etc	"	"	0.30	0.20	-	-	-	0.50	
		To coordinate with other stakeholders to address the lack of a food security policy.	To strengthen the institutional capacity of the sector to have a vibrant and effective governance and management systems	• The existing MOH premises rehabilitated and expanded	"	"	-	0.35	-	-	-	0.35
				• Three regional health offices established with necessary infrastructure, equipments and facilities	"	"	0.08	0.08	0.08	-	-	0.24
				• District Health Care Management System introduced to 12 selected districts in the 6 regions of Somaliland in which the District Health Management Board (DHMB) will be the primary management unit and will administer the affairs of direct service delivery	"	"	-	0.40	0.80	0.80	0.40	2.40
				• The health management information system strengthened and expanded	"	"	1.20	0.20	-	-	-	1.4
				• ICT system established at all levels including a V-SAT and V-Conferencing Facilities	"	"	0.12	-	-	-	-	0.12
				• Financial management capacity of the sector strengthened	"	"	-	0.08	0.12	-	-	0.20
2	Provision of Essential Health Service Package that balances Preventive, Curative, rehabilitative and Promotive health services	To map out the availability, accessibility and use of essential health care services, particularly the nomadic and vulnerable communities	• Very detailed mapping of the vulnerable and disadvantaged populations carried out	"	"	0.05	-	-	-	-	0.05	
			• A database of the health care network that include information on equipment, furniture, facilities and coverage established that will guide planning and investment decisions	"	"	0.12	-	-	-	-	0.12	
		To provide equitable,	• Essential Public Health Services (EPHS) rolled	"	"	2.00	3.00	2.00	1.00	-	8.00	

		accessible and affordable essential health services to the community	out to the remaining four regions									
			<ul style="list-style-type: none"> New health facilities constructed mainly for rural and nomadic communities (PHC Units 80, HCs 15, RHC 5) 	"	"	0.50	1.00	2.00	1.50	-		5.00
			<ul style="list-style-type: none"> Access to TB and Mental Health Services increased (5TB Centers) (3Mental Hospitals) 	"	"	-	1.00	2.00	1.00	1.00		5.00
			<ul style="list-style-type: none"> New modern hospital (Tertiary hospital) established in Hargeisa 	"	"	-	10.00	-	-	-		10.00
3	Support the planning, production, management and career development of the health workforce who are professionally qualified with the right skills and competencies in right number, at the right place for delivery of cost-effective and quality health care services for citizens	To determine the human resources needs of the health sector for the next 10 to 15 years	<ul style="list-style-type: none"> A systematic training needs assessment carried out to establish human resource needs of the health sector and determine the projections for the next 10 to 15 years in line with the EPHS 	"	"	0.04	-	-	-	-		0.04
		To support the production and career development of the health manpower	<ul style="list-style-type: none"> Multi-disciplinary health workers in medical, nursing, pharmacy, laboratory, radiology, public health, anesthesia, psychiatric, midwifery, medical technology, produced , 	"	"	0.50	1.50	1.50	1.50	1.50		6.50
			<ul style="list-style-type: none"> Continuous professional development program instituted for all cadres including on-the-job training and post-graduate training 	"	"	0.50	1.00	1.00	1.50	2.00		6.00
			<ul style="list-style-type: none"> The capacity of health training institutions strengthened and expanded 	"	"	1.00	1.00	1.00	1.00	1.00		5.00
		To strengthen the human resources management and regulatory frameworks	<ul style="list-style-type: none"> The operational competence and capacity of the legally established professional health body strengthened with a goal of improving professional standards and ethics 	"	"	0.50	0.80	0.80	0.50	0.30		2.90
4	Improve availability and quality of the essential drugs in the country	To streamline the procurement, storage and distribution systems of the drugs and medical supplies in the country	<ul style="list-style-type: none"> Somaliland Pharmaceutical Corporation established and necessary management support systems and staff in place 	"	"	-	0.80	-	-	-		0.80
			<ul style="list-style-type: none"> Seed money of drug revolving fund is made available to SPC as startup capital 	"	"	-	6.00	-	-	-		6.00
			<ul style="list-style-type: none"> Construction/rehabilitation of medical stores in the regions and districts 	"	"	-	0.50	-	-	-		0.50
		To ensure the quality of the medicines imported into the country	<ul style="list-style-type: none"> Quality control system improved and expanded to ensure the quality of all drugs, foods and chemicals coming or produced in the country 	"	"	-	-	1.00	-	-		1.00
		To reduce severe and moderate energy-protein related malnutrition rates in children and mothers	<ul style="list-style-type: none"> Quality services for the mgt of acute malnutrition enhanced and expanded 	"	"	-	1.00	1.00	1.00	1.00		4.00
			<ul style="list-style-type: none"> Quality services for the treatment of micro-nutrient deficiencies enhanced and expanded 	"	"	0.50	0.50	0.50	0.50	0.50		2.50
		To reduce prevalence of anemia in mothers – both pregnant and lactating mothers and school age children	<ul style="list-style-type: none"> Food based interventions for the prevention of under-nutrition in high risk populations enhanced and expanded 	"	"	1.00	1.00	1.00	1.00	1.00		5.00
			<ul style="list-style-type: none"> Quality nutritional surveillance, M.E is conducted & reviewed on a timely basis to inform the targeting of vulnerable population 	"	"	0.10	0.15	0.15	0.15	0.15		0.70

			with appropriate responses								
		To enhance the level of key determinants of nutrition such as breastfeeding, appropriate complementary feeding, access to improved drinking water, immunization, vitamin A coverage, etc	<ul style="list-style-type: none"> Operational research to indentify effective programs in addressing the causes of under-nutrition conducted, according to an agreed set of priorities and plan of action 	"	"	0.20	-	-	-	0.20	0.40
			<ul style="list-style-type: none"> Local availability and consumption patterns of nutrient dense foods are better understood and this knowledge-base is used to promote increased intake of energy, protein and micronutrient-rich foods 	"	"	0.20	0.20	0.20	0.20	0.20	1.00
			<ul style="list-style-type: none"> Improved access to nutrition counseling for pregnant and lactating women through health services and community based structures 	"	"	0.30	0.30	0.30	0.30	0.30	1.50
			<ul style="list-style-type: none"> Increased availability of fortified food 	"	"		1.00	1.00	1.0	1.0	4.00
5	Improve environmental sanitation and social hygiene	To improve the environmental sanitation and social hygiene	<ul style="list-style-type: none"> Need assessment (Sanitary surveys in urban and rural settlements) 	"	"	0.05	-	-	-	-	0.05
			<ul style="list-style-type: none"> Public awareness on risk behaviors raised 	"	"	0.20	0.20	0.20	0.20	0.20	1.00
			<ul style="list-style-type: none"> Public health experts hired for the formulation of public health regulations and sanitary codes 	"	"	-	0.30	-	-	-	0.30
			<ul style="list-style-type: none"> Capacity of municipal health authorities and line-ministries built (Health City Initiative Introduced) 	"	"	1.00	1.25	1.25	1.25	1.25	6.00
			<ul style="list-style-type: none"> Continuous sanitary inspection for quality assurance carried out 	"	"	0.40	0.40	0.40	0.40	0.40	2.00
		To study the effect of the tobacco and Kat use	<ul style="list-style-type: none"> Studies on effects of Tobacco and Kat use carried out 	"	"	0.04	-	0.04	-	0.04	0.12
			<ul style="list-style-type: none"> Public awareness on risks associated with Tobacco and Kat raised 	"	"	0.24	0.24	0.24	0.24	0.24	1.20
6	Reduce prevalence and stigma of HIV/AIDS	To ensure universal coverage of IPTCS services in Somaliland	<ul style="list-style-type: none"> Reduction of stigma and discrimination of HIV/AIDS affected people enhanced 	"	"	0.50	0.50	0.50	0.50	0.50	2.50
			<ul style="list-style-type: none"> ART strengthened and expanded 	"	"	1.00	3.00	3.00	2.00	1.00	10.00
			<ul style="list-style-type: none"> VCT services strengthened and expanded 	"	"	0.50	0.50	1.00	1.00	1.00	4.00
			<ul style="list-style-type: none"> The national coordination and policy implementation capacity strengthened 	"	"	0.50	1.00	0.50	0.50	0.50	3.00
			<ul style="list-style-type: none"> Blood safety assured 	"	"	1.00	1.00	1.00	1.00	1.00	5.00
			<ul style="list-style-type: none"> Effective universal precaution measures introduced in all facilities 	"	"	0.20	0.20	0.20	0.20	0.20	1.00
Total Health Development Budget						14.94	40.65	24.78	20.24	16.88	118.49

5.4.2 AIDS and HIV

Situation Analysis

The Somaliland National AIDS Commission (SOLNAC) is the body responsible for the national response to the HIV/AIDS epidemic in Somaliland. The commission was set up in 2005 by a presidential decree. It consists of 12 members appointed by the president. Members are drawn from the government, civil society organisations (CSOs), PLWHAs, religious and community leaders selected for their outstanding expertise and their commitment to the HIV & AIDS struggle. To achieve its mission, SOLNAC develops objectives and strategies that largely target joint action with key stakeholders to promote consensus and shared perspectives while setting policies, standards, and guidelines for a harmonized and effective national response against HIV/AIDS.

There are two available indicators that can serve as measurement tools for progress made towards the MDG goal of combating HIV/AIDS: the ratio of the school attendance of orphans to the school attendance of non-orphans, and the percentage of the adult population who have comprehensive HIV/AIDS knowledge. The average incidence of HIV infections in Somaliland is estimated at 1.3%. The average is higher at border entry points, such as Berbera port, and crossing points on the boundaries with neighboring countries—for example, Tog Wajaale on the border with Ethiopia and Lawya Ado on the border with Djibuti. Access to quality HIV treatment care is very limited or non-existent in most parts of Somaliland. Because of the stigma attached to the disease, individuals infected with HIV/AIDS usually run away from their homes and travel to other parts of the country. These people face discrimination against them by the Somaliland society.

Somaliland has already achieved the ratio of orphan to non-orphan primary school attendance of 1, which means that there is no school attendance difference between the two categories of children. However, Somaliland has made minimal—if not zero—progress in disseminating comprehensive HIV/AIDS knowledge. The major reason for this slow progress is lack of awareness, a shortcoming whose root causes are a fatalistic attitude in the culture at large and low educational levels. A plausible mechanism to overcome these twin hurdles is awareness raising efforts employing local context-based methods, such as religious sermons and Somali literature.

Fatalism is a characteristic feature of rural (in contrast to urban) populations, whether nomadic or sedentary, and it is coupled with—and partially caused by—low educational levels; in these communities, even religious preachers, the source of traditional education and moral guidance for hundreds of years, are a scarce commodity. Therefore, mobile awareness-raising teams could be dispatched to rural communities in remote areas and to disadvantaged segments of urban society. This kind of commitment (on the part of the GoSL and international donors) is absolutely necessary for another reason: The rural population produces more than 90% of the Somaliland households' food and income. This means that the combination of low health

coverage and inadequate education can cripple the economy by contributing to the chronic food scarcity and hence derail poverty reduction efforts.

Challenges and Opportunities

The challenges facing the HIV/AIDS Commission are many as demonstrated below:

- Lack of awareness among large segments of the population about the spread of HIV/AIDS.
- The existence of a strong stigma attached to people infected with AIDS
- The practice of discrimination against people infected with HIV/AIDS.
- Lack of preventive mechanisms
- Lack of access to quality treatment
- Weak public infrastructure and curative protocols for dealing with HIV infections
- Prevalence of high-risk behaviours among the population
- Scarcity of Anti Retroviral Therapy (ART) centres across Somaliland (there is only one in the entire country)
- Absence of Voluntary Counselling and Testing (VCT) centres
- The limited capacity of the Somaliland AIDS Commission
- Inadequate HIV/AIDS surveillance and reporting systems

Priorities and Strategies

These should include the following:

- Improving coordination among HIV response partners led by Somaliland government leadership in accordance with the principle of the Three Ones:
 - **One** agreed HIV/AIDS Action Framework that provides the basis for coordinating the work of all partners
 - **One** National AIDS Coordinating Authority, with a broad based multi-sector mandate.
 - **One** agreed country level Monitoring and Evaluation System
- Raising public awareness about high-risk behaviours
- Expanding ART services
- Expanding of VCT services
- Taking blood safety-assured, universal precautionary measure
- Strengthening evidence-informed strategic planning, management, and monitoring and evaluation of a Multi-Sectoral AIDS response
- Ensuring that the 1.3% HIV incidence rates do not rise but falls.

Policy, Legal, and Institutional Reforms

An enabling policy and legal environment comprising the following will be created:

- The Somaliland National Aids Commission (SOLNAC) will hold regular monthly meetings/workshops with key local stakeholders--including district and community level partners where capacities allow.
- SOLNAC will also develop and institute policies and/or laws supporting HIV response activities in a participatory manner.

