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Danida

COUNTRY POLICY PAPER FOR SOMALIA 2018-2023



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1 INTRODUCTION

Somalia is strategically located in Europe's and, consequently, Denmark's sphere of interest. After the state collapse in 1991 and decades of conflict, there is cause for moderate optimism as Somalia over the past years has moved slowly, albeit erratically, towards more political stability. While the Federal Government of Somalia is increasingly taking responsibility for the country's development, it cannot, without support, resolve the extensive challenges that contribute to instability in the region, and hence also directly affect Europe and Denmark. Somalia is still characterised by internal tension, violent extremism, extensive displacements and weak governance.

Denmark's strategic interests in Somalia are focused, in particular, on global challenges such as refugee and irregular migration flows, countering of violent extremism and terrorism as well as maritime security in the central maritime transport corridor between Europe and Asia where Denmark has substantial foreign economic interests. As Somalia gradually stabilises, it will also provide nascent investment and trade opportunities, including in services. At the same time, Denmark has been a strongly committed development partner for the countries in the Horn of Africa and in East Africa for decades. The regional impact of an unstable Somalia can have consequences for development results and private investments.

Therefore, Denmark has a clear interest that Somalia continues the present course towards enduring stability, peace and state-building. Accordingly, the vision and strategic objectives of the Danish engagement in Somalia are based on an interest-oriented, integrated and focused foreign, security and development policy, which has Denmark's security, welfare and core values as central aims and which supports the achievement of the United Nation's Sustainable Development Goals (SDGs).

2 DENMARK'S COOPERATION WITH SOMALIA – VISION AND STRATEGIC DIRECTION

Migration, instability and terrorism together constitute one of the five main areas of the Danish government's Foreign and Security Policy Strategy for 2017-2018 where Denmark has special interests at stake. This country policy paper supports the Strategy's objectives to prevent and reduce migration and refugee flows as well as the terrorism threat against Europe by promoting stability, growth and development, including durable solutions to human displacement.

Over a number of years, Somalia has been a so-called priority country for Danish development policy and belongs to the group of poor, fragile countries. The Danish engagement in and with Somalia implements the vision in Denmark's Strategy for Development Cooperation and Humanitarian Action "World 2030" of a more secure, free, prosperous, sustainable and just world, where the rights and potential for each individual to provide for herself/himself are realized. The Danish engagement in Somalia supports all four focus areas of the strategy. On this basis, and with the prioritised Sustainable Development Goals as a framework, the overall vision for the Danish engagement in Somalia is:

to support the development of a stable, peaceful and resilient Somalia undergoing inclusive economic development, which can offer its citizens a positive future and where the government is able to exercise authority with the aim that the situation in Somalia no longer constitutes a threat to regional or international peace, security and welfare.

For the period 2018-2023, Denmark will work to promote this vision with three strategic objectives where Somalia and Denmark have coinciding interests and aims, and where Denmark can contribute to the achievement of the SDGs in Somalia:

1. Promote stability, security, state-building and strengthen the respect for human rights, focusing in particular on the rights of women, youth and the protection of children.
2. Strengthen resilience and support Somalia's handling of internally displaced and returned citizens to prevent refugee flows and irregular migration, and to promote constructive cooperation on the return of Somali citizens.
3. Contribute to poverty reduction through inclusive and sustainable, private sector-driven economic development and job creation with a special emphasis on women and youth.

Denmark has an interest in promoting Danish core values such as gender equality, the rights of women and fundamental human rights across Danish activities. Moreover, there will be targeted initiatives addressing the protection of children in armed conflict, cf. UN Resolution 1612 (2005), and against

gender-based violence, including Female Genital Mutilation, cf. UN Declaration on the Elimination of Violence Against Women (1993) and Security Council Resolution 1325. Furthermore, Danish central priorities such as the use of technological solutions to address development challenges (TechVelopment) and the inclusion of youth, including Security Council Resolution 2250 on youth, peace and security, will form part of the Danish engagement.

The Danish engagement in Somalia also concerns the Somali diaspora in Denmark. Around 21,000 Somali immigrants and descendants of Somali immigrants reside in Denmark. Somalia's development and the opportunity for a positive future are important for the well-being of Danish-Somalis' remaining family members and friends and play a role in their considerations to return.

Denmark's initiatives in Somalia build on valuable experiences and results from the long-standing Danish engagement since the partnership with Somalia was resumed in 1998. Examples of concrete results to which Denmark has contributed are, among other things, a significant reduction in piracy off the coast of Somalia, the establishment of local authorities - in particular in Somaliland and Puntland - with the ability to collect taxes and deliver basic services, as well as a markedly strengthened crisis response and handling of internally displaced persons. In general, experience shows that local ownership is a condition for success but also that it is vital not to be absorbed in local politics and clan dynamics. Another important reflection is that development results with direct impact on the population are primarily created at the local level. Finally, a more principal lesson from the collaboration during the past years is that development, emergency aid and stabilisation cooperation must go hand in hand with close political dialogue in a strongly politicised and conflict-affected context such as that in Somalia.

In the coming period, Denmark's engagement in Somalia will build on these valuable experiences and results. To a wide extent, the policy will be characterised by continuity with an adjusted focus based on the development in Danish political priorities and the Somali reality. A number of initiatives will address the root causes of migration, and there will be more focus on durable solutions to Somalia's displacement crises where interaction between humanitarian aid and development assistance will be strengthened. Another focus area is human rights, which Denmark will work to promote through alliances with local civil society partners, governments, bilateral actors and the UN. There will also be stronger engagement with local authorities on service provision to create tangible results for the Somali population and local-level ownership. Finally, Denmark will - even more than previously - seek to underpin the positive force of change inherent in inclusive private-sector development and in job creation, in particular for and with young people.

BOX 1: PRIORITISING UN'S GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT

The United Nation's Sustainable Development Goals constitute the international normative framework of this country policy paper. The country policy paper prioritises those Goals where Danish interests are at stake, and where Denmark (in partnership with others) can contribute to promoting Somalia's potential. The focus areas are prioritised based on the Somali national development plans and needs. The engagement will primarily focus on SDG 1 and 2 on eradicating poverty and hunger; goal 4 on quality education (under a strategic partnership with Save the Children); goal 5 on gender equality and strengthened rights for girls and women; goal 8 on promotion of sustainable growth and decent work; goal 9 on infrastructure; and in particular goal 16 on peace, justice and strong institutions. Goal 17 on partnerships is a priority across Denmark's engagement in Somalia.

The strategic objectives take as their starting point how Denmark can achieve the largest impact and exercise influence through partnerships.

The comprehensive Danish engagement in Somalia is based on principles such as integration, flexibility, risk willingness, partnerships and geographical differentiation. The engagement will be based on a large number of instruments:

- Active political dialogue
- Bilateral country programme
- Humanitarian aid
- Regional Peace and Stabilisation Programme
- Defence initiatives
- The Peace and Stabilisation Response
- "Flexible Return Funds"
- Strategic civil-society partnerships
- The Investment Fund for Developing Countries
- Danida's Diaspora Program
- The Trade Council (to a lesser extent)

The instruments will be integrated to achieve the greatest possible impact. That particularly applies to defence, stabilisation and development instruments as well as development-oriented and humanitarian initiatives. Compared with similar bilateral partners, Denmark's strength is precisely the comprehensive and relatively flexible engagements. The approach across instruments will regularly be adapted to the situation on the ground, including the security situation. Danish comparative advantages related to, for instance, shipping, fishing and technological solutions will be brought into play.

The strategic objectives take as their starting point how Denmark can achieve the largest impact and exercise influence through partnerships. Success depends on mutually binding and innovative partnerships in the form of cooperation with Somalia's authorities, civil-society organizations, the private sector, multilateral organizations and other international development partners. The focus will be on identifying new and existing partners with the will and ability to create results leading to positive changes. The national development plans for Somalia and Somaliland, respectively, will form the framework of the partnership with the authorities.

Denmark will prioritise partnerships with the UN, the World Bank and the African Union (AU) as well as bilateral actors such as Great Britain, the EU and the Nordic countries to ensure synergies, division of labour and influence. The choice of partners is based on the strategic objectives. For example, while Great Britain and AU are central partners related to stabilisation, partnerships with the World Bank, the EU and the Nordic countries will be important for other agendas. At the same time, Denmark will actively seek to advance Danish positions regarding the Somalia agenda within the framework of the EU in Brussels and in other international fora such as the UN, the World Bank and the AU.

For the period 2018-2021, the Danish strategic partners Save the Children, the Danish Refugee Council and International Media Support will be present with initiatives in Somalia. They will provide a valuable contribution to developing and consolidating a sustainable, active and broadly anchored civil society in Somalia, which among other things will improve the connection between humanitarian aid and development, underpin the establishment of democratic media, promote the protection of children and strengthen the rights of women in armed conflict.

The Danish engagement in Somalia will be based on a geographically differentiated and balanced approach. While Somaliland is relatively peaceful, the situation in Puntland and in particular the new Federal Member States is less stable and characterised by clan disputes, the threat from al-Shabaab and Islamic State. Over the past period, a larger part of the Danish support has moved towards the southern and central parts of Somalia. This reflects a changed security situation in parts of Somalia and a stronger international presence.

Denmark will maintain a strong focus on Somaliland. This should be seen in the context of high demand, diminishing donor interest as a result of the increased focus on the rest of Somalia and the opportunity to build on the considerable Danish development engagement in Somaliland over the past decades. The relatively strong Danish presence in Somaliland is detached from Somaliland's ambition to obtain independence. Somaliland's international legal status must be clarified through dialogue between the parties with support from regional institutions.

3 THE SITUATION IN SOMALIA – OPPORTUNITIES, CHALLENGES AND RISKS

Following decades of conflict, state-building in Somalia for the past five to seven years has started moving in a more positive, if uneven, direction.