Programs and Projects

As regards programs and projects during the five-year NDP period, the GoSL will:

- Scale up and adopt HIV/STI prevention efforts to increase service utilization by Somaliland's people towards the achievement of Universal Access targets, with a particular focus on most-at-risk populations, such as women, young people, and internally displaced groups.
- Increase access to quality HIV treatment care and support in Somaliland by 2014 and achieve at least 15% ART coverage for people eligible for treatment by 2014.
- Enhance reduction of stigma and discrimination against HIV/AIDs affected people
- Enhance mainstreaming of HIV activities into the Somaliland emergency medical services system

5.4.2 HIV/AIDS Budget and Implementation Matrix

Goal		To halt and reverse the spread of HIV in Somaliland by 2015 and make progress towards the agreed Universal Access targets in integrated prevention treatment care and support by all Somalilanders by 2015									
Strategic Objectives		To scale up and adapt HIV/STI prevention efforts to increase service utilization by Somaliland people towards the achievement of Universal Access targets with a particular focus on most at risk populations women and young people and internally displaced people									
		To increase access to quality HIV treatment care and support in Somaliland by 2014 and achieve at least 15% ART coverage for people eligible for treatment by 2014									
		To improve coordination among HIV response partners in accordance with the principle of the Three Ones with strengthened Somaliland leadership reinforcement of an enabling environment; and enhanced mainstreaming of HIV activities into emergency humanitarian and recovery and development plans									
No.	Programs	Objectives	Project Outputs /Outcomes	Source of fund	Implementer	Required budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Human Resources			Donor and Somaliland Government	Somaliland National HIV/AIDS Commission (SOLNAC)	0.21	0.31	0.46	0.36	0.25	1.59
2	Infrastructure (HQ Building, Regional Offices, Furniture and other Equipments)			"	"	0.37	0.24	0.24	0.13	0.17	1.15
3	Transport			"	"	0.20	0.00	0.00	0.10	0.07	0.37
4	Planning and Administration			"	"	0.18	0.2	-	-	-	0.38
5	Monitoring and Evaluation			"	"	0.20	0.20	0.2	0.2	0.1	0.9
6	Overheads			"	"	0.10	0.10	0.10	0.10	0.10	0.5
7	SDA 1.1 - BCC: Community Outreach and Schools			"	"	0.10	0.10	0.20	0.30	0.10	0.80
8	SDA 1.2 - BCC: Mass Media			"	"	0.08	0.10	0.08	0.07	0.10	0.42
9	SDA 1.3 - HIV Counseling and Testing			"	"	0.06	0.18	0.19	0.16	0.19	0.79
10	SDA 1.4 - STI Diagnosis and Treatment			"	"	0.40	0.13	0.16	0.15	0.17	1.00
11	SDA 1.5 - Prevention of Mother To Child Transmission (PMTCT)			"	"	0.08	0.06	0.06	0.06	0.05	0.30
12	SDA 1.6 - Private Sector Engagement			"	"	0.03	0.03	0.03	0.03	0.03	0.17
13	SDA 1.7 - Condom Programming			"	"	0.03	0.06	0.07	0.07	0.09	0.33
14	SDA 1.8 - Blood Safety and Universal Precautions			"	"	0.24	0.21	0.25	0.19	0.22	1.10
15	SDA 2.1 - ART and monitoring			"	"	0.20	0.18	0.22	0.23	0.28	1.10
16	SDA 2.2 - TB-HIV Co-infection			"	"	0.02	0.03	0.09	0.05	0.05	0.23
17	SDA 2.3 - Prophylaxis and Treatment of Opportunistic Infections			"	"	0.16	0.13	0.16	0.15	0.17	0.77
18	SDA 2.4 - Care and Support for the Chronically Ill			"	"	0.08	0.12	0.17	0.20	0.18	0.76
19	SDA 2.5 - Support for Orphans and Vulnerable Children.			"	"	0.04	0.05	0.07	0.05	0.07	0.27
20	SDA 3.1 - Strengthening of civil society and institutional capacity building			"	"	0.20	0.32	0.22	0.10	0.05	0.89
21	SDA 3.2 - Policy development including workplace policy			"	"	0.05	0.04	0.05	0.05	0.05	0.23
22	SDA 3.3 - HSS: Leadership and governance			"	"	0.06	0.09	0.08	0.06	0.09	0.38
23	SDA 3.4 - Stigma Reduction in all Settings			"	"	0.38	0.14	0.14	0.11	0.11	0.88
24	SDA 4.1 - HSS: Information System			"	"	0.10	0.20	0.20	-	-	1.34
Total HIV/AIDS Prevention Budget						3.75	3.22	3.44	2.92	2.69	15.84

5.4.3 Education Sector

Situation Analysis

History and Development: The development of education in Somaliland, as elsewhere in Africa, can be traced back to pre colonial traditional education. Prior to the colonial era, Koranic schools provided traditional Islamic education which developed into theology, Arabic grammar, Arabic literature and Sharia Law. Arabic was the medium of instruction in these schools. The Koranic school still forms an important component of community education and culture in Somaliland. The colonial era of the late 19th century introduced the western-style of education. The first primary school was opened in Berbera in 1938. Colonial education was designed and pragmatically implemented for the administrative and low-level technical needs of the then British administration. Since the Somali language had no written form until the 1970s, English served as the language of government and education. On the eve of independence in 1960, although there were several schools established, education was largely limited to primary level and was beyond the reach of the majority of people.

Educational opportunities expanded from 1960 to 1980. The introduction of the Somali script, which adopted the Roman alphabet, in 1971, stimulated the development of education. The then socialist government's decision to use the Latin script for the writing of the Somali language, coupled with mass literacy campaign in mid-1970s as a move to facilitate learning and create a literate society, changed education fundamentally. It both stimulated the demand for education and increased school participation. Consequently, between the mid 1970s and early 1980s, the country experienced sharp increases in the literacy rate, and enhanced primary school enrolment. From the mid 1980s, even before the outbreak of the civil war educational development deteriorated, enrolment shrank and literacy fell dramatically. By 1991, there were just 46 primary schools. Since then, education has expanded quickly. In the academic year 1995/6, there were 159 primary schools, and only 3 secondary schools with total enrolment of just 8,667 and 329 students respectively. The Gender Parity Index was only 0.4 for primary education and 0.2 for secondary schools. This means that there were only four girls for every six boys in primary schools and just two girls for every eight boys in secondary schools. (see Table 2.5.4.1).

Table 5.4.5: Primary and secondary education enrolment 1995/6

	Schools	Enrolment			Gender Parity Index=Female/male	Teachers
		Male	Female	Total		
Primary	159	6,170	2,497	8,667	0.4	933
Secondary	3	278	51	329	0.2	29

Those figures have changed dramatically in the following years and by the year 2008/9, there were 627 primary schools and 68 secondary schools. Primary school enrolment shot up to

170,930, while secondary school enrolment rose to 20,460 (see Table 5.5.3.2). There was also a remarkable improvement in the gender equality. By then the Gender Parity Index (GPI) rose to 0.6 in primary education and 0.4 in secondary schools.

Table 5.4.6: Primary and secondary education enrolment 2008/9

	Schools	Enrolment			Gender Parity Index= Female/male	Teachers
		Male	Female	Total		
Primary	627	108,322	62,608	170,930	0.6	4,969
Secondary	68	14,843	5,646	20,460	0.4	546

Somaliland in figures 2011

Growth in tertiary education was equally remarkable. The first university, Amoud University, was launched in 1998. By 2011, the number of higher education institutions registered with the Ministry of Education reached 16, with a total student population of about 15,000. Every one of the original six regions has at least one university.

Structure and language: The educational system in Somaliland can be divided into Non-formal and formal. Quranic schools form the main component of Non-formal education. They function as early child development (ECD) centres for children normally in the 3-7 age brackets. The formal educational system of Somaliland comprises eight years of primary education (four years of lower primary and four years of upper primary) and four years of secondary education. University education normally takes four years to complete. Thus, it is a 2-4-4-4 system. The Somaliland Ministry of Education also recognizes non-mainstream adult and vocational education provided mostly by the private and not for profit sectors (NGOs) as integral parts of the education system. Currently the Somali language is the official medium of instruction for primary schools (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 main medium of instruction.

Challenges and Opportunities

The main challenges facing the sector are:

- Low net enrolment ratio in primary education
- Low proportion of pupils completing primary education
- Low literacy rates
- Low ratio of girls to boys attending primary and secondary schools
- Limited classrooms facilities
- Lack of special education provisions
- Limited vocational and adult education facilities
- Insufficient qualified teachers
- Low teacher remuneration
- Lack of specialized teacher training institutions

- Lack of adequate management, planning , supervision, and curriculum development capacity
- Lack of adequate financial resources

Primary Education Net Enrollment Ratio

The net enrolment ratio (NER) is the percentage of the primary school-age children who are enrolled at primary schools out of the total primary school age children (6-13 years old in the case of Somaliland). The net enrolment ratio increased from 23% in 1999 to 40% in 2006, a trend which shows an average annual increase of 2.4%. Using the 1999 NER of 23% as a baseline and the average annual increase as the rate of change, we can see that the trend analysis yielded a NER of only 49% in 2010, which means that approximately 443,000 primary school-age children were not attending school at the time. This fact is sufficient for analysts to conclude that Somaliland lags far behind the expected NER of 75% for 2010, which would be a prerequisite for achieving the MDG target of 100% by 2015. In addition to lack of sufficient schools, a main cause of the low primary school enrolment is that the existing school system is not suitable to the roaming lifestyle of the nomads, which make 60% of the Somaliland population. Therefore, introducing mobile and boarding schools for nomads could boost the school enrolment. In the urban areas, distance between home and school and the cost of education constitute other barriers.

Proportion of 1st graders reaching the 5th grade

In 1996, only 50 percent of Grade 1 primary school enrolled students completed grade 4. Three years later in 1999, the proportion increased to 60%. Somaliland is expected to achieve this target of promoting all primary 1st grade enrolled students to the 5th grade by 2011, if the trend remains constant.

Literacy rate of 15-24 year-olds, women and men

The literacy rate of the population aged 15-24 years and above was only 26.9% in 1999, which means that there were about 508,000 illiterate persons in that age group in Somaliland. This high illiteracy rate is a major to obstacle to achieving national MDG goals. Female literacy was half that of males, which proved the existence of gender disparity in Somaliland. Unfortunately, there is no data for later years to compare with these 1999 figures to assess progress towards MDG targets.

Ratio of girls to boys in primary, secondary, and tertiary education

The Gender Parity Index (GPI), which is the ratio of female to male primary and secondary net attendance ratios, is used to measure gender disparity. The Somaliland GPI was 0.6 in 2008/9, which means that 60 female students were enrolled alongside every 100 male students in 2008/9. Somaliland was supposed to achieve a GPI of 0.9 by 2010, which it missed. It is obvious that Somaliland will find it hard to eliminate gender disparity by 2015.

The most difficult challenge facing the gender disparity elimination initiatives in Somaliland is culture, ignorance and economics. There is still the belief among some people that a girl's place is at home not in school. But an important factor is economics. Education is not cheap in Somaliland. Many families are forced to send only some of their children to school, and in this case, it is mostly the boys who go and the girls who are left behind at home to help their mothers with the daily chores of the house.

Capacity

The number of primary schools, in particular, has increased dramatically over the years, but it is still well short of the numbers required, which is a major cause of concern for education officials. Because of resource constraints, the Ministry of Education is incapable of meeting the rising demand for education. There is strong commitment to the development of education by international organisations, but that is still insufficient to fill the existing gap. The shortfall is not only in quantity but also in quality. The rapid expansion of school facilities has not been matched by qualitative improvement in education. The Ministry of education has now to face the task of reforming the education, and raising standards by training teachers, providing better text books, improving classroom environment, and developing a curricula consistent with the needs of the local economy.

Shortage of funds aside, skills in general management, strategic planning, supervision, curriculum design and development, leadership and financial management, etc are lacking. Hence, there is an urgent need for an efficient organizational structure capable of providing well trained teachers, quality management and appropriate curricula.

The quality of education in both private and public schools leaves much to be desired, mainly as a result of a shortage of qualified teachers and low remuneration. Non-formal education is at an even greater disadvantage in terms of available resources. **Adult literacy, family life education, and mobile schools for the nomadic population** hardly receive any support worth mentioning from the Government.

Technical Vocational Education Training (TVET) is also very much underdeveloped. There is a lack of qualified TVET professional personnel, teachers, and support staff, a situation which has implications for the quality of instruction, supervision, and coordination of all TVET units. Moreover, currently there is **no specialized national polytechnic to train TVET professionals and teachers**. Equally important, proper coordination and collaboration does not exist among the TVET centres run by the government, INGOs, and the private sector. In most cases, TVET programs offered by private providers are inadequate and rarely lead to recognized qualification. The Ministry of Education, as of now, lacks proper mechanisms to monitor and evaluate TVET programs in the country.

Priorities and Strategies

During the plan period, the Ministry of Education will:

- Upgrade policies, rules and legal framework
- Develop institutional capacity
- Initiate teacher training college programs
- Introduce a new school inspection program that is holistic, i.e. covers all aspects of school and student achievements
- Design structured and continuous professional development courses for practicing teachers
- Provide incentives such as feeding centres to increase access and tackle retention problems
- Increase primary and secondary school enrolment rates
- Strengthen the human resource capacity of the TVET Department at MoE Headquarters
- Divide the TVET Department into 2 units--one for technical training and the other for vocational teacher training, and provide adequate staff to both units
- Strengthen Government-owned TVET institutions and provide policy guidelines for privately run TVET centers
- Strengthen the capacity of the Non Formal Education (NFE) Department at both the MoE headquarters and the regional level
- Integrate life skills and health education into formal and non-formal education curriculum
- Initiate gender mainstreaming policies at all levels of education and training. This could include:
 - Girls' education awareness campaign, advocacy, and legislation at Government level;
 - Creation of an enabling learning environment in schools;
 - Professional development courses for practicing teachers relating to the promotion of the girls' education;
 - Affirmative action/scholarships for girls;
 - Recruitments of more female teachers and more training programs for those who are already working
- Strengthen the oversight authority of the Ministry of Education over private schools, colleges, and universities through the exercise of its accreditation powers.
- Strengthen research and development

Policy, Legal, and Institutional Reform

The institutional and policy reforms to be undertaken in the course of the National Development plan will aim at;

- Transforming the management and planning of education
- Improving the quality and relevance of national curriculum
- Raising standards in primary and secondary education
- Striking the right balance between general and vocational education

- Regulating private education
- Establishing free primary education
- Strengthening non formal education
- Ensuring quality, relevance and access in tertiary education
- Achieving millennium development goals

Projects and Programs

The Ministry of Education is engaged in many programs and projects, which include:

- Building the capacity of MOE&HE
- Hiring and training more teachers
- Build new schools and expand existing ones
- Improve and expand special needs education
- Develop mobile and boarding schools for pastoralist groups
- Build curriculum development centre
- Improve language, science and IT
- Improving access, quality, and gender equity in primary education
- Improving access to secondary and higher education through investments in infrastructure
- Enhancing the relevance and quality of education by developing improved curricula
- Raise the standard of higher education and introduce an accreditation system which establishes minimum standards
- Expanding vocational training for youth and adults
- Initiating programs that target adult literacy and providing non-formal education for out-of-school children
- Upgrading the Ministry of Education to enhance its management capacity.

5.4.3(a) Primary and Secondary Education Sector Budget and Implementation Matrix

No.	Programs	Objectives	Project output/ outcomes	Source of Funds	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
	Goal	To Improve relevance and quality of Education									
	Strategic Objective	To build up the capacity of MoE&HE, at all level s									
		To provide Training and professional Skills to Teachers and Administrators									
		To review the curriculum of both primary and secondary and build a curriculum development centre									
		To construct new Schools, Extend and rehabilitate of the existing									
		To construct two Teacher Training Institutes (One in the West and One in the East)									
		To improve and Expend Woman Education up to District Level									
		To improve and Expand Special need Education and education for pastoralist groups									
		To Construct additional offices at the Central of the MoE&HE									
1	Capacity Building for Ministry of Education (MoE)	To provide Training, furniture and office equipments and server for IT development	• Training provided, equipments, furniture and server supplied	EU	MoE & HE	0.58	0.58	0.58	-	-	-
2	Additional Classes to be constructed within the existing schools is Top priority and immediate need, to answer Free Primary Education announced by the Government	800 Classes to be constructed within the existing schools, to prepare Learning space for the great increase of the enrollment , we were expecting on August 2011	Completion of the Construct of those classes	Donors and Somaliland Government	"	1.2	-	-	-	-	1.73
3	Training the new 800 teachers, we were expecting to join teaching staff on August 2011	To Improve their academic and Professional skills	Improved them academically and Professionally	"	"	0.2	0.2	0.2	0.2	0.2	1.2
4	Construction of 100 new primary schools	To give learning space for incoming school children	• 100 New primary schools constructed	"	"	2.00	2.00	2.00	2.00	2.00	10.00
5	Construction of 50 secondary schools	To give space to students from primary schools	• 50 new schools constructed	"	"	1.00	1.00	1.00	1.00	1.00	5.00
6	Construction of 10 technical schools	To give vocational skills to secondary schools	• 10 vocational schools	"	"	0.8	0.8	0.8	0.8	0.8	4.00
7	Construction of 15 new family life education centers	To Expand and improve women Education	• 15 new family life education centers constructed	"	"	0.06	0.06	0.06	0.06	0.06	0.30
8	Construction of 5 new centers for Special need Education	To improve and expand special need education	• 5 new special need education centers constructed	"	"	0.04	0.04	0.04	-	-	0.12
9	Construction of 10 boarding schools in nomadic and remote coastal areas	To build boarding schools in nomadic and remote coastal areas to allow children complete their education and reduce drop-outs	• 10 boarding intermediate and secondary schools constructed in nomadic and remote coastal areas	"	"	0.5	0.5	0.5	0.5	0.5	2.50
10	Construction of 12 offices within the MoE/HE	To provide enough space for the departments	• 12 administrative offices constructed within the MoE/HE	"	"	0.05	0.05	-	-	-	0.10
11	Construction of 5 Regional Education Offices (REOs) Offices and 10 District Education Offices (DEOs) Offices	To strengthen the regions education administration	• 15 REOs and DEOs built	"	"	0.08	0.08	0.080	0.08	0.08	0.40
12	Construction of curriculum Development Centre	To expand the National Curriculum center	• The National Curriculum center expanded	"	"	0.05	0.05	-	-	-	0.10
Total Primary and Secondary Education Development Budget						6.56	5.36	5.26	4.64	4.64	26.46

5.4.3(b) Higher Education Sector Budget and Implementation Matrix

No.	Programs	Objectives	Project output/ outcomes	Source of Funds	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
	Goal	To Improve relevance and quality of Higher Education, and rearrangement of the Universities, Harmonization of the Curriculum of their faculties and to Provide the Learners quality marketable Education									
	Strategic Objective	To build up the capacity of Dept. of Higher Education and to provide training									
		To review and develop Somaliland Education Policy									
		To Establish Research and development council									
		Somaliland Commission for Higher Education									
		To expertise semi-annual National Consultations									
		To persist quality Assurance, Accreditation, License, Assessment, Study Tours and Auditing of the HEIs									
		To get Transport for Higher Education									
1	Capacity Building for Higher Education (HE) sub-sector	To build the capacity of HE sub sector for improved service delivery	<ul style="list-style-type: none"> The Head Quarter (HQ) Building of HE built in Hargeisa and provided with furniture and equipments Training provided to staff 	Donors and Somaliland Government	HE Department of Ministry of Education (MoE)	0.206	0.20	0.30	0.20	0.20	1.11
3	Research and ODL	To undertake Research &ODL	<ul style="list-style-type: none"> Research and ODL undertaken 	"	"	0.10	0.10	0.304	0.110	0.10	0.71
4	International scholarships	To provide scholarship to junior lecturers and outstanding students	<ul style="list-style-type: none"> 20 Scholarships/year offered to junior lecturers and outstanding students 	"	"	0.22	0.44	0.66	0.88	0.88	3.08
5	Commission for HE	To construct the building of the Commission for HE, train its staff and hire consultants for the commission	<ul style="list-style-type: none"> HQ of Commission for HE built Staff trained Advisory consultants hired 	"	"	0.28	0.20	0.20	0.20	0.15	1.03
6	Teacher training	To produce qualified teachers	1 teacher training college	"		0.05	1.00	0.50	0.25	0.2	2.00
7	Student Scholarships	To give the opportunity to go to school to bright students from poor background	50 scholarships per year			0.075	0.15	0.225	0.30	0.30	1.05
8	Research bursaries	To carry out quality research	10 research grants per year	"		0.10	0.20	0.30	0.40	0.40	1.40
Total Higher Education Budget						1.231	2.49	2.689	2.44	2.43	11.28

5.4.4 Labor and Social Affairs Sector

Situation Analysis

Labour Force and Employment

Somaliland has a population estimated at 3.5 million. The cohort between 15 and 64 years old, regarded as the working age group constitutes 56.4% of the total population according to the World Bank survey in 2002. This is equivalent to a working population of 1.6 million people.

Total employment (comprising self employment, paid employment) among the economically active population is estimated as 38.5% for urban, 59.3% for rural and nomadic. The weighted average national employment rate is estimated at 52.6%. Therefore, unemployment rates amount to 61.5% in urban areas, 40.7% in rural areas, and 47.4% for the whole country. Unemployment among the youth which stands at 75% is much higher than the national average. Even young university graduates are joining the unemployment ranks with little job prospects. These unemployment figures are only indicative, as they do not take into account the extent of under-employment, seasonal unemployment etc. In terms of sectoral distribution of employment; agriculture (including: fishing, forestry, farming and livestock) accounts for 67%, industry (including construction and utilities) 12% and services 21%.

The government of Somaliland is the biggest employer in the country. It employs 9,183 staff in civil service positions. The figure does not include security forces and employees of local authorities. They work for 23 ministries and 19 independent agents and commissions. The ministry of education accounts for 35% of government's civilian employees. The Ministry of Health employs 21%. Another 8% work for the Ministry of Finance. Women make up between 20-30% of the government's civilian work force. They are even less represented in the top hierarchy of the civil service: All general directors are men, and only 13 out of 285 department directors are women.

Civil servants work mainly in urban areas, particularly in the capital. A relatively small proportion of public employees are stationed in rural areas. The current government is committed to civil service reform. It has set up a cabinet committee for the task. The purpose of the reform is to ensure that the civil service force is right sized, competent and motivated. The civil service commission has already carried on site verification audit in ministries to ensure that there are no ghost employees claiming salaries. The commission also carried competence exams in several ministries to identify those who need training to upgrade their skill levels.

Social Welfare

Somaliland ranks among the poorest countries and, hence, has a large number of socially and economically vulnerable population clusters. Among the most disadvantaged groups are the large numbers of orphans – estimated to about 11 percent of all children, most of whom are affected economically, socially and psychologically. The problems this group faces include lack of access to income-earning opportunities, malnutrition, very limited access to education and health care, lack of legal support and protection, child labour and homelessness. Another vulnerable group which includes orphans are the street children, which are quite visible in the streets of Hargeisa. Current estimates claim there to be about 3,000 children, most of them boys between five and 18, living on Hargeisa's streets. Lacking families and home environment many of these children cling to gangs as a source of fraternity and stability. Internally displaced people who are mostly destitute from rural areas who lost their flocks to drought constitute another vulnerable category.

There is no government run social welfare system in place to help these groups, but Somali communities have traditionally shown a great deal of generosity and have cared for the poor through use of religious, community and clan-based coping strategies and systems. However, with increasing urban population, and urban poor these coping mechanisms have been overwhelmed. What is needed is a national system to which the government, the private sector, the community and the Diaspora contribute, and which targets the most needy for assistance in ways that will help them achieve eventually financial independence.

Challenges and Opportunities

The Ministry of labour and social affairs aims, with regard to labour, to maximize labour-force participation, achieve full employment, promote vocational training, maintain sound labour relations and regulate occupational safety. With regard to welfare, it aims to provide services that promote the personal and socio-economic well-being of the vulnerable and the disadvantaged within society including the very poor, disabled and handicapped people, the mentally ill, victims of violence, addicts, the homeless, abandoned and orphaned children, elderly people without family support and troubled youth that need rehabilitation among others.

The ministry, however, faces many challenges in achieving its aims including:

- Lack of technical and managerial capacity
- Limited financial and physical resources
- Lack of labour market information
- Dysfunctional labour market
- Unskilled or poorly trained workforce
- Limited employment opportunities

- Informal economy that is hard to regulate
- Poor work culture and socially acceptable dependence on others
- Lack of employment policy and strategy
- Economically and socially crippling widespread Qat addiction
- Lack of appropriate social and welfare policies
- Lack of policies for the protection of vulnerable community groups
- Absence of government pension and social security systems
- Lack of coordination among community based welfare schemes
- Social and cultural stigma that prevents some vulnerable groups to come out and seek help
- Lack of clear demarcation between the mandates of government institutions such as Ministry of Labour And Social Affairs (MoLSA) and the Civil Service Commission over labour issues
- Social, economic and political marginalization of women
- Poor social services such as health

Priorities and Strategies

In light of the challenges faced, the priorities for the NDP period will encompass:

- Strengthening the service delivery capacity of MoLSA through skilled personnel provision and infrastructural development
- Development of a national manpower plan
- Formulation of appropriate manpower policies and programs
- Introduction and implementation of occupational health and safety regulations
- Promotion of good employment practices
- Establishing credible and sustainable Labour Market Information System that will provide regular, accurate and time series data on employment
- Investing in youth development and reducing youth unemployment
- Provision of labour market information to job seekers and employers, and providing counselling services to job seekers
- Encouraging the establishment of independent workers and employers associations; strengthening the capacity of labour associations and trade unions; and promoting social dialogue
- Eliminating gender inequalities/disparities in employment and Gender-Based Violence (GBV);
- Mainstreaming women empowerment in all sectors of development; and promoting women's equal access to participation and decision making in social, economic and political life of the nation

- Setting up social protection systems and establishing family centres in order to promote family cohesions,
- Creating income generation schemes for vulnerable groups for social protection and economic empowerment
- Establishing national child protection systems; preventing and protecting children from all kinds of harm, violence, abuse and exploitation; and providing children with the welfare and social services they require and deserve
- Strengthening collaboration with international and national development partners and civil society organizations for promoting social development in the country

Policy, Legal, and Institutional Reform

The government of Somaliland has formulated and enacted some key policies and laws for promoting social and economic development in the country. The most notable ones are:

- Foreign Investment Law (1995)
- The Companies Law of Somaliland (2004)
- The Labour/Employment Law (essentially Private Sector Employees Law) (2004) - amended 2008
- National Gender Policy (2008) - the cabinet approved this policy in late 2008, but discussion about it in the parliament (House of Representatives) and the Guurti (House of Elders) is still pending

On the other hand, there exist the need to develop further policies and laws that are required for further promote social development and protect citizen's rights. These include:

- National Youth Policy (approved by cabinet 2011)
- Public Sector Employees Law
- Family Law - since August 2010 MoLSA has set up a project to review the need for and pursue the development of the law
- Social security law
- Pension law
- Disabilities law
- Somaliland Bill of Rights

Projects and Programs

In line with its national priorities, the government of Somaliland is committed to the accomplishment of the following projects and programs in the course of the current NDP period:

- Building the Capacity of MoLSA by:
 - Rebuilding the Ministry's head office
 - Establishing five regional offices
 - Establishing a monitoring and Evaluation Unit
 - Training staff
- Promoting Youth Development and Employment
- Developing social protection policies and programs
- Implementing the National Gender Policy and National Labour/Employment Law
- Developing a national employment policy and a strategic plan
- Establishing a Labour Market Information System
- Establishing job counselling Centres
- Enhancing child protection and welfare
- Strengthening collaboration, coordination with partners

5.4.4 (a) Labour and Employment Sector Budget and Implementation Matrix

Goal		To contribute to poverty alleviation through decent work with the focus on the youth									
	Strategic objectives	To increase employment creation for poverty alleviation									
		To strengthen the capacity for the tripartite system labour administration and governance									
		To promote conducive legal and regulatory frame work for enterprise development with a special focus on start ups									
		To develop new legislations and regulatory labour laws that will improve industrial peace and harmony at workplace									
No.	Programmes	Objectives	Project outputs/outcomes	Source of funds	Implementer	Required Budget (USD million)					
						2012	2013	2014	2015	2016	Total
1	Youth Employment	To reduce youth unemployment through skill training job placement	• 1000 young people trained and placed	Donors and Somaliland Government (SLG)	Ministry of Labor and Social Affairs (MoLSA)	0.15	0.15	0.15	0.15	0.15	0.75
2		To reduce youth unemployment through the provision of seed capital	• 500 young people helped to start their own businesses			0.05	1.10	0.1	0.1	0.1	1.45
2	Policy development	To develop laws, polices and standards for the labour administration	• Consultants hired to develop policies and legal frameworks	"	"	0.10	0.10	-	-	-	0.2
3	Labour Market Information System	To establish credible and sustainable Labour Market Information System that will provide regular, accurate and time series data on employment	• LMIS established	"	"	0.06	0.20	0.02	0.03	0.03	0.34
4	Establish five regional offices and HQ rehabilitation	To build five new regional offices and rehabilitated Ministry's HQ	• 5 Regional offices built and Ministry's HQ rehabilitated	"	"	0.17	0.09	0.04	0.03	0.02	0.35
5	Establishment of job Centres	To provide labour market information to job seekers and employers through labour exchange, and provide counselling services to the job seekers	• 10 Job centres established, and website and job bulletin developed	"	"	0.12	0.12	0.12	0.12	0.12	0.60
6	Establishment and strengthening Tripartite System and Social Dialogue	To establish independent workers and employers associations; strengthen the capacity of labour associations and trade unions; and promote social dialogue	• Labour associations established and strengthened, and social dialogue promoted	"	"	0.05	0.15	0.10	0.07	0.03	0.4
Total Labour Development Budget						0.7	1.91	0.53	0.5	0.45	4.09