Following decades of conflict, state-building in Somalia for the past five to seven years has started moving in a more positive, if uneven, direction. With the election of President Mohamed Abdullahi “Farmajo” in 2017, Somalia completed its second subsequent peaceful transition of power. Farmajo’s government has continued the gradual positive development in, particularly, on economic agendas. Even if the security situation remains challenging, a more consolidated state authority offers opportunities to contribute to positive future development in Somalia.

With support from the international community, the Federal Government and the parliament have passed Somalia’s first national development plan for 2017-19 together with a security pact consisting of a national security architecture and commitment of international support. The new agreements replaced the “New Deal Compact” for Somalia from 2013 and represent a platform for international engagement with stronger Somali ownership.

The political progress in Somalia, combined with an al-Shabaab without control of any major urban areas, constitutes a window of opportunity to work towards long-term stability. Even if al-Shabaab is under pressure in military terms, the group still constitutes a serious threat to Somalia and the region. Moreover, the Islamic State is now present in Somalia. Meanwhile, clan conflicts and tensions associated with the federalization process are of growing importance in the conflict pattern and risk weakening the fight against al-Shabaab.

Somalia’s path to further stable progress in areas such as security, governance, anti-corruption efforts, provision of basic services and human rights remain long. Setbacks should be expected. In particular, the security situation is fragile, and AMISOM’s expected drawdown and handover of security responsibility to Somalia over the coming years is a cause of concern due to the severe condition of the Somali security forces.

The successfully completed presidential elections in Somaliland, with Muse Bihi as the winner, in the autumn of 2017 has given new impetus to Somaliland’s political life. This opens up for accelerating a number of reform agendas in accordance with Somaliland’s new development plan for 2017-21. However, the parliament is sitting in its 12th year, and democratic elections will be an important next step.

Historically, external intervention - military, political and economic - by the neighbouring countries Kenya and Ethiopia has played a major role in Somalia. Ethiopia’s and Kenya’s interests in Somalia are linked to security and economic concerns, and their influence on the development in Somalia is considerable. Furthermore, large groups of ethnic Somalis live in both countries. As Somalia

has become more stable, in particular the Gulf States and Turkey's interests and activities in Somalia have been on the increase. As a result, the Gulf crisis between Saudi Arabia and The United Arab Emirates on the one hand and Qatar on the other hand has had a significant politically destabilising impact on Somalia, especially with respect to the relationship between the Federal Member States and the Federal Government. In addition, there is a religious-ideological Salafist/Wahhabi influence supported by capacities in the Gulf as well as a more religious-politically motivated influence from actors related to the Muslim Brotherhood.

Piracy in Somali waters has been dramatically reduced since 2011-12 when it reached its peak. However, there have been a number of pirate attacks the past year. The root causes of piracy in the form of poverty, weak exercise of state authority, corruption, illegal overfishing and organised criminal networks

SCENARIOS FOR THE DEVELOPMENT IN SOMALIA

It is difficult to predict the development of a complex and conflict-affected context such as Somalia, which still has a long way to go towards a comprehensive and stable political settlement between the many struggling parties. Moreover, there is the impact of recurring and severe drought periods as well as sudden floods.

The worst-case scenario is that AMISOM withdraws without competent Somali security forces being ready to take over. Al-Shabaab will take control over large urban areas with a self-reinforcing impact on al-Shabaab's strength through access to resources and recruits. In a pessimistic, but not unlikely scenario, this may result in increased political tensions, which will benefit al-Shabaab and allow them to gain control of large rural areas and medium-sized urban centres. Ultimately, this could lead to the collapse of the federal state.

However, the most likely scenario for the coming period is a continuation of the complex picture seen over the past years with gradual, positive (albeit uneven) state-building consolidated around the large urban centres in Somalia, whereas al-Shabaab retains control of substantial rural territory. Within this scenario, a worsened security situation and increased conflict may be seen in some periods due to tensions between clans about the distribution of resources provided by the federalization process, as well as an expected increase in terrorist attacks in line with the growing military pressure on al-Shabaab.

In the optimistic version of the above scenario, the most important political actors are included in a genuine peace and reconciliation process leading to a stable political settlement, whereas al-Shabaab will lose its foothold in the rural areas.

Risk willingness is a precondition for engaging in Somalia. In particular the unstable political situation, the security situation, corruption and the potential abuse of aid lead to uncertainty.

remain. Thus, piracy is not an isolated question of maritime security, but is related to other types of crime. Eradication of piracy is closely related to progress on land.

Finally, the humanitarian situation is very fragile. Due to conflicts and recurring droughts as a result of climate change combined with a strong pastoralist culture, Somalia has for decades been an epicentre of migration. Today, more than one million Somalis live as refugees, primarily in the neighbouring countries, but also in Europe, and 2.1 million Somalis are internally displaced in Somalia. Instead of fleeing across the borders of Somalia, the population is now primarily displaced internally. This is i.a. due to efficient emergency assistance with improved humanitarian access and due to Kenya now being less willing to host Somali refugees. This has created historic migration from rural areas to urban centres with the consequence that, today, Somalia has one of the world's fastest growing urban populations.