5.4.4 (b) Social Affairs Sector Budget and Implementation Matrix

Goal		Promote Social, economic and political rights of the marginalized groups									
Strategic objectives		To promote socio economic and political rights of the marginalized groups									
		To reduce the dependency of the individuals and families									
		To eliminate social inequalities in access to control of, and benefit from resources and services									
		To promote equal access to all social aspects									
		To reduce the poverty of the vulnerable groups									
No.	Programmes	Objectives	Project outputs/outcomes	Source of funds	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Implementation of national Gender policy	To eliminate gender inequalities; mainstream women empowerment in all sectors of development; and promote women's' equal access to participation and decision making in social, economic and political life of the nation	<ul style="list-style-type: none"> National Gender Policy fully implemented and women enjoyed equal access to every aspect of the life 	Donors and SLG	MoLSA	0.25	0.20	0.30	0.20	0.10	1.05
2	Social protection programs , systems, legislations and policies	To set up social protection systems, establish family centres in order to promote family cohesions, and create income generation for vulnerable groups for social protection and economic empowerment	<ul style="list-style-type: none"> Social protection system established, legislations and policies adopted and implemented; and economic status of the vulnerable people improved 	"	"	0.15	0.20	0.30	0.25	0.20	1.10
3	Child protection and welfare	To establish national child protections systems; prevent/ protect children from any kind of harm, violence, abuse and exploitation, and provide the children the welfare and services they need	<ul style="list-style-type: none"> Child protection systems, legislations and policies established; and children protected from harm, violence, abuse and exploitation Needed services provided 	"	"	0.20	0.35	0.40	0.30	0.30	1.55
4	Develop methods and strategies for coordination, collaboration and partnership agreements with local and INGOs on community outreach programs	To strengthen collaboration with INGOs.	<ul style="list-style-type: none"> Collaboration with INGOs strengthened 	"	"	0.05	0.05	0.10	0.05	-	0.25
5	Building the Capacity of the Ministry	To enhance the capacity of Ministry of Labour and Social Affairs for better service delivery	<ul style="list-style-type: none"> The capacity of MoLSA improved 	Donors and SLG	MoLSA	0.06	0.25	0.01	-	-	0.33
6	Needs Assessments to the Ministry's functions, structures , efficiency and effectiveness	To conduct needs assessment to for the Ministry	<ul style="list-style-type: none"> Needs assessments conducted 	"	"	0.06	-	-	-	-	0.06
7	Monitoring and Evaluation	To develop Monitoring and evaluation systems, and establish M &E unit within the Ministry	<ul style="list-style-type: none"> M &E unit established and M &E systems developed 	"	"	0.04	-	-	-	-	0.04
Total Social Development Budget						081	1.05	1.11	0.80	0.60	4.37

5.4.5 Youth, Sports, and Cultural Sector

Situation Analysis

There are no official national statistics regarding the current youth population in Somaliland. However, there are estimates that young people below the age of 30 constitute about 65–70 percent of the population, which is approximately 3.5 million. These young people are the future of the country but they face many problems in realizing their potential and contributing to the development of the country. Some of these problems are traditional others are economical and social. Traditional attitudes which favor experience and older men in leadership often stand in the way of young people participating in the political process and decision making in a meaningful way. Lack of employment opportunities prevents them from putting their energies and creativity to good use and thereby fulfilling their ambitions. This leaves them with a sense of frustration and hopelessness that drives some of them to take desperate measures. Each year hundreds decide to try their luck against all odds to getting to the shores of Europe crossing continents, deserts and dangerous seas. Most of them do not make it, and many perish on the way. Others may join criminal gangs or extremist groups in search of a more meaningful life, or just take to Qat addiction to pass away time. Lack of sports and recreational facilities, cultural venues, and opportunities for voluntarism and work experience add to their feeling of alienation and desperation.

The situation of the youth in Somaliland is well described in a study carried out by the Somaliland National Youth Organization (SONYO), in partnership with Oxfam-Novib, in December 2010. The term “youth” in the study was defined to mean young people between the ages of 15 and 30. Altogether, 800 individuals were interviewed, distributed across the regions. The median age of the participants was 21. 51% of the survey sample came from urban areas, while rural communities accounted for 49%. The gender break down of the sample was 61% male, 39% female. This study covered both qualitative and quantitative variables about the challenges facing youth with regard to employment, education, health, HIV/AIDs, young girls/women situation, sports and recreation, political participation and information communication and technology. The Key findings of the study are summarized here below.

Education: Despite the expansion of formal as well as informal education in the last twenty years, there are still a large number of young people who cannot access education. 76.6% of the respondents reported to have attained some education, out of which 81% have attained primary school education. The findings show that 23.4% of the youth never attended a school. The main reason was economical. Most of them could not just afford to go to school. Those who were unable to attend school indicated that they worked instead. This could be because the majority of this group lived in rural areas. Of the group that never attended school, 83% were illiterate, but almost all of them indicated a willingness to go to adult education if they were given the opportunity. Other reasons for not attending school mentioned by the respondents, particularly those in rural areas, were that schools were situated in far away

locations and that they did not see any benefit in going to schools that far (contrary to the view held by urban youth).

Health: 88.4% of the surveyed youth indicated that they did not have major health problems. Among the respondents who indicated that they did have health care problems, rural residents accounted for only 30%. However, the availability of health care facilities in rural areas remains limited and is sometimes totally absent. In urban settings, despite the low quality, health care facilities are available. The fact that most of the people cannot afford medical care expenses adds to the inaccessibility of health services. This inaccessibility to health services results in deaths from treatable diseases such as pneumonia, typhoid and TB. The study found out that there was a gradual rise in the mortality rate of young people. 60% of respondents reported having witnessed the death of a kin or friend (between 15 to 25 years) as a result of respiratory system-related diseases or kidney failure. These are diseases most associated with Qat chewing and smoking [tobacco].

Perceptions about HIV/AIDS: 81% of the respondents said that HIV affects people regardless of their clan, sex, age, color and religion. In contrast, 17% of the respondents believed that HIV affects only non-Muslims. Asked whether HIV/AIDS was curable, 88% stated that the virus/syndrome could not be cured while 10% thought HIV/AIDS was curable. 2% did not know. Asked about preventive mechanisms of HIV/AIDS, 86% mentioned that being faithful was the only preventive mechanism. 12% stated that using condoms could prevent them from being infected. The majority of youth, 86%, affirmed that they have received some kind of information on HIV/AIDS. Only 10% admitted that they knew their status. Stigma and discrimination against people with HIV among the participants stood at 76%.

Female Genital Mutilation: 57% of the respondents supported the legal banning of the practice of FGM in the country. 35.3% of the respondents believed that FGM should be upheld and maintained as it was a Somali traditional norm. 62% of the respondents stated that FGM was still practiced. At the same time, 37% of the female respondents mentioned that FGM was an old tradition and custom which was out-of-date and should have been stopped. The majority of both male and female participants (76%) agreed that more education and awareness was necessary to reduce/eradicate the practice.

Female Sexual Violence: Only 4% of the female respondents stated that they had been victims of sexual violence. 96% of the female respondents revealed that they had not experienced any sexual violence throughout their lives. The 4% may not reflect the real picture, since most respondents, were reluctant to answer fully, given the stigma associated with involvement in sexual activities before marriage.

Employment and Livelihood: On the issue of employment, participants were asked if they had any type of employment, paid or unpaid. 75% indicated that they had none. This was in away to be expected, because youth between the ages of 15—22 could still be in school or university. In the Somali culture, young people who go to school are not normally expected to work. Only 25% of the youth stated that they had some employment. 43.1% of the employed group were

engaged in business, 40.6% were employed in the private sector, whereas 14.4% were employed in the public sector. Of those employed, 77% were confident that they had job security. As the business sector is the biggest employer of young people and is not yet well formalized and regulated, the youth who worked for this sector were not mostly satisfied with the remunerations they received for the work they did. 69.1% of the unemployed youth had been unemployed for more than 3 years, despite the fact that 53.2% of them had skills for different trades.

Housing: 60% of the youth interviewed responded that they owned or rented (though irregularly) the houses they lived in. 15% of those who owned houses stated that they inherited them. 37% of the respondents indicated they were living with their parents. As for the source of water, only 41.1% had piped water, while the rest (58.9%) were getting their water from kiosks, tankers, ponds, ground water reservoir (berkads), shallow wells and boreholes.

Sports and Recreation: The study indicated that 58% of the youth had access to football grounds but no other facilities. Asked how they spent most of their spare time, 17.2% play football, 15% chew Qat, 11.6% attend mosques, and 45.1% spend their time in other activities not specified. Only 1% indicated knowledge of a library in their neighbourhood.

Substance Use (Drugs): The study shows that 24% of youth chew Qat, of which 48.7% chew every day. In addition, 63.2% of the group of Qat consumers stated that they pay for the cost of the Qat they consumed, whereas 31.6% rely on friends to pay for the habit. When asked about what induced them to chew, 60.6% pointed fingers at their friends, while 16.6% said they started chewing as a matter of curiosity. 24.1% of respondents replied they smoked cigarettes. The majority (52.2%) smoke for pleasure, while 29.2% smoke to ease stress. The study found out that 98% of the respondents do not consume alcohol while 1.25% stated that they had consumed alcohol. 0.75% refused to respond to this question citing religious grounds.

Information and Communication Technology (ICT): 63.25% of the respondents stated that they knew about computers. Of this group, 98.8% viewed computers as very important. When asked if they could operate computers, only 53.8% replied they could. Furthermore, 58% of this group affirmed that they used computers in internet cafés, which implies they did not have computers in their homes or offices. 19.4% had computers in their homes and 9% used computers at their places of work. Asked whether they used internet or not, 86% stated they did, out of which 73% had access to internet at internet cafés.

Political Participation: With regards to youth views of national politics and elections in particular, 57.5% thought that young people were allowed to stand for election while 41.2% believed that youth were not allowed. Asked why they were not allowed, 53% of them believed that was due to legal obstacles. Therefore the majority of the 41.2% considered the age limitation to be the biggest challenge preventing youth from taking part in elections as candidates. Culture was mentioned as another problem facing youth. When asked if males had greater chance to be elected than their female counterparts, 73.8% believe that that was the case.

A number of NGOs are providing skills-oriented training programs to the youth. EDC, USAID funded, Shaqadoon employment program which targets out of school youth aged 15-24 is one of them. While useful, these initiatives are neither wide enough nor deep enough to make significant difference in reducing the ranks of the unemployed youth.

The Ministry of Youth, Sports and Culture is responsible for the overall development of youth in Somaliland. Its aim is to empower them, build their confidence, develop their physical and artistic talents, and provide sports and cultural facilities in a safe environment. To that effect, it holds an annual football tournament, and 21 Km athletics cross-country run competition twice a year in Hargeisa. The Ministry also holds some athletics tournaments on important occasions such as the Aids Day, Women's Day, Youth Day and Children's Day. There are 12 Division-A teams in Hargeisa. Series-A football league is held once a year in Hargeisa. Division-B teams play in all the regions where football leagues are organized once a year. Similarly, there are district level football tournaments which are hosted in major towns. The Ministry holds occasional inter-school football tournaments. Basketball teams exist only in Hargeisa and Borama. There also plans to establish similar teams in Berbera and Burao. There are no women-specific games in Somaliland but the Ministry is planning to establish them in the future under the 5-year National Development Plan.

As for cultural venues, there are no proper purpose built theatres in Somaliland. But in all the main towns there are places where videos of old movies are run and viewers are charged an admission fee. A privately-owned national theatre is now under construction in Hargeisa and is expected to be opened soon. There are about nine youth centers in Somaliland. There are two boys and one girls youth centers in Hargeisa. Then there is only one in each of the following towns: Borama, Berbera, Salahley, Daarbudhuq, Burao and Erigavo.

Challenges and Opportunities

After demobilization in the years following the end of the civil war, no serious effort was made to create effective youth development and cultural revitalization programs designed to channel youth energies into productive pursuits. In the absence of any meaningful intervention, an increasing number of school-age youngsters went astray, a problem which has since grown exponentially: Large numbers of youth are getting hooked to narcotic drugs, especially Qat; others are slowly sinking into a life of crime or joining Islamist groups with jaundiced worldviews. Apparently the role currently played by the ministry is too limited to help young people guard against these pitfalls. SONYO has put forward a "National Youth Policy for Somaliland", under the auspices of the Ministry of Youth, Sports and Culture, which was approved by the Parliament and now awaiting implementation. The policy seeks to provide a direction and framework for all institutions committed to youth development. Young Somalilanders face immense challenges, but also unlimited opportunities.

Challenges:

There are many challenges facing young people in Somaliland today including:

- High unemployment rate or Lack of employment opportunities
- Lack of volunteering and work experience opportunities
- Lack of adequate sports facilities
- Lack of cultural and entertainment venues
- Lack of youth centres
- Low level education attainment
- Limited access to education
- Lack of career and education counselling;
- Shortage of vocational training schools and teachers;
- Limited education opportunities for disadvantaged communities and marginalized groups;
- Low level of Information Technology & Communication Technology knowhow;
- Lack of awareness among some parents about the importance of education;
- Illegal perilous migration
- Lack of strong sense of patriotism and pride
- Qat addiction
- Exposure to extremist ideology
- Limited political participation
- Gender inequality

Opportunities:

The opportunities include:

- Increasing number of educational institutions such as universities and schools;
- Growing realization among international organizations of the importance of dealing with youth issues
- Government commitment to create employment and job training opportunities
- National awareness of the need for the provision of proper and adequate sports and recreation facilities
- Increasing indigenous private investment
- Proximity to large labour markets in the Middle East
- Prevailing peace and stability in the country

Priorities and Strategies

Sector priorities and strategies include:

- Building the human resource and physical capacity of the ministry
- Promoting sports activities
- Conserving cultural heritage
- Promoting youth programs
- Advancing healthy life style
- Encouraging youth participation in decision making and political life
- Promoting patriotism and sense of national identity through intercity and inter-regional youth activities
- Encourage greater involvement of the private sector in youth development

Policy, Legal, and Institutional Reform

Legal and policy framework initiatives that need to be addressed include:

- Implementation of the National Youth Policy of Somaliland
- Initiation and development of a national sports policy
- Formulation of a national cultural policy
- Developing sports policies and procedures manuals

Programs and Projects

The following programs and projects will be carried out during NDP period:

- Building the ministry's national head office and regional branch offices
- Training staff and volunteers
- Establishing youth centres for both young men and women in towns and neighbourhoods
- Developing a national youth volunteer program
- Establishing a national youth summer program
- Undertaking research on the introduction of post-secondary school national service program
- Building a national football and athletics stadium in the capital and regional stadiums in the regional capitals
- Building a national and regional Basketball stadiums
- Establishing national football and basketball teams
- Developing a national athletics team
- Establishing a network of neighbourhood sports facilities in every town
- Organizing annual sports competitions
- Promoting the development of competitive professional sports
- Creating annual sports awards ceremony

- Facilitating national sports talent to participate in international competitions
- Promoting sports, national and local stars
- Integrating sports programs into school curriculum
- Establishing a national sports academy
- Building a national theatre in the capital and regional theatres in regional capitals
- Establishing a national museum and heritage archives
- Establishing a national heritage research and development institute
- Commissioning scientific research into the language, heritage, history, handicrafts, fine arts, oral literature, traditional lore, beliefs, astrology, customary law, traditional medicine and other cultural features, which constitute the identity of the Somaliland people
- Promoting cultural and sports cooperation and exchange with other nations
- Supporting youth organizations

5.4.5 Youth, Sports and Cultural Sector Budget and Implementation Matrix

	Goal	<ul style="list-style-type: none"> To create favourable condition for youth development 									
	Strategic Objectives	<ul style="list-style-type: none"> To Ensure that youth development is prioritized To expand sport activities To improve recreational infrastructure To facilitate the development structures for the management of heritage resources To promote culture 									
No.	Programmes	Objectives	Project outputs/outcomes	Implementer	Source of funds	Indicative budget(USD million)					
						2012	2013	2014	2015	2016	Total
1	Capacity Building for Ministry of Culture, Youth and Sports (MoCYS)	To strengthen the capacity of MoCYS for effective service delivery	• Ministry's HQ office constructed in Hargeisa	MoCYS	Donors and SLG	0.5	-	-	-	-	0.50
			• 5 branch offices constructed in 5 regions	"	"	-	0.35	-	-	-	0.35
			• Ministry staff trained and exposure tours conducted	"	"	-	0.2	-	-	-	0.20
	Promotion of Youth development in Somaliland	To engage young people in activities	• 20 Youth Centres established in Somaliland in 5 years	"	"	1.25	1.25	1.25	1.25	0.25	5.25
			• A Youth volunteering and summer programme	"	"	0.50	0.50	0.5	0.5	0.5	2.5
3	Promotion of sports and sporting events	To promote sports in Somaliland for the development of healthy citizens	• 1 standard National Football Stadium	"	"	-	5.00	-	-	-	5.00
			• 27 medium and small level football stadiums built in	"	"	0.6	1.2	1.2	1.2	1.2	5.40
			• 1 standard National Basketball Stadium constructed in Hargeisa.	"	"	-	1.00	-	-	-	1.00
			• 5 medium/small level basketball stadiums built at appropriate locations in Hargeisa (1 each year).	"	"	0.015	0.015	0.015	0.015	0.015	0.075
			• 5 medium/small level basketball stadiums built in 5 regions (1 in each region and each year).	"	"	0.02	0.02	0.02	0.02	0.02	0.10
			• Annual national sports competitions	"	"	0.25	0.25	0.25	0.25	0.25	1.25
			• International sports competitions	"	"	0.2	0.2	0.2	0.2	0.2	1.00
		• One standard National Sport Academy built in Hargeisa	"	"	-	0.3	-	-	-	0.30	
4	Development of progressive cultural events and infrastructure	To enhance the flourishing of constructive community cultures, and cultural events and infrastructure	• A National Museum constructed in Hargeisa.	"	"	0.5	-	-	-	-	0.50
			• The National Theatre re-established in Hargeisa.	"	"	-	0.5	0.5	-	-	1.00
			• An up-to-date National Library built in Hargeisa.	"	"	-	-	0.5	0.5	-	1.00

			<ul style="list-style-type: none"> • 5 regional libraries built in the 5 major regions indicated above (1 in each region and each year) 	"	"	0.2	0.2	0.2	0.2	0.2	1.00
			<ul style="list-style-type: none"> • 5 regional theatres established in the 5 major regions (1 in each region and each year). 	"	"	0.2	0.2	0.2	0.2	0.2	1.00
			<ul style="list-style-type: none"> • National heritage institute 			0.2	0.05	0.05	0.05	.05	.40
Total Culture, Youth and Sports Development Budget						4.44	12.24	4.89	4.39	2.89	27.85

5.4.6 Religious Affairs and Endowments Sector

Situation analysis

The entire population of Somaliland are Muslims who belong to the Sunni branch of Islam and the Shafi'i school of Islamic jurisprudence. Islam, in Somaliland, is almost as old as the religion itself. It dates back to the time of the Hijra. Shortly after the Hijra (670s), the Quraish started persecuting Muslims, and hundreds of the prophet's followers fled across the Red Sea landing on the shores of present day Eritrea and Somaliland. Some of them came to Zaila which was then a thriving port city. It was at this period that Somalis converted to Islam for the first time.

Prior to the colonial rule Somaliland practiced Islamic law and customary law. During the colonial rule the British-Indian common law was introduced, and after independence statutory law was adopted, but the roles of customary and Islamic laws were recognized and maintained. It was during the socialist military regime 1969-91 that Islam became marginalized and suppressed. Since it collapsed there has been a strong resurgence of Islam led mainly by a young generation of imams and Sheiks filling the leadership, spiritual, legal and social cohesion gap left by the previous regime.

Islam is the official state religion of Somaliland, Article 5 of the Somaliland constitution states:

- Islam is the religion of the Somaliland state, and the promotion of any religion in the territory of Somaliland, other than Islam, is prohibited.
- The laws of the nation shall be grounded on and shall not be contrary to Islamic Sharia. Every law enacted by the parliament which is not consistent with the principles of Islamic law shall be null and void.
- The state shall promote religious tenets (religious affairs) and shall fulfil Sharia principles and discourage immoral acts and reprehensible behaviour.
- The calendar shall be the Islamic Calendar based on the hijra, and the Gregorian calendar.

The Ministry of Endowment and Islamic Affairs is responsible for the promotion and the preservation of the Islamic heritage of the nation. Its mission is to improve religious affairs and contribute to national development through human resource development and the promotion of righteous values and ethos especially in religious/Quranic schools and Mosques.

In Somaliland, religious practice is very much fragmented and decentralized. In most towns and villages each neighbourhood or community builds its own mosque and runs it independently without central authority interference. The ministry's mandate is mainly limited to four areas: First, it is the final arbiter with regard to all religious questions. Second, it supports Sharia laws within the existing three strand legal system in Somaliland which combines customary, statutory, and Islamic Sharia laws. Under Article 6(3) of the Somaliland Organization of the

Judicial Law, District Courts have jurisdiction over all Islamic law issues including family and personal matters. Third, it supports religious studies and institutions. Fourth, the word 'Endowment' in its title indicates, the ministry has a social service function. However, due to lack of funds, this is a function it has yet to perform.

There is no official grand mufti who can issue edicts unlike many Islamic Countries. But article 115 of the constitution requires an independent Ulema Council to be set up. The Council is yet to be appointed, but when it is established, it will be responsible for:

- Formulating formal declarations on:
 - religious disagreements that may arise; *and*
 - any matters in which there is a conflict as to whether they are contrary to the Sharia[210], or appear to the Council as being contrary to the Sharia.

The Council shall forward their declarations to the offices which have requested the declarations or to the Constitutional Court, as they deem fit.

- Undertaking research of all kinds from a religious perspective and, particularly, in a way which advances scientific and religious knowledge.
- Reviewing, and validating translated religious Sharia works, and specially those (prior to their acceptance legally) which the courts rely on in their rulings and those which are included in the educational syllabus and relate to religious traditions and knowledge.

Challenges and Opportunities

Challenges

- Limited physical and human resource capacity of the Ministry
- Poorly qualified teachers in Quranic and religious schools
- Lack of standard, approved curriculum for Quranic and religious schools
- Inability to register and supervise Islamic education institutions
- Fragmentation of religious affairs and services
- Religious extremism
- Practice of un-Islamic traditional rituals like the FGM
- Lack of resources for maintaining National Islamic Heritage
- Absence of Ulema Council yet to be appointed
- Lack of multimedia based strategy for promoting religious values
- Inability to perform Hajj services due to lack of recognition
- Inability to organize and distribute Zakaa

Opportunities

- Religious harmony – 100% of the community are Suni Muslims
- Thriving mosque based religious orientation and education
- Good relationship between the Ministry and the imams and Islamic leaders
- Willingness of the Quranic and Islamic education institutions to collaborate and work with the Ministry.

Priorities and strategies

The priorities and strategies during the NDP period include:

- Building the physical and human resource capacity of the Ministry
- Reforming and mainstreaming the Quranic schools curriculum
- Improving the quality of educators working in Quranic and Islamic schools
- Organizing and raising the standard of the mosque based religious affairs services
- Countering extremism
- Promoting moderate Islam

Policy legal and institutional reform

- Carrying out a comprehensive policy and regulations review of the Ministry
- Establishing a policy for Pre-school Quranic education
- Developing policy and plan for Hajj services
- Formulating policy and strategy for the collection and distribution of Zakaat
- Establishing a strategy for the promotion of the true Islamic values and norms

Programs and project

- Reviewing policy
- Training Quranic and Islamic schools teachers
- Training Imams and Ulema
- Registering Quranic and Islamic schools and Mosques
- Preparing a standard curriculum for Quranic schools
- Organizing and distributing Zakaat
- Planning and organizing Hajj
- Raising awareness about the prevention, causes and consequences of HIV/AIDs, FGM, Qat, and smoking from an Islamic perspective
- Raising awareness about extremism and terrorism
- Strengthening the family and promoting parental responsibilities

- Establishing a more comprehensive system for documenting marriages and divorce cases
- Organizing conferences, debates and seminars on topical issues
- Exchanging visitors of Islamic learning with international institutions
- Developing a website and an online service
- Establishing a telephone and a TV program question and answer service
- Building a library and a resource centre

5.4.6 Religious Affairs and Endowments Sector Budget and Implementation Matrix

Goal		To improve relevance and quality of more									
Strategic objectives		To build the capacity of Ministry of Religion (MoR)									
		To rehabilitate and construct koranic schools									
		To supply materials and equipments to mosques									
No.	Program	Objective	Projects outputs/outcomes	Source of funds	Implementer	Required Budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	To build the capacity of Koranic schools	To provide skill training teachers about teaching and learning methodologies in Koranic school	<ul style="list-style-type: none"> • Trainings provided Koranic school teachers to build their capacity 	Donors and Somaliland Government	MoR	0.1	0.10	0.10	0.1	0.1	0.50
2	Written curriculum of the Islamic studies and the development of syllabus for Islamic primary schools	To develop curriculum and syllabus for koranic primary schools	<ul style="list-style-type: none"> • Syllabus and curriculum for Koranic schools produced 	"	"	0.1	0.1	-	-	-	0.20
3	Awareness created/ raised on HIV/AIDS in mosques and TVs	To raise public awareness on HIV/AIDS prevention and provide trainings to the religious leaders	<ul style="list-style-type: none"> • Workshop organized to create public awareness and religious leaders trained on HIV/AIDS prevention 	"	"	0.030	0.045	0.046	0.053	0.043	0.217
4	Capacity building for MoR	To build the capacity of MoR for improved service delivery	<ul style="list-style-type: none"> • Appropriate trainings provided to Ministry staff 	"	"	0.05	0.100	0.20	0.10	-	0.45
			<ul style="list-style-type: none"> • The Head Quarter (HQ) Building of MoR built in Hargeisa and provided with furniture and equipments • Five regional offices built and furnished for MoR 	"	"	-	1.50	0.15	0.05	0.10	1.80
			<ul style="list-style-type: none"> • A library and resource centre 			0.1	.10	0.05	0.05	0.05	0.35
			<ul style="list-style-type: none"> • Conferences, seminars and exchange of scholars 			0.10	0.15	0.10	0.05	0.05	0.45
5	Application of IT technology	To provide online information and service	<ul style="list-style-type: none"> • ICT system established at HQ, web-site developed and swift connections with regional offices maintained 			0.10	0.05	0.03	0.02	-	0.20
6	Reducing FGM	To provide trainings to combat FGM	<ul style="list-style-type: none"> • Awareness campaigns conducted to combat FGM 	"	"	0.1	0.10	0.10	0.05	0.05	0.4
7	Strengthening anti-terrorism initiatives	To provide awareness and to community groups to prevent and fight terrorism	<ul style="list-style-type: none"> • Lectures and presentations conducted to the public for preventing terrorism 	"	"	0.1	0.20	0.25	0.20	0.10	0.85
Total Religion Development Budget						0.78	2.445	1.026	0.673	0.443	5.367

5.5 ENVIRONMENTAL PILLAR

5.5.1 Environmental Protection and Rural Development Sector

Situation Analysis

Somaliland is situated in the Horn of Africa. It lies between the 08°00' – 11°30' parallel north of the equator and between 42°30' – 49°00' meridian east of Greenwich. It is bordered by Djibouti to the west, Ethiopia to the south, and Somalia to the east. Somaliland has 850 kilometers coastline lying along the Gulf of Aden. It has an area of 137,600 km².

The country has four distinct topographic zones: The low-lying coastal plains known as the **Guban**, running from few to 70 kilometers inland with a very hot summer climate; a high escarpment known as **Golis range**, running east-west parallel to the coast and rising to over 2000m at Eri Gavo; A plateau to the south of the mountains known as **Ogo**, extending to Ethiopia, with an average altitude of 1200m, and Further inland and to the south is the **Haud**, red sandy plains stretching southwards into Ethiopia, where altitudes fall to some 500m.

Somaliland has a tropical monsoon type of climate. However, there are four distinct seasons: A main rainy spring season from April to June, followed by a dry summer season from July to September. Then there is a short autumn rainy period from October to November, and finally a long dry winter from December to March. Annual average precipitation ranges from less than 50 mm on the coast to 500 mm inland along the Golis range where it may reach sometimes 900 mm. Rain variability is very high. Hargeisa, the capital, for instance, with a long term average of some 400 mm has recorded a range from 209 mm to 810 mm per annum. Temperatures also show some seasonal variations. The winter months are normally cool with average December temperatures in the range of 15 - 26°C, while the summer months are the hottest averaging 26 - 32°C in June.

In the coastal area where rainfall is very low, the vegetation consists of scattered low trees, including various acacias. As elevations and rainfall increase, the vegetation becomes denser, and in parts of the higher plateau areas and the Golis range the vegetation gives way to woodlands. At a few places above 1,500 meters, the remnants of juniper forests and areas of *Euphorbia candelabrum* (a chandelier-type spiny plant) occur, and in the eastern highlands *Boswellia* and *Commiphora* trees, which are sources, of the frankincense and myrrh respectively are common. The Haud, south of the Ogo plateau, is covered mostly by a semiarid woodland of scattered trees, mainly acacias underlain by grasses and low shrubs.

There are many animals that are native to Somaliland. Prominent animals are the kudu, wild boar, Somali Wild Ass, warthog, antelope, the Somali sheep, camels, and cheetah. Unfortunately some of them are extinct or on the verge of extinction. There are also, many birds and different types of fish found in and around Somaliland.

Travelling across Somaliland today may reveal unbroken stretches of semi desert, with severely degraded vegetation devoid of wildlife. But it wasn't always like that. The scenes described by early travellers in the 19th and up to the middle of the 20th century could not have been more different. Lieutenant Cruttendon (1849), one of the earliest British travellers to the country, commented on the big game that thrived in the interior: 'elephants, lions, leopards, white rhinoceros, ostriches, wild ass, white antelope, dik-dik, kudu, scimitar-horned antelope, cheetah, oryx, a variety of deer species, gazelle, jerboas, toucan and numerous species of birds, large and small'. Major Swayne, who travelled through Somaliland seventeen times between 1884 and 1893, stated that the country was 'one of the best and most accessible of hunting grounds to be found at present anywhere in the world'. Drake-Brockman (1912) wrote about the biodiversity of the interior plateau of Somaliland: 'The elephants, lions, leopards, Soemerring's gazelle, beisa, dik-dik, quaint hornbills, the babblers and brilliant starlings, the larks, the sweet notes of the nightingale, the tall cedars, the wooded valleys and plains covered with grass..'. Douglas James Jardine (1923), describing the high escarpment vegetation, put it, was covered with 'grass, box trees, acacia, a variety of flowering aloes with crimson and golden blossoms, gum, myrrh, and frankincense trees and almost everywhere the giant euphorbia lends an artificial and stage-like effect to the scene'. Drake-Brockman (1912) characterized the range as 'a park-like country'.