Risk willingness is a precondition for engaging in Somalia. In particular the unstable political situation, the security situation, corruption and the potential abuse of aid lead to uncertainty. To address these risks, the Danish efforts are based on a flexible approach: If the situation on the ground changes significantly, the Danish engagement will be adjusted accordingly.

4 STRATEGIC OBJECTIVES FOR DENMARK'S ENGAGEMENT IN SOMALIA

The three strategic objectives for the Danish engagement in Somalia take as their basis the challenges of Somalia, but also the opportunities to support positive change. At the same time, the objectives build on Danish comparative advantages and robust experiences within, among other things, private-sector development, the nexus between humanitarian assistance and development cooperation, maritime security and the countering of violent extremism. Moreover, the strategic objectives are mutually reinforcing. Security, peace and stability are prerequisites for sustainable state-building and poverty reduction. Accountable and inclusive institutions, respect for human rights, jobs as well as reasonable living conditions, in turn, form the basis for permanent stability and for preventing displacement.

4.1 PROMOTE STABILITY AND SECURITY, STATE-BUILDING AND HUMAN RIGHTS

Somalia faces complex and interdependent challenges in the form of fragile state institutions, instability and armed conflict as a result of violent extremism and clan conflicts as well as extensive and severe violations of human rights.

The federalization process and the establishment of constructive cooperation between the Federal Government, Federal Member States and local authorities will, for the coming years, be central to the political process and the foundations of enduring stability in Somalia. The objective of Denmark's support for state-building is to strengthen the development of legitimate, open and inclusive state structures that build on the trust and ownership of the population. Denmark will promote state-building where it has the most direct importance to the Somali population, i.e. primarily at the local and federal state level. In Somaliland, which has higher state capacity and a democratically elected president, initiatives will also take place at the national level. Denmark will also support Somalia's constitutional review process, which will be the most important and most difficult macro-political process in the coming years.

The security situation in Somalia is closely linked to the political process of creating a functioning federal system and a new constitution. However, state-building in itself will not ensure stability. That will require stabilisation efforts and support for security actors, and in this regard, AMISOM remains the guarantor of security in Somalia. With the UN Security Council Resolution 2372 (2017), AMISOM's key task the coming years will be to hand over security responsibility to Somalia. Denmark will support this process, i.a. by supporting AMISOM through military training and stabilisation support as well as by contributing to the capacity of regional institutions, including AU, IGAD and EASF, to play an active positive role in Somalia and the region, including through initiatives under the Peace and Stabilisation Programme and indirectly through the Africa Programme for Peace.

RELEVANCE TO THE UN SDGS:

The strategic objective to promote state-building, stability and security as well as human rights contribute directly to Somalia's compliance with the UN SDG 16, among other things by working for efficient, inclusive, responsible and transparent institutions, countering the use of children in conflicts, combating corruption, preventing violence and combating terrorism.

Through civilian stabilisation efforts, Denmark will counter violent extremism i.a. by supporting the rehabilitation of al-Shabaab defectors, combating terrorism finance and by supporting initiatives to weaken the attractiveness of al-Shabaab. This is also central to Denmark's own security as Somalia is a hotbed of violent extremism and terrorism that impact both the neighbouring countries and the global level, including Denmark.

Somalia's geostrategic location in relation to international trade between Europe and Asia is of direct importance to Danish shipping. In that respect, piracy and maritime crime constitute substantial threats. Other regional security challenges include the trafficking of humans, narcotics and weapons. Denmark will continue to prevent and combat piracy and organised crime on land and at sea through stabilisation efforts to develop the local and regional capacity to exercise authority, as well as through support for international anti-piracy efforts.

Severe human rights violations and inadequate protection of civilians in Somalia undermine state-building and stabilisation. However, with the consolidation of state institutions and the current relative stability, there is also early momentum for reforms on this agenda. Denmark will support the human rights agenda by promoting the Somali authorities' role as duty bearers, by supporting civil-society organizations and civil-society conditions in Somalia and through targeted efforts for and with the most vulnerable groups, including children and young people influenced by conflict and gender-based violence.

4.2 STRENGTHEN RESILIENCE AND SUPPORT SOMALIA'S HANDLING OF INTERNALLY DISPLACED PERSONS AND RETURNED CITIZENS

Somalia and the international community face a structural challenge to ensure durable solutions to the millions of internally displaced persons in the country, in particular in urban areas. At the same time, climate change amplifies existing fault lines, among other things as a result of intensified struggle for resources. New conflict or drought-related displacements can potentially lead to increasing migration and refugee flows out of Somalia, including to Denmark. Therefore, Denmark has a clear interest in promoting more long-term resilience and inclusive economic development in order to create reasonable living conditions in the future as well as reduce the migration pressure and Somalia's extensive dependency on emergency assistance.

A substantial part of Denmark's humanitarian assistance to Somalia over the coming years will still be acute, life-saving emergency aid. Somalia averted famine in 2017 due to a rapid and efficient humanitarian effort. However, the

humanitarian needs are still massive. The humanitarian crisis in Somalia is long-lasting and only a small part of the internally displaced persons return to their place of origin. Therefore, there is a need for solutions that address the long-term needs of displaced people. It is a Danish priority to strengthen the relation between humanitarian initiatives and development cooperation - and not only responding to acute crises.