The people of Somaliland have always depended on natural resources for their livelihoods, and this continues to be the case today. But in the past, the population was much smaller, and the pressures on the environment were much less. Increased population, overgrazing, urbanization, and deforestation are turning the 'park-like country' into a waste-land. According to the 1900 British Somaliland Census, the population of the protectorate was only 300,000, compared to the 3.5 million of day, and if the size of livestock per head of the population has not changed, total livestock in Somaliland was about 1.6 million instead of today's 18 million. The urban population in 1900 was also very small. Hargeisa was just a watering point at the time. It was a small town even when it became the capital of the colonial administration in 1941 with a population no more than few thousands compared to nearly 1 million in 2011.

Given the pastoral nature of the Somaliland economy and its reliance on natural resources, economic development can be neither achieved nor sustained without effective management and protection of the environment. This should be based on sound policy formulation, community participation; public promotion of environmental protection; research; capacity building in bio-diversity conservation and renewal, and rigorous enforcement of environmental regulations.

Before colonial times local customary law (the *Xeer*) was used for sharing of pastures, water and other natural resources. Every member of the clan had the right of access to the rangelands and water resources of the territory inhabited by his/ her clan community.

During the British colonial rule in Somaliland a new land tenure and management system was introduced. The colonial administration allocated some communal grazing land to those who wished to change their livelihood from pastoralism to agropastoralism and then demarcated a

boundary between grazing and arable land. Land registration, title deeds and land taxation, were introduced in urban centres. Agricultural land was leased for 50 years, and urban land for an indefinite period. Other new land management systems were also introduced: Grazing reserves were made to increase forage availability during the dry season (Jilaal), and Forest reserves were established in the Golis Mountains.

During the civilian government rule (1960-1969), the traditional free grazing in the rangelands and the colonial land rights were maintained. Commercial livestock production was encouraged. Grazing reserves were used as holding grounds for export animals, and rangelands were increasingly privatized.

During the socialist, military regime (1969-1991) a new land tenure law was adopted, declaring that all the land belonged to the state and would be administered by the government. This effectively nationalized the communal rangelands, agricultural schemes and other properties. They also nullified the customary treaties between pastoralists over rangeland management (Bradbury, 1996). But the government made an attempt to maintain and improve the long-term productivity of livestock production and to raise the living standard of pastoralists. Rotational grazing systems, grazing reserves, improved water supply, marketing facilities and veterinary services were introduced. Reserves were fenced and/or controlled by the National Range Agency. The Law for Conservation of Flora and Fauna was enacted for the protection of the natural forests. The law differentiated between forest reserves and unreserved land and included policies for full community participation in proper utilization, conservation, preservation and management of the natural forests. In the 70s the Northwest Region Agricultural Development Project was established in degraded areas in the Waqooyi Galbeed region (Somaliland). Soil conservation, water harvesting (soil bunding) and improved crop management techniques were implemented.

After the collapse of the central government of Somalia in 1991, Somaliland declared its independence, but all the institutional structures for land management broke down, and appropriation of land and water resources by illegal means started. Any positive impact of land management interventions by previous governments became reversed.

Challenges and Opportunities

The Ministry of Environment and Rural Development is the public body responsible for environmental protection, natural resource conservation, and sustainable rural development. These are challenging aims to achieve.

Environment: Charcoal production stands out as one of the main, if not main environmental challenge facing Somaliland today. It is a major cause of deforestation and environmental degradation across the country. Charcoal production is both supply and demand driven. On one hand, it is an important provider of employment and income in rural areas, and does not need much of an initial investment. On the other hand, demand is very high, and prices are rising all

the time. Almost every family in urban and even rural settlements relies on charcoal as a source of energy for cooking. A common spectacle as you travel from Hargeisa to Berbera is the piles of sacks of charcoal that line up the road. An average household consumes about 3 sacks a month. Each sack weighs 15-20 Kg. In Hargeisa, there are about 150-200,000 households consuming about 9,188 tons of charcoal a month or around 110,000 tons a year. Assuming an average tree produces 150Kg(7-10 bags) of charcoal, 735,000 trees are cut every year to satisfy current demand for charcoal in Hargeisa. Charcoal trade is a big business. A sack or a bag of charcoal costs Sh. 44,000 or about US\$8, which means sales of US\$50,400,000 in Hargeisa alone.

Other environmental challenges, Somaliland must address include:

- Soil erosion
- Natural resource depletion, including forests, rangelands, and fisheries
- Lack of alternative sources of energy
- Absence of effective environmental regulations and policies
- Wildlife habitat degradation
- Wildlife poaching
- Loss of marine habitats
- Loss of biodiversity and the extinction of indigenous plants and animals
- Overgrazing
- Droughts
- Dropping water tables and increasing water salinity
- Clearance and cultivation of marginal land
- Creation of unplanned water points
- Establishment of unauthorized settlements and villages
- Illegal enclosures of large tracks of grazing land
- Erosive floods
- Plastic bags pollution
- Gullies and sand dunes
- Invasion of foreign plant species, particularly Prosopis (mequite)(Garanwaa)
- Surface and ground water contamination
- Improper management of urban waste disposal
- Lack of rural community awareness and participation
- Inadequate institutional capacity

Rural Development: About 2/3 of Somaliland's population live in rural setting – villagers, pastoralists and agro-pastoralists. The majority or over 1/2 consists of pastoralist nomads. This is the least developed group of the population in terms of standard of living, quality of housing, educational attainment, life expectancy at birth, access to health services, clean water, sanitation facilities and electricity. The development aspiration of Somaliland as a nation will remain just an unfulfilled dream unless a way is found for raising the standard of living of the rural community. The challenges in the way of rural development are many and include:

- Low productivity
- Unemployment/underemployment
- Limited alternative employment activities
- Little value added to primary products
- Deteriorating terms of trade
- Declining land productivity
- Shrinking communal pasture land
- Dwindling herds
- Vulnerability to natural elements
- Illiteracy
- Low school enrolment rates
- Malnutrition
- Poor sanitation
- Limited access to human and animal health services
- High infant mortality
- High maternal mortality
- Poor housing
- Lack of access to electricity
- Lack of infrastructure such as roads

Priorities and Strategies

Given these severe challenges facing the natural environment of Somaliland and the rural population, decisive measures are urgently required to be taken. Towards that end, the following key areas will receive priority attention in this NDP period:

- Reduction of charcoal use and introduction of alternative sources of fuel and energy, such as gas, coal, solar and wind
- Enforcement of the ban on charcoal exports
- Improvement of rangelands
- Environmental conservation and proper resource utilization
- Improvement of pastoral community livelihoods
- Empowerment of the pastoral community to control resource utilization
- Establishment of alternative economic activities in rural areas
- Improvement of watershed areas
- Conducting a thorough field-based State of the Environment report to assess the status of natural resources and to guide future resource management and development decisions
- Investigation of alleged toxic waste sites on land and at sea
- Building institutional capacity to manage public policy on sustainable use of natural resources
- Adoption of strategies for disaster preparedness and management
- Introduction and enforcement of urban planning and rural land management

- Regulation of the establishment of rural settlements and water points
- Investment in rural electrification and water development programs
- Promotion of fishing and salt harvesting as alternative of source of employment
- Promotion of cultural tourism
- Establishment of game parks and forest reserves
- Domestication, cultivation and commercialization of indigenous plants
- Establishment of appropriate education and health service infra-structures
- Development of reforestation programs
- Creation of farmer and pastoralist associations
- Establishment of credit unions and cooperatives
- Promotion of small scale and craft industries
- Construction of feeder roads
- Development of rural markets
- Development of strong research and extension program on environment and rural development

Policy, Legal, and Institutional Reform

Somaliland has drafted an environmental policy, which is yet to be approved by the cabinet. The policy aspires to improve the quality of life of the Somaliland people by conserving and protecting the environment as given in the national constitution, which makes these stipulations:

- Everyone has the right to have an environment that is not harmful to his/her health or well being.
- The environment must be protected for the benefit of the present and future generations through legislations and measures that:-
 - Prevent pollution and ecological degradation
 - Promote conservation and secure ecologically sustainable development

The policy is still in the working and needs critical review to ensure that it is clear, coherent and enforceable for the purpose of practical, sustainable management of natural resources and environmental protection.

A crucial requirement for the successful implementation of this policy is the strengthening of the legal framework regulating land and property rights. This will have implications for taxation, economic activity, and people's livelihoods. Currently, there is no consistent and comprehensive legal framework for land and property management; hence, a land commission will have to be established to review the current system for dispute management and draft a new land law. A land tenure survey is also needed, as well as a proper registration system. Likewise, there is an urgent need to develop regulations governing new settlements and water points, plastic bags, and waste disposal.

The Ministry for Environment and Rural Development will have to take the lead in the formulation of an integrated rural development strategy and programs. These must be inclusive and multi-sectoral, building on cooperation between the community, local governments, the private sector, non-governmental organizations and central government institutions.

Programs and Projects

Projects and programs planned under this NDP include:

- Development of new policies and regulatory frameworks for environmental protection and conservation
- Capacity building of the Ministry's physical infra-structure and human resources
- Establishment of nurseries
- Community forestry development schemes
- Restoration of seasonal and drought pasture reserves
- Range rehabilitation and development of agro-forestry and fodder production schemes
- Promotion of alternative sources of energy: gas, coal, solar
- Promotion of 'modern', more efficient charcoal stoves
- Demarcation between rangeland and agricultural land
- Mobilization of pastoral communities through trainings/workshops and awareness raising aiming at environmental preservation/conservation and at sustainable utilization of natural resources
- Forest protection and conservation and shelter belt programs
- Water and soil conservation schemes at key pastoral grazing areas
- Distribution of audiovisual/print handouts for environmental and pastoral development initiatives
- Establishment of a rural development institute within the Ministry
- Commissioning of a comprehensive rural development needs and opportunities assessment
- Preparation of a rural development policy and strategy document
- Establishment of rural development research and extension program
- Organization of rural community associations and cooperatives to mobilize and pool resources
- Coordination of rural development programs
- Establishment and coordination of inter-ministerial national rural development committee

5.5.1 Environmental Protection and Rural Development Sector Budget and Implementation Matrix

Goal		Promote environmental protection and conservation for securing ecologically sustainable economic development in Somaliland									
Strategic objectives		<ul style="list-style-type: none"> To review, update and develop policies and regulatory framework for Environmental protection and conservation To launch various environmental protection and conservation initiatives such as soil and water conservation, and afforestation practices in all regions To improve community awareness towards protection and conservation of natural resources 									
No.	Programs	Objectives	Project Outputs/Outcomes	Source of fund	Implementer	Required budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
1	Capacity Building for Ministry of Environment and Pastoral Development (MoEPD)	To build the capacity of MoEPD for better service delivery	<ul style="list-style-type: none"> The HQ building of MoEPD constructed in Hargeisa 	Donors and SLG	MoEPD	-	0.25	-	-	-	0.25
			<ul style="list-style-type: none"> Three regional offices established in the capital towns of three regions and provided with office furniture and equipments 	"	"	-	0.5	0.5	0.5	-	1.5
			<ul style="list-style-type: none"> Limited number of transport vehicles (not more than six) purchased for the Ministry MoEPD staff trained in environmental protection and pastoral development 	"	"	0.05	0.1	0.15	0.03	0.04	0.37
			<ul style="list-style-type: none"> ICT /data base system established at HQ, web-site developed and swift connections with regional offices maintained Standardized data collection mechanisms established 	"	"	0.02	0.03	0.015	0.01	0.01	0.085
			<ul style="list-style-type: none"> An Environmental Protection and Pastoral/Rural Development and Research institute established and required accessories provided 	"	"	-	-	0.5	-	-	0.5
			<ul style="list-style-type: none"> A Pastoral/Rural development research and extension program established 	"	"	-	-	0.2	-	-	0.2
			<ul style="list-style-type: none"> A Pastoral/Rural development research and extension program established 	"	"	-	-	0.2	-	-	0.2
2	Policy development	To develop and apply environmental and Pastoral/Rural development policies for protecting and conserving natural resources (rangeland, forest, water and wildlife) and enhancing Pastoral/Rural development in Somaliland	<ul style="list-style-type: none"> One consultant hired for developing environmental policy and other laws 	"	"	0.05	0.05	-	-	-	0.1
			<ul style="list-style-type: none"> One consultant hired for developing Pastoral/Rural development policy and strategy document, and other laws 	"	"	0.05	0.05	-	-	-	0.1
			<ul style="list-style-type: none"> A comprehensive Pastoral/Rural development needs and opportunities assessment conducted 	"	"	-	0.1	-	-	-	0.1

3	Wildlife resources management, conservation and protection	To restore, develop and sustainably manage the landscape, ecosystem and the wildlife habitat in Somaliland	<ul style="list-style-type: none"> Orphanage centres created in the main towns of Somaliland Protected areas as national parks and game reserves established and effectively managed 	"	"	0.04	0.045	0.03	0.03	0.02	0.165
4	Improvement of range and forest resources coverage in the country	To enhance range and forest cover through reforestation and improvement of natural resources conservation	<ul style="list-style-type: none"> Watershed and water catchment protection and rehabilitation measures implemented in especially densely populated areas 	"	"	0.08	0.08	0.04	0.04	0.02	0.26
			<ul style="list-style-type: none"> Forest nursery sites established in 6 major regions of Somaliland Tree plantation and shelterbelts formation programs conducted at village level and equipments provided to local communities 	"	"	-	0.25	0.25	0.25	0.25	1.0
5	Establishing and strengthening partnership with environmental and pastoral development concerned agencies/organization	To establish internal and external coordination and collaboration mechanisms for enhancing environmental protection and pastoral development	<ul style="list-style-type: none"> Effective working relationships established with various government and non-government agencies for fostering environmental protection and pastoral development 	"	"	0.014	0.01	0.025	0.02	0.02	0.089
6	Environmental Impact Assessment (EIA) programs	To administer EIA into all planning and implementation processes of development programmes, projects and private sector initiatives	<ul style="list-style-type: none"> An EIA unit established in DoEPD and staffed with qualified personnel EIA undertaken before launching environmentally sensitive programs/projects in Somaliland 	"	"	0.027	0.027	0.054	0.054	0.054	0.216
7	Lobbying and advocacy on environmental management, protection and conservation	To lobby and advocate for the protection of Somaliland pastoral society and facilitate the review of legal instruments	<ul style="list-style-type: none"> Environment and pastoral lobby and advocacy mechanisms established in DoEPD Legal instruments addressing pastoral communities reviewed Locally initiated environmental protection programs and projects promoted and supported Workshops organized for policy makers Pastoral environmental Association established 	"	"	0.03	0.04	0.04	0.05	0.05	0.21
8	Develop integrated monitoring and evaluation system towards environmental protection and pastoral development	To integrate monitoring and evaluation system in environmental protection and pastoral development initiatives	<ul style="list-style-type: none"> M & E system, with qualified staff, established in MoEPD 	"	"	0.02	0.01	0.03	0.03	0.01	0.1
			<ul style="list-style-type: none"> Purchase of boats for monitoring mangrove plants located in islands of Somaliland for environmental conservation and maintenance of biodiversity 	"	"	-	0.1	-	-	-	0.1

			<ul style="list-style-type: none"> Highly required Environmental and Pastoral/Rural area monitoring tools purchased, and essential seeds collected 	"	"	-	0.12	-	-	-	0.12	
9	Enhancement of environmental education and public awareness	To create environmentally informed public and cultivate sustainable environmental practices in Somaliland	<ul style="list-style-type: none"> Restoration of 18 grazing reserves in Somaliland Environmental education in schools and universities promoted, and curriculum developed Nationwide awareness creation campaigns conducted for improving public knowledge on environmental protection 	"	"	-	0.3	0.2	0.3	0.15	0.95	
			<ul style="list-style-type: none"> Pastoral/Rural community associations and cooperatives established to mobilize and pool resources 	"	"	-	-	0.05	0.05	-	0.1	
10	Construction of national herbarium centre	To create storage system and centre for plant specimens in the country	<ul style="list-style-type: none"> Appropriate data centre for plant species established 	"	"	-	-	0.3	0.1	0.1	0.5	
11	Construction of haffir dams (large earth dams) in drought prone areas of Somaliland	To increase the availability of water in dry grazing of the country and mitigate sever water shortages in pastoral areas	<ul style="list-style-type: none"> 20 haffir water dams, with the capacity of 100,000 C.M of water each, constructed in selected drought prone pastoral areas 	"	"	0.135	0.18	0.225	0.18	0.18	0.9	
Total Environment Protection and Pastoral/Rural Development Budget							0.516	2.242	2.609	1.644	0.904	7.915

5.5.2 Disaster Preparedness and Management (DPM) Sector

Situation Analysis

Disaster hazards in Somaliland

Somaliland is mainly composed of arid lands with poor rainfall distribution pattern ranging from 50 to 500 mm per annum. Population vulnerability to disasters is predominantly influenced by variations in climatic pattern (e.g. delayed rains or partial failure of rains, floods, droughts etc.). The structural causes of the high degree of vulnerability of the population (especially pastoral communities) to disasters and the factors affecting them are complex and varied. However, focusing on pastoralism, which is the backbone of Somaliland's society and economy; one finds that pastoralist livelihoods are being made increasingly vulnerable to disasters by the factors listed below:

- Poor natural resources management practices such as the burning of rangelands and forests for charcoal production
- Environmental degradation
- Poorly managed droughts
- Conflict (or its threat)
- Privatization and enclosure of rangelands
- Marketing structures that fail to work for the benefit of the poor (including successive bans on the export of livestock by the gulf states)
- Limited access to and availability of basic social services (health, water, emergency services)
- The effect of widespread poverty
- Lack of international recognition that disqualifies Somaliland from entering into formal trade agreements with foreign governments and receiving multi-lateral financial assistance from international banking institutions for building community capacities

Somaliland as a country faces multiple hazards that include drought, floods, civil conflict, human and livestock diseases, pest infestation (locusts), earthquakes, and oil spills. Even in normal times, nomads and agro-pastoralists spend most of their time searching for the basic essentials of life: food and water for themselves and their animals. The entire country suffers from perpetual but unpredictable water shortage due to failure of seasonal rains. That causes, sometimes, prolonged droughts with devastating consequences. This is more common in the eastern regions of Sool, Sanaag and parts of Togdheer. Droughts are known to occur in Somaliland in a cycle of 4 or 7 years.

Epidemics are not as common as droughts, but they do occur from time to time. The last serious outbreak was the rift valley epidemic which affected most of IGAD countries in the Horn of Africa. That resulted in the imposition of a ban on animals coming from this area by the

main importing country, Saudi Arabia, from September 1999 to November 2009. This ban exerted serious economic impact on Somaliland for nine consecutive years.

Political conflicts from the liberation wars of the late eighties to the internal conflicts of 1995-7 created a refugee and displacement crisis that is apparent to the present day. Most of urban centres suffer from strains on the meagre resources, such as water, as a result of refugee resettlement programs.

The cost of disasters in Somaliland have clearly been enormous both financially and in terms of lives and livelihoods lost, social structures eroded and development prospects either not realized or curtailed. At the present time, there is a functioning disaster management coordination structure in the country. There is also a UN managed food and nutrition surveillance system. However, there exist serious deficiencies in the management, effectiveness, efficiency and coordination of these structures and systems.

NERAD

In recognition of the hazards that the country faces and acknowledging the high level of vulnerability of the population to these hazards, the government of Somaliland established the National Environment Research and Disaster Preparedness Authority (NERAD) in 2003, which got its legal status in June 2007 being placed under the office of the Presidency (proclamation NO.35/2007). NERAD is an autonomous public institution of the government of Somaliland empowered by legislation as the official lead government institution with respect to disaster management and coordination in Somaliland. However, the authority faces several difficulties with respect to disaster management; including:

- Defining its relationship with other government institutions, international organizations, and the local community;
- Building up its human, financial and physical resource base; and
- Implementing its early warning system and drought response (EWS & DR) strategic plan.

Oxford GB and UNICEF have been jointly giving support to NERAD since its establishment especially on training the NERAD team on SPHERE standards, financial management and basic early warning system (EWS). Oxfam GB has also supported NERAD to develop a strategic plan; an early warning and drought response (EW&DR) programme, and a draft policy framework. Both the strategic plan and the EW&DR programme implementation strategy identified the need for strong early warning system (EWS), a drought contingency plan, a drought contingency fund, and the functional structures for implementing the EWS & DR programme. The drought of 2004 taught the government of Somaliland and all other stakeholders about the need for not only a policy for dealing with disasters, but also for the capacity to predict and prepare for them. The government recognizes that although drought (disasters) cannot be avoided, its impact on food insecurity, livestock loss and family livelihoods can be greatly reduced through effective timely interventions.

Challenges and Opportunities

Challenges

Key challenges facing the Disaster Preparedness and Management sector in Somaliland are:

- **Weak coordination**

NERAD coordination mechanisms of disaster management in Somaliland are weak and insufficient. This is mainly attributed to the lack of clear and distinct mandates for the various government institutions involved in disaster management, especially among NERAD and line ministries. Overlapping mandates, roles and responsibilities cause unnecessary competition for resources, lack of cooperation in information sharing, and inadequate delegation of responsibilities to NERAD staff to harmonize implementation plans. In addition, there is lack of clear departmental roles and responsibilities within NERAD, and an inability to station focal points at regions, coupled with lack of willingness by the regions to hire field monitors to provide the necessary information link between the field and the national centre.

Such inadequacy in the coordination of disaster management interventions causes untimely interventions resulting in unnecessary high casualties of both human and livestock, and wastage of resources.

- **Low institutional capacity of NERAD**

The institutional capacity of NERAD for coordinating preparedness and response to disasters is very low. NERAD suffers from lack of qualified staff; limited access to information due to inadequate ICT skills, and lack of operational Management Information System (MIS). Clear, well defined job descriptions, and roles and responsibilities for its staff and departments are also lacking. Inadequate physical infrastructure and lack of appropriate means of transport is a major obstacle. Lack of capacity among subordinate DPM committees at all levels constitutes another problem.

- **Environmental degradation**

The existence of extreme and continuous environmental degradation in Somaliland, especially in rangelands and mountain areas, and the lack of national land use policy exacerbate disasters and undermine DPM efforts in the country.

- **Lack of sustainable livelihood programs**

There is lack of promotion of sustainable livelihood programs in Somaliland. The promotion of sustainable natural resources management; the enhancement of traditional disaster/drought coping mechanisms, and the development alternative income generation activities are all

lacking or limited. Such circumstances often perpetuate community vulnerability to disasters and undermine its resilience to dealing with hazards.

These challenges can be summarized as:

- Poor coordination
- Overlapping roles and responsibilities between NERAD and some line ministries
- Inadequate institutional capacity in both NERAD and concerned line ministries
- Lack of disaster contingency fund
- Lack of professional staff with knowledge and experience on disaster management
- Lack of information
- lack of understanding of indigenous drought coping mechanisms
- Lack of monitoring and evaluation systems
- Inadequate public awareness about disaster management issues at all levels
- Lack of knowledge, skills and resources for disaster preparedness and response at regional, district and community levels;
- Lack of disaster contingency plans at regional and district levels
- Absence of NERAD branch offices at regional and district levels
- Lack of communication facilities at national, regional and district levels
- Lack of established and functioning disaster preparedness and management committees at regions and districts
- Inadequate infra-structure and means of transportation
- Slow response from the international community to dealing with disasters (droughts)

Opportunities

Despite many challenges, there are also developments in favour of better disaster preparedness and management, such as:

- Creation of a body, NERAD, responsible for coordinating responses to disasters in the country
- International resolve to combating climate change and associated environmental and humanitarian calamities
- Commitment of the government of Somaliland to environmental protection and disaster management
- Financial and technical support offered by international organizations in monitoring and dealing with the effects of disasters

Priorities and Strategies

A country needs to have an effective disaster management system for it to be able to prepare, mitigate, and respond to disasters. Therefore, the following requirements of an effective disaster management system represent the priorities and strategies guiding DPM initiatives in Somaliland:

- A disaster management policy and strategic plan
- A committed central government in charge of coordination, management and leadership
- An effective institutional structure that is multi-agency in composition and multi-sectoral in approach, extending down to the region and district levels for implementation purposes
- Credible, timely and appropriate information systems to guide planning and response (including early warning, vulnerability assessments, needs assessments and monitoring and evaluation)
- Incorporation and mainstreaming of disaster management needs into national policies , plans, strategies and budgets

Policies, legal and Institutional Reform

The establishment of NERAD in 2003 has been the first step in enacting a policy for institutionalizing DPM functions in Somaliland. NERAD was empowered as the official lead government institution for disaster management and coordination in Somaliland. A National Disaster Management Committee (NDMC) was also established by an Act of Parliament and a proclamation signed by the President in June 2007.

In 2005, with the support of Oxfam GB, NERAD prepared the first five year (2005 – 2009) National Disaster Preparedness and Management Strategic Plan, and a draft National Drought Preparedness and Management Policy Outline (as a supplement of the National DPM Strategic Plan).

NERAD coordinated the preparation of a National Emergency/Contingency Plan in 2006. An Early Warning and Drought Response (EW&DR) Program Implementation Strategy was then formulated by NERAD in 2007 through the support of Oxfam GB. In 2008, NERAD organized a workshop and reviewed the previous DPM strategic plan and formulated a revised five year (2008 – 2012) National Disaster Preparedness and Management Strategic Plan.

Though the above DPM policy and legal related steps have been taken, there still exists the need to take robust action and focused policies for promoting DPM and overcoming potential disasters in Somaliland. Hence, the following policy issues related to DPM in Somaliland need to be addressed sufficiently.

- Formulating a National Drought Preparedness and Management Policy

- Continuously updating/revising of Disaster Preparedness and Management Strategic Plans in conformity with national policies, development plans and strategies
- Development and updating of Disaster Contingency Plans at national, regional and district levels,
- Developing a National Land Use Policy, and
- Institutional reform for establishing and/or strengthening DPM mandated institutions
- Enacting Metrological laws/regulations for establishing and/or restoring Metrological services

Projects and Programs

The major projects and programs to be launched through this NDP for building the Disaster Preparedness and Management capacity in Somaliland, and averting humanitarian catastrophe include:

- Building the institutional capacity of NERAD and associated line ministries
- Establishing Early Warning systems
- Development of Disaster Preparedness and Management System in the country including formulation of appropriate policy and strategy
- Enhancing public awareness on Disaster Management and Preparedness
- Developing and establishing effective information system and networking
- Establishment and implementation of appropriate intervention coordination mechanisms
- Promoting Research and enhancing the creation of environmentally friendly livelihood systems especially in disaster prone areas

5.5.2 Disaster Preparedness and Management Budget and Implementation Matrix

No.	Programs	Objectives	Project Outputs/Outcomes	Source of funds	Implementer	Required budget (USD Millions)					
						2012	2013	2014	2015	2016	Total
	Goal	To build local capacities of communities and other actors to create disaster resilient society in Somaliland (SL)									
	Strategic Objectives	To review, update and develop policies and regulatory framework for guiding Disaster Preparedness and Management operations in SL									
		To improve community awareness towards Disaster Preparedness and Management									
		To launch various Disaster Preparedness AND Management Initiatives to create disaster resilient communities in SL									
1	Building institutional capacity of NERAD	To build the institutional capacity of NERAD for better service delivery	<ul style="list-style-type: none"> Institutional need assessment carried out Trainings provided to the staff of NERAD and other related line Ministries in DPM, and workshops and exposure tours organized Three regional offices established in Hargiesa, Borama and Burao, and provided with office furniture and equipments Four transport vehicles purchased for Hargiesa, Borama, Burao and Berbera regional offices Rector measurement and observation materials established in Awdel region for measuring earthquake 	Donors and SLG	NERAD	0.07	0.21	0.22	0.13	0.135	0.765
2	Establishing Early Warning systems	To develop a nationwide Early Warning System for Disaster Risk reduction	<ul style="list-style-type: none"> An Early Warning system established and functional in Somaliland Rapid Emergency assessment and response monitoring conducted regularly Disaster Risk data and information Unit established within NERAD A study on drought and water trucking conducted for investigating the dynamic effects such interventions 	"	"	0.065	0.095	0.105	0.125	0.130	0.52
3	Developing Disaster Preparedness and Management Systems	To in initiate a National Disaster Preparedness and respond mechanism for Disaster Risk reduction	<ul style="list-style-type: none"> A Disaster Contingency Plan prepared at National, regional and district levels, and being updated every 6 months National Food Reserve Stocks and warehouses established and strengthen at Berbera, Burao, and Hargeisa Boreholes dug at strategically selected locations within drought prone regions in 	"	"	0.05	0.25	0.15	0.15	0.12	0.72

			collaboration with mandated line Ministries and development partners <ul style="list-style-type: none"> Public awareness raised on disaster risk preparedness and management mechanisms through the use of Radio, TV, drama, poetry, and related plays 								
			<ul style="list-style-type: none"> Disaster preparedness and management operations coordinated and overlaps avoided Regional disaster management committees established, strengthened and their functions sustained 	"	"	0.02	0.055	0.05	0.055	0.06	0.24
4	Promoting Research and enhancing environmentally friendly livelihood systems	To promote sustainable livelihood endeavors through innovative research that builds the local capacity of the vulnerable population	<ul style="list-style-type: none"> Community based adaptive research conducted in drought prone areas Traditional drought coping mechanism identified and documented Sustainable livelihood promoted and supported through drought training demonstration and research Establish functional Meteorological data collection sites in all districts Drought reserve selected, one in each region, as a prototype Fodder production promoted and protected Bio-diversity areas established On farm food reserves promoted especially in potential agricultural districts 	"	"	0.025	0.21	0.21	0.25	0.15	0.845
Total Disaster Preparedness and Management Budget						0.23	0.82	0.735	0.71	0.595	3.09

6. FINANCING

6.1 Capital Requirement

The National Development Plan is basically a public investment program (PIP) that stretches over a five year period and organized under five-pillar headings as the following tables show: (see also appendix 1).