Denmark's Strategy for Development Cooperation and Humanitarian Action emphasises the importance of this nexus. With emergency aid to the most vulnerable people and support for improved living conditions, job creation, conflict resolution and cooperation with Somali authorities, Denmark will support resilience among internally displaced persons and their host communities, contribute to preventing secondary displacements and improve future prospects for Somalis who return home from other countries. The long-term efforts are also promoted through a strategic partnerships with Danish civil-society organizations.

The cooperation with the Somali authorities will primarily focus on local and national handling of displaced persons. However, the Danish commitment will also relate to the global and regional implementation of the Comprehensive Refugee Response Framework (CRRF) that is targeted at long-term solutions for Somali refugees in the region based on a close coupling of development and humanitarian efforts. Denmark will support the general objectives of sustainable and broad-based inclusive solutions through development and humanitarian initiatives as well as at the political level through cooperation with Somali authorities, participation in coordinating bodies and active follow-up in the political negotiations.

Over the coming years, a special challenge will be Somalia's readmission of its own citizens without legal stay in Denmark. Forced return of Somalis is a sensitive political issue in Somalia, not least owing to the extent of the challenges that Somalia is facing with refugees and internally displaced persons as well as pressure from the large Somali diaspora. Regular and close diplomatic contact with the authorities has therefore turned out to be decisive. Denmark will maintain and extend this dialogue with all relevant actors. In addition, through a more-for-more approach, Denmark will strengthen the dialogue in this area by supporting the Somali authorities' capacity to meet their obligations to receive their own citizens. Denmark will continue and increase efforts in the re-integration area (regarding voluntarily returned persons) and thus ensure a dignified and sustainable return, which can also contribute to positive development in Somalia.

RELEVANCE TO THE UN SDGS:

The strategic objective contributes to SDG 1 to build resilience among poor and vulnerable groups in relation to economic, social and environmental shocks and to implement a social safety net. The objective also contributes to SDG 2, which aims at eliminating hunger.

4.3 COMBAT POVERTY THROUGH INCLUSIVE GROWTH AND SUSTAINABLE JOBS

Somalia is among the world's five poorest countries, and more than half the population lives below the international poverty line (of USD 1.90 per day). At the same time, Somalia's population is young with more than 70 percent below 30 years of age. That is a strength, assuming that the youth is provided with the means to create a meaningful and attractive life in Somalia. However, conflict, poverty and unemployment can also create frustrations. A large part of Somalia's youth expresses an interest in leaving Somalia, and studies from the Danish-supported al-Shabaab defector rehabilitation centre show that lack of economic opportunities is one of the most important reasons for joining al-Shabaab. Thus, there is a connection between this strategic objective and the two others.

Even if there are massive challenges, real platforms for inclusive growth and decent jobs are emerging, which can create a more positive future for the Somali population. The private sector is the backbone of Somalia's economy and has proved to be remarkably resilient despite decades of conflict. This is seen, for instance, in increasing cattle exports over the past years and fast-growing use of integrated bank and mobile technology. Meanwhile, under the present government, progress is seen on significant reform agendas, for example the agreement on telecommunications.

Denmark will contribute to poverty reduction and inclusive economic development by supporting improved framework conditions for doing business, including regulation, infrastructure and market access, as well as through concrete investments in small and medium-sized businesses that can create sustainable jobs in the private sector. To the extent possible, these efforts will be made with and by youth and primarily focus on productivity in highly prioritised sectors, such as cattle farming and fishery as well as their related value chains, which is in accordance with the priorities in Somalia's and Somaliland's national development plans.

Denmark will contribute to poverty reduction and inclusive economic development by supporting improved framework conditions for doing business.

The poverty-reducing efforts must also be linked to humanitarian efforts and contribute to building resilience against recurrent drought and instability among other things. This strategic objective is thus closely intertwined with the objective to strengthen resilience and to support Somalia's handling of internally displaced and returned citizens. The initiatives will build on previous experience from the long-term Danish engagement, but will to a higher degree than previously be private-sector and commercially oriented, among other things by bringing into play the Investment Fund for Developing Countries. Furthermore, synergies with the Danish support for International Finance Corporation's ef-

forts within entrepreneurship and development of small and medium-sized businesses will be emphasized.

A key element in the reform work is the dialogue between the public and private sector which Denmark has co-initiated. Another central aim of the reforms is the debt relief process with subsequent access to international institutional financing for the purpose of being able to deliver basic services to the Somali population. These are areas which Denmark has previously supported and where new constructive Danish contributions could make a difference.

RELEVANCE TO THE UN SDGs:

Relevance to the UN SDGs: The strategic objective to contribute to combating poverty is coincident with SDG 1. Somalia will be among the countries where the UN SDG to eliminate extreme poverty will require the greatest efforts. The objective is also directly relevant to SDG 8 to further inclusive and sustainable economic growth, employment and decent jobs. Finally, the goal contributes to SDG 9 concerning development of infrastructure.