Table 6.1.1: NDP-Annual Capital Investment Requirements (2012-2016)

Year	Total (US\$ millions)	% of total requirement	%of GDP(US\$1050 million)
2012	97.70	10.54	9.30
2013	222.28	23.97	25.17
2014	251.69	27.14	23.97
2015	207.13	22.34	19.73
2016	148.48	16.01	14.14
Total	927.27	100.00	88.31

Table 6.1.2: NDP-Capital Investment Requirement by Pillar

Year	Total (US\$millions)	% of total requirement	%of GDP(US\$1050 million)
Economy	220.60	23.79	21.01
Infrastructure	399.31	43.06	38.03
Governance	83.60	9.02	7.96
Social	212.75	22.94	20.26
Environment	11.01	1.19	1.05
Total	927.27	100	88.31

The total capital investment required, which is US\$927.27 million is based on the projections provided by 43 public entities (ministries, agencies, commissions etc.) through which the government conducts its business. Assuming a nominal per capita income of US\$300, this is equivalent to about 88% of the GDP. Annual requirements vary from 10.54% to 23.97% of the GDP. The average annual requirement is US\$185.45 million or about 17.66% of GDP. This is quite reasonable figure given the small base of the GDP and decades of neglect in public investment. 7-10% of GDP in public Investment Programs on annual basis is often recommended to achieve and sustain high economic growth in a country. In terms of sector requirements, infrastructure accounts for the biggest share or 43.06% of the total, followed by the productive sector accounting for 23.79%. These are critical sectors that have not received due attention until now.

These capital requirements are beyond the means of the government whose total annual budget for 2011 was only about US\$90 million which is equivalent to only 8% of the GDP and had no capital investment component in it.

6.2 Sources of Financing

In order to ensure adequate financing of the NDP, the Government intends to optimize and mobilize all the resources—both domestic and foreign—which are needed for the attainment of NDP investment targets, and to ensure rigorous and effective management of these resources.

The main potential sources are:

Domestic Sources

- Government Revenues (from budget)
- Domestic Private sector investments

External Sources

- Diaspora Contribution
- Aid
 - Bilateral
 - Regional institutions (IGAD)
 - INGOs
 - Private donors and trust funds
 - UN agencies
 - International financial institutions (ADB, WB, IDB)
- Direct Foreign Investment

These sources are expected to contribute to the US\$927.27 million public capital investment required in the five-year National Development Plan as follows:

Table 6.1.3: NDP-Financing by Source

Year	Total (US\$ Millions)	Government	Private	Diaspora	Donors
2012	97.70	7	8.97	0.45	81.28
2013	222.28	9	25.63	0.63	187.02
2014	251.69	11	43.94	0.81	195.94
2015	207.13	13	33.59	0.99	159.55
2016	148.48	15	19.98	1.17	112.33
Total	927.27	55	132.12	4.05	736.10
%	100	5.93	14.25	0.44	79.38

Government Revenues

Over the NDP period, the government projects to increase tax revenues from US\$90 to US\$150 million. In terms of GDP, the government intends to raise domestic revenues as share of GDP from about 8% to 12%. It plans to allocate 7% of the projected budget in 2012 to public investment programs and increase its share to 10% by 2016. The increase in revenue will come from various sources: first, from improved efficiency in the collection and enforcement of payments; second, from broadening the tax base by introducing a value added tax that applies to all transactions except those related to most basic necessities; fourth from increasing tax rates on luxury items and non-essential health damaging consumer goods such as Qat and cigarettes.

Private Sector Investment (Domestic and Foreign)

The private sector is expected to contribute substantively to the five year investment program, particularly in the productive sector and public utilities, where it is projected to invest up to US\$132.12 million or one third of the total investment required in these areas (see table 6.1.4). Industry accounts for the bulk of private investments, i.e. 53.54%. This is due to expected investment in Berbera Cement Factory which will cost about US\$70 million. Utilities follow suit, accounting for 30.58% of the projected total private investment. Investment in public utilities i.e. water and energy will be mainly in the form of public private partnership (PPP). In the Plan period, the Government will endeavor to encourage and facilitate Public Private Partnership (PPP) projects in all areas the economy and social services sector.

Table 6.1.4: Private Investment by Sector (1/3)

Sector	2012	2013	2014	2015	2016	Total	%
Agriculture	1.06	2.29	1.84	1.41	1.17	7.77	5.88
Livestock	0.77	1.17	1.16	1.11	0.85	5.06	3.83
Fisheries	0.6	0.39	0.27	0.24	0.44	1.94	1.47
Industry	1.72	10.54	28.94	19.27	10.27	70.74	53.54
Energy	0.48	2.30	0.45	0.71	1.12	5.06	3.83
Water	3.42	4.18	3.07	3.13	2.31	16.11	12.19
Hargeisa Water Agency	0.43	2.42	4.9	0.77	2.47	10.99	8.32
Berbera Port	0.46	0.32	0.48	4.73	0.21	6.2	4.69
Somaliland Electricity Agency	0.03	2.02	2.83	2.22	1.14	8.25	6.24
Total	8.97	25.63	43.94	33.59	19.98	132.12	100

Diaspora Contribution

The Diaspora will be asked to contribute just US\$1 for every send transaction to a special trust fund. Annual remittance from the Diaspora is estimated to be in the order of US\$500 to US\$600 million. Average remittance is about US\$300, which implies 1.8 million transactions per year on average. Assuming that only 25% of the remitters comply in the first year and that an annual 10% increase thereafter is realized, achieving 65% compliance by 2016, contributions in the first year will amount to US\$0.45 million and are expected to rise to US\$1.17 by 2016. The trust fund will be managed by a trust board with members representing the government, the private sector and civic societies. The fund will be used exclusively to finance capital projects within the five-year National Development Plan. The government will also encourage the Diaspora to invest in the country and will provide the necessary incentives to entice them.

Donors

Given the meagre resources available to the government from its budget, and the absence of credit facilities, the bulk of the capital investment for the National Development Plan, i.e. US\$733.21 million, will have to come from external sources, which include UN agencies, the EU, individual countries, international NGOs, trust funds, regional organisations, international financial institutions, companies and individuals. The sum required may seem large, but in GDP terms, the average annual capital investment expected from donors is just about 14% of GDP. In fact, the figures are in line with current commitments and comparable to the financial assistance requirements of US\$551.6 million projected within Chapter IV of the Reconstruction and Development Program (RDP) for Somaliland over the five year period 2008-2012 as the following table shows. What the plan requires, more than additional resources, is the re-orientation of funds towards infra-structure and productive sectors.

Table 6.1.5: Projected Donor Contribution to NDP (2012-2016)

Year	2012	2013	2014	2015	2016	Total
US\$ (Millions)	81.28	187.02	195.94	159.55	112.33	736.10

Table 6.1.6: Projected Donor Contribution to RDP (2008-2012)

Year	2008	2009	2010-2012	Total
US\$ (Millions)	90.9	124.6	336.1	551.6

Somaliland national sovereignty is not yet recognized officially by the international community. This creates an impediment for the Somaliland authority to access direct bilateral and multilateral aid and to access credit from international financial institutions. Somaliland has hence relied heavily on aid through the UN and international agencies since its inception. This has been crucial during the relief and recovery stages and still is. But aid could have been more effective, if it were more aligned with national priorities, better coordinated, more transparent and outcome oriented.

In the present NDP period, we expect international donors to adhere to the five principles of Paris declaration i.e;

- Ownership,
- Alignment,
- Harmonization,
- results and
- Mutual Accountability.

Ownership awards us the right to determine our own strategies for development which are embodied in our vision 2030 and the five-year national development plan (NDP). Alignment requires donors to support these strategies and plans. Harmonization obliges donors to streamline and better coordinate their activities to avoid wasteful duplication. Results means donor intervention must be directed to achieving clear goals and progress towards these goals must be monitored; Mutual Accountability imposes upon us and the donors the responsibility to ensure that these goals are achieved.

6.3 Implementation and Monitoring

The implementation of Vision 2030 and NDP 2012-2016 will be overseen by Somaliland National Planning Commission (SNPC). The SNPC is lead by the Minister of National Planning and Development and consist of the following 15 members:

1. Minister of National Planning and Development
2. Minister of Finance
3. Minister of Education
4. Minister of Health
5. Minister of Water, Minerals Resources and Energy
6. Minister of Livestock
7. Minister of Agriculture
8. Minister of Fisheries
9. Minister of Trade, Industry and Tourism
10. Minister of Public works
11. Minister of Labor and Social Affairs
12. Governor of the Central Bank
13. Chairman of Chamber of Commerce
14. Chairman of Sonyo (Local NGOs umbrella)
15. Dean of the Faculty of Economics of the University of Hargeisa

The functions and duties of the SNPC are:

- To provide policy advice on development to the President
- To set national priorities and goals and bring about consensus among government agencies,
- To undertake periodic review and appraisal of the National Development Plan as well as the human and material resource capabilities of Somaliland with a view to advancing their development, efficiency and effective utilization;
- To oversee the formulation and preparation of long-term, medium-term and short-term national development plans
- To co-ordinate, monitor and evaluate development plans, policies and programmes.
- To advise on changes and adjustments in institutions and management techniques necessary for the alignment of actions with plan targets and goals;
- To conduct research into various issues of interest to the National Development Plan
- To mobilize popular support for Government development policies and programs;
- To mobilize resources for the National Development Plan
- To oversee international aid, technical assistance and cooperation.

- To deal with matters relating to regional economic co-operation,
- To carry out such other duties as are necessary or expedient for the full discharge of all or any of the functions conferred on the Commission

The SNPC is supported by a secretariat office within the MoNPD. The functions and responsibilities of the Secretariat are as follows:

- To convene the meetings of the National Planning Commission,
- To prepare agenda for its consideration
- To act as the Secretariat of the various committees which SNPC may constitute to carry out its functions.
- To coordinate ministerial Planning Units
- To prepare quarterly progress reports for SNPC
- To work as the executing agency for the decisions made by the Commission.

At the sectoral level, the planning units of each Ministry are responsible for the implementation and coordination of development programs, as well as monitoring, evaluation and preparation of progress reports. The planning units work closely with the MoNPD, which coordinates them and provides technical support.

Appendix 1: Financing required by Sector

Sector	2012	2013	2014	2015	2016	Total
Economy (US\$220.60)						
Finance	5.00	4.1	2.8	2.3	1.1	15.30
Central Bank	0.55	1.39	0.55	0.54	0.55	3.58
Planning	2.58	2.35	2.06	2.06	1.43	10.48
Agriculture	3.17	6.87	5.52	4.22	3.5	23.28
Livestock	2.31	3.5	3.48	3.33	2.36	14.98
Fisheries	1.8	1.17	0.81	0.72	1.32	5.82
Industry	1.91	11.71	32.16	21.41	11.41	78.6
Mining	0.13	0.08	0.02	0.03	0.15	0.41
Energy	1.44	6.9	1.36	2.12	3.35	15.17
Water	10.26	12.54	9.2	9.4	6.94	48.34
Private sector	0.3	0.55	0.55	0.35	0.25	2
Diaspora	0.25	0.5	0.5	0.5	0.9	2.65
Infrastructure (US\$399.31)						
Roads	7.2	32.72	73.5	67.5	54.45	235.37
Transport & Housing	1.95	3.99	5.06	3.82	1.95	16.77
Post & Telecommunication	1.99	3.48	3.27	0.31	0.27	9.32
Civil Aviation	1.00	8.65	16.50	12.75	5.50	44.40
Information & Media	2.14	2.43	1.88	2.28	1.32	10.05
ICT	2.05	1.78	1.65	1.05	0.55	7.08
Berbera Port	1.39	0.97	1.43	14.2	0.64	18.63
Electricity	0.1	6.05	8.50	6.65	3.43	24.73
Hargeisa Water	1.3	7.27	14.69	2.3	7.4	32.96
Governance (US\$83.60)						
Justice & Attorney	4.91	5.49	2.01	1.21	1.1	14.72
Human rights	0.49	1.88	0.73	0.69	0.15	3.94
Home Security	4.42	8.77	5.67	2.92	1.92	23.70
Mine Clearance	0.24	0.25	0.05	0.05	0.05	0.64
National defense	0.4	2.4	2.05	0	0	4.85
National Demobilization	2.42	3.42	3.35	2.1	2.1	13.39
International Cooperation	0.6	2.17	0.87	1.71	0.67	6.02
Good governance	0.38	2.13	1.34	0.88	0.52	5.25
Quality Control	0.55	2.35	0.8	0.05	0	3.75
Civil Service	0.43	0.66	0.25	0.24	0.2	1.78
Parliament	0	2.07	1.55	0.22	0.22	4.06
Civil Society (NGOs)	0.26	0.26	0.46	0.26	0.26	1.5

Social (US\$212.75)						
Health	14.94	40.65	24.78	20.24	16.88	117.49
AIDs	3.57	3.22	3.44	2.92	2.69	15.84
Primary & Secondary Education	6.56	5.36	5.26	4.64	4.64	26.46
Tertiary education	1.231	2.49	2.689	2.44	2.43	11.28
Labor & employment	0.70	1.91	0.53	0.50	0.45	4.09
Social welfare	0.81	1.05	1.11	0.80	0.60	4.37
Youth, Sports and Culture	4.44	11.24	4.89	4.39	2.89	27.85
Religious affairs	0.78	2.445	1.026	0.673	0.443	5.367
Environment (US\$11.01)						
Environment	0.516	2.242	2.609	1.644	0.904	7.915
Disaster Preparedness	0.23	0.82	0.735	0.71	0.595	3.09
Total	97.697	222.277	251.689	207.127	148.482	927.272