5 RESULTS AND MONITORING

The ongoing monitoring, evaluation and learning in connection with Denmark's engagement in Somalia will be anchored at the Danish embassy in Nairobi, which will regularly report on the progress, significant risks and preliminary results in Somalia. The country policy is considered robust and flexible and can be adapted in light of the future developments and Denmark's physical presence in the country. If the development moves toward the pessimistic scenarios, the Danish engagement will be reconsidered based on any need for adjustments, and the continued relevance of the engagements will be closely assessed. In the preparation of the bilateral development and stabilisation efforts in Somalia, concrete descriptions of the stabilisation and development objectives with result frameworks and potential scenarios and risks will be formulated.

Finally, to support the strategic objectives and public diplomacy in order to strengthen Denmark's visibility and reputation, communication efforts will be sought increased, including by reaching out to the Somali diaspora in Denmark, for example through Danida's Diaspora Programme and returned Danish-Somalis in Somalia.

6. ANNEXES

6.1. ANNEX 1: MAP



6.2. ANNEX 2: KEY FIGURES FOR SOMALIA

Key economic data	Value	Source
Area (2017)	637,657 km ²	WB WDI CP
Population (2016)	14.3 million	WB Open Data
Gross domestic product, GDP (2016)	USD 6.22 billion	WB Open Data
Share of the population under 30 (2017)	About 70 %	AEO 2017
Annual growth in GDP (2016)	3.7 %	AEO 2017
Gross national income, GNI per citizen (2015)	294 (2011 PPP USD)	UN HDR 2016
"Ease of doing business"-index, sub-Sahara Africa, 1-47 (2018)	47	WB EDBI
Public expenditure, percentage of GNP (2016)	2.74 %	WB SO
Tax payments, percentage of GDP (2015)	1.9 %	WB SEU 2017
Official development aid, net per citizen (2017)	USD 98.4	OECD (2017)
Official development aid, net percentage of GNI (2017)	21.1 %	UN HDR 2016
Balance of payments, percentage of GDP (2015)	47 %	WB SEU 2017
Central government debt, percentage of GDP (2017)	79 %	AEO 2017
Inflation (2016)	1.5 %	WB SEU 2017

Key environmental data	Value	Source
Annual population growth (2016)	2.9 %	WB WDI CP
Average expected life expectancy (2015)	55.9	WB Open Data
Child mortality rate, first five years of life per 1,000 births (2015)	136.8	UN HDR 2016
Share of population with improved supply of water (2011)	31.7 %	WB WDI CP
Number of doctors per 100,000 inhabitants (2001-2014)	4	UN HDR 2016
15-49 years old who are HIV positive (2015)	0.5 %	UN HDR 2016
Share of the population living for less than USD 1.90 a day (2017)	51.6%	AEO 2017

Key economic data	Value	Source
Annual deforestation (1990-2015)	23.2 %	UN HDR 2016
Access to improved sanitary facilities (2011)	23.5 %	WB WDI CP
CO ₂ emissions (2014)	608,722 kt	WB Open Data

Key human rights data	Value	Source
Political rights, 0-40 points (2017)	0	Freedom House
Civil rights, 0-60 points (2017)	5	Freedom House
Ratification of primary international human rights instruments (12 in total)	5	UN HDR 2016

AEO 2017: Salome Kimani & Richard Walker, African Economic Outlook 2017 - Somalia

Enc. Britannica: Encyclopaedia Britannica

OECD 2017: DEVELOPMENT AID AT A GLANCE - STATISTICS BY REGION - 2. AFRICA (2017 Edition)

UN HDR 2016: United Nations Human Development Report 2016

WB EDBI: World Bank Ease of Doing Business Index 2017

WB Open Data: <https://data.worldbank.org/>

WB SEU 2017: Somalia Economic Update: Mobilising Domestic Revenue to Rebuild Somalia (July 2017, Ed. No. 2)

WB SO: World Bank Somalia Overview

WB WDI CP: World Bank World Development Indicators Country Profile, Somalia

WB WDR 2014: World Bank World Development Report 2014

6.3 ANNEX 3: PAST DEVELOPMENT AND STABILISATION COMMITMENT IN SOMALIA

Denmark's and Somalia's bilateral diplomatic relations date back to 9 July 1960 - shortly after Somalia's independence from Italian colonial rule (British, as regards Somaliland). In the 1980s, Denmark had a development engagement based on government loans with a focus on i.a. fishery and development of the port of Mogadishu. The development cooperation ceased at the collapse of the state at the beginning of the 1990s. During the 1990s, Denmark once more engaged with development aid, in particular in Somaliland, where the initiatives i.a. were in the cross-section between development and humanitarian aid. The engagement has since been expanded to include a wide range of instruments, including development and humanitarian aid, stabilisation and naval presence off the coast of Somalia, consular cooperation and most recently in the investment area.

The first country programme for Somalia covered the period 2011-2014. It was based on an evaluation of the Danish engagement in Somalia for the period 2006-2010. The period is distinctive from that of today, but nevertheless, the evaluation contains some central conclusions that remain relevant. Among other things, it emphasised the benefits of supporting initiatives in the cross-field between humanitarian aid and development in the Somali context. According to the evaluation, the community initiative with the purpose to assist refugees and internally displaced persons as close as possible to their homes, made Denmark capable of moving from merely providing humanitarian aid to the internally displaced persons to also contributing to developing local communities and capacity-building in collaboration with local authorities. Another central conclusion was the importance of Denmark's holistic and cross-sectoral approach to support, which links Danish development aid with diplomacy and political dialogue as an efficient way to organise assistance.

The present Danish country programme runs from 2015-18 and totals DKK 450 million. In addition, there are activities under the Peace and Stabilisation Programme and humanitarian assistance, which in 2017 amounted to DKK 175 million, as well as strategic partnerships with relevant Danish civil-society organizations. In the period 2018-2021, the Danish strategic partners in Somalia will be the Danish Refugee Council, Save the Children Denmark and International Media Support. The following provides a brief overview of the central target areas of the Danish development cooperation and stabilisation efforts in Somalia.

SOMALIA COUNTRY PROGRAM 2015-2018

With a budget of DKK 450 million for the period 2015-18, Denmark's country programme sets the frame for Denmark's development engagement in Somalia. The programme drew on Denmark's previous experiences in Somalia and its focal point was to support the implementation of the "New Deal"-based "Somalia Compact". The Danish country programme had three thematic programmes: 1) good governance, 2) private-sector development and resilience and 3) support for the multilateral organisations' financing windows under Somalia Compact and the Somaliland Development Fund.

Commitment	Budget (DKK million)
Thematic programme 1 – governance	
Local governance (build-up of local authority capacity)	53
Civil-society participation in democratization and state-building	34
Thematic programme 2 - private-sector development and resilience	
Investments in cattle and job-oriented education	30
Increased resilience in the Somali population (the Danish Refugee Council)	25
Promotion of inclusive markets in Somalia (value chains etc.)	25
Thematic programme - Multilateral and co-financed programmes	
UN programmes for youth employment and establishment of federal states	53
The World Bank's programs for reforms and job creation	85
Somaliland Development Fund (infrastructure and economic growth)	90
Others	
Promotions of the rights of women etc. (UN Women)	4
Third-party monitoring	13

Good governance

In 2012, after more than 20 years of conflict, Somalia had an internationally supported government based on the most important Somali political clan elites. Since then, the country has moved unevenly towards more stability. Following this development, Denmark has supported state-building in Somalia. Denmark has supported civil-society participation in central political processes such as elections and the constitutional review process under the "Participatory Governance and Peace Programme". The efforts have yielded results through the visible commitment of civil-society organizations, but have also turned out to be challenging, both because the role of civil-society became less relevant with the indirect, clan-based election process in 2016/17 (rather than the expected democratic elections), and because civil society in Somalia and Somaliland are complex organisations, often based on professionalised NGOs.

Furthermore, under the governance component, Denmark has continued its support of local governance capacity-building at the district level through the UN Joint Programme for Local Governance and Service Delivery. Over the past years, these efforts have shown particularly good results in the more stable Somaliland and Puntland with regards to administrative capacity, tax collection and delivery of basic public services, yet have also slowly started showing results in the new Federal Member States, including with regards to legislative frameworks, local authority structures etc.

Inclusive economic growth

Under the Danish support for economic development, the aim has been to contribute to sustainable and inclusive poverty reduction. The initiatives draw on Denmark's experiences in the animal breeding sector and resilience at the village level. The "Village Level Resilience Programme" has contributed to increasing resilience to shocks and crises for 11 vulnerable local communities in four districts in southern and central Somalia. Among other things, this has occurred

through support for the establishment of savings and loan groups, training in business development, agricultural techniques and systems for early warning.

The most important sectors in Somalia's economy are livestock farming, fishery and agriculture as well as remittances from Somalis abroad. Through work with precisely animal breeding and other value chains, Denmark supports vulnerable areas and their economic development. Under the initiative for "Promoting Inclusive Markets", Denmark has contributed to sustainable and inclusive poverty reduction and economic development through support for the development of basic legislation, private-sector development and the value chains of central sectors. Through support for the IFC, Denmark has also contributed to setting up ground-breaking public-private dialogue between the government and business community. This has created momentum on the telecommunications reform agenda where an act to regulate the telecommunications sector was passed by the parliament after several years of waiting.

Support of Somalia Compact

To support the implementation of "Somalia Compact", Denmark has supported the multi-donor mechanisms United Nations Multi-Partner Trust Fund, World Bank Multi Partner Fund and Somaliland Development Fund. This way, Denmark has contributed to harmonising development work in Somalia and supporting the priorities of Somalia's government, which are otherwise impeded by the fragile state structures and fragmented international initiatives. The Danish support for multi-donor mechanisms has been earmarked for specific sub-programmes. Earmarked initiatives include "Support for Emerging Federal States", UN's Youth Employment Programme and the World Bank's Somali Core Economic Institutions and Opportunities (SCORE), which aims to build up the institutions that underpin the financial and private sector as well as a catalytic fund that supports concrete private-sector initiatives. The support for the World Bank's Multi Partner Fund has also contributed to Somalia's government delivering results across a number of institutional and economic reforms over the past years. For instance, this applies to financial management and tax collection, which has risen significantly, particularly in the past year. As mentioned, Denmark has also supported the federal state formation process. Over the past years, there have been significant results with the establishment and gradual consolidation of the new Federal Member States. Generally, the "Compact structure" has turned out to be a useful tool to ensure coordination, collaboration and mutual openness in a fragile context as Somalia with weak state structures. However, it has also turned out to be a resource-intensive structure, and it can be questioned if means have matched results in the form of aid efficiency and Somali ownership.

THE PEACE AND STABILISATION FUND'S PROGRAMME FOR THE HORN OF AFRICA 2015-2018

The Peace and Stabilisation Fund's programme for the Horn of Africa 2015 to mid-2018 (PSP/HOA II) has a budget of DKK 210 million, of which about 60 pct. are DAC funds (development aid) and 40 pct. are non-DAC funds (non-development assistance by the Danish Ministry of Foreign Affairs and initiatives by the Ministry of Defence).

The programme integrates defence, police and development initiatives in a merged model and comprises three components: Stabilisation of Somalia, strengthening of regional peace-keeping capacity and combating regional threats. Of these funds, approx. DKK 100 million directly target Somalia, and the remainder of the activities are implemented in Kenya and Ethiopia, respectively.

In Somalia, emphasis is on the instability and conflict that have characterised the country for more than twenty years. The initiatives include stabilisation at local and federal levels, rehabilitation and re-integration of al-Shabaab defectors and building of constitutional state institutions with a particular focus on the prison service for the purpose of transferring convicted pirates from third countries. This has made it possible to transfer piracy convicts - i.a. arrested by Danish naval vessels - from third countries to Somali prisons living up to international standards. Also the Serendi Centre, which Denmark has supported since 2012, has further developed in a positive direction and, today, appears as the model for rehabilitation of al-Shabaab defectors according to the Federal Government of Somalia. Hundreds of al-Shabaab defectors or captured al-Shabaab members have thus been through the centre over the past years. The third phase of the Peace and Stabilisation Programme 2018-2022, with an expected budget of DKK 219 million, is under preparation. It is expected, in accordance with the first strategic objective of the policy paper, that emphasis will be on the ability and capacity of regional and local actors to address conflict, counter violent extremism in Somalia and the region, and counter cross-border threats on land and at sea, including maritime crime.

The armed forces' contribution to AMISOM under the Peace and Stabilisation Programme

Denmark contributes indirectly to the fight against al-Shabaab in Somalia through the collaboration with the British Peace Support Team (BPST), which is located at Karen, Nairobi. BPST supports the final mission training of the force contributions from Kenya and Uganda, which subsequently deploy to AU's mission (AMISOM) in Somalia - the so-called "pre-deployment training".

Denmark's support has focused on training in countermeasures against improvised explosive devices (Counter Improvised Explosive Devices - C-IED) and civilian-military cooperation (CIMIC). This cooperation is much appreciated on the part of UK since UK has limited capacity in this area, and because the Royal Danish Army's Engineer Regiment has particularly strong skills in the C-IED area, which UK has experienced from similar collaboration in Iraq and Afghanistan. Until the end of 2017, the armed forces had a seconded military advisor at BPST. Denmark supports the training with deployed training teams, typically for two weeks' duration, in connection with individual activities.

Combating piracy

In the period from 2009 and until the expiry of the operation at the end of 2016, Denmark contributed to NATO's Operation Ocean Shield. The purpose of the operation was to contribute to combating piracy around the Horn of Africa and protecting the maritime traffic in the area. Operation Ocean Shield was a NATO-led operation based on NATO's two standing maritime groups, which each consists of three or four vessels of the frigate or destroyer class, supported by a number of supply vessels etc. In the period, Denmark contributed with vessels of the Absalon class (flexible support vessels) and Iver Huitfeldt class (frigates). The

Royal Danish Air Force also contributed with a maritime patrol aircraft during periods in the years between 2011 and 2016. Finally, the armed forces presently have three staff officers at the international Combined Maritime Forces, of which one is seconded to the anti-piracy task force TF 151.

Denmark has been and still is comprehensively engaged in combating piracy around the Horn of Africa. Denmark supports the prisons in Somalia for the purpose of transfer of pirates to Somali prisons after sentencing. Under the present stabilisation programme, Denmark has supported the coast guard / maritime law enforcement in Somalia, and further efforts are made under the Danish-supported Somalia Stability Fund to improve conditions in the socially and economically vulnerable coastal areas, in particular the piracy strongholds in Puntland.

THE PEACE AND STABILISATION RESPONSE

The Peace and Stabilisation Response deploys Danish civilian experts to international missions to support peace and stabilisation in fragile and conflict-affected states. Through the Response, Denmark presently has three Danish civilian experts deployed to EU's capacity building mission in Somalia (EUCAP). The mission works with capacity building of the coast guard in Somaliland and the deployed experts advise within e.g. law and strategy and handle project administration.

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