

**Ministry of Foreign Affairs – (Embassy Nairobi)**

**Meeting in the Council for Development Policy 30 October 2018**

Agenda item 3

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| <b>1. Overall purpose</b>                       | For discussion and recommendation to the Minister |
| <b>2. Title:</b>                                | Country Programme for Somalia 2019-2023           |
| <b>3. Presentation for Programme Committee:</b> | 4 April 2018                                      |

# Denmark's Somalia Country Programme 2019-2023 (SCP)

## Key results:

- Improved state and local government capacity to deliver basic services and public goods to the Somali population and in particular to women, youth and marginalised groups in an equitable, inclusive and participatory transparent and accountable manner.
- Inclusive and resilient private sector led growth and job creation, in diverse and critical value chains including women and youth, strengthened economic and financial governance and improved business environment promoting women and young entrepreneurs.
- Improved human rights situation through enhanced national human rights regulatory framework and enforcement, protection of IDPs, returnees and host communities targeting women, girls and boys through countering FGM and GBV, rehabilitating child soldiers and support to durable solutions, establishing protection systems, and safety nets.

## Justification for support:

- Denmark has strategic interests in a stable, peaceful and resilient Somalia. The over-arching theme and approach of focusing on resilience in the peace-development-humanitarian nexus is needed to contribute to a more stable Somalia in charge of its own development.
- Denmark has a strong and long track record from a robust engagement with Somalia. Denmark's status as one of the top ten development partners provide a conducive platform for policy dialogue and development.
- Economic growth, improved governance, stability and poverty reduction constitute the foundation for a viable alternative to migration from Somalia and for return of Somali refugees.
- The SCP promotes Danish policy priorities and development objectives as stated in Denmark's Country Policy Paper for Somalia 2018-2023.

## Major risks and challenges:

- Somalia will remain fragile and conflict-affected in the short- to medium-term except for the relatively stable Somaliland. Lack of access to areas of implementation due to security concerns is a key challenge.
- A challenged political space for civil society, media, opposition and excluded marginalised groups; the federalisation process and the Somali Government (s) ability to reform and implement new legislation.

<b>File No.</b>	2018-4903						
<b>Country</b>	Somalia						
<b>Responsible Unit</b>	Embassy of Denmark in Nairobi						
<b>Sector</b>							
	<i>DKK mill.</i>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
<b>Commitment</b>	580	150	150				880
<b>Projected ann. Disb.<sup>1</sup></b>	165	215	240	160	100		880
<b>Duration</b>	2019-2023						
<b>Finance Act code.</b>	§ 06.32.01.08						
<b>Head of unit</b>	Mette Knudsen						
<b>Programme Officer</b>	Signe Fischer Smidt						
<b>Chief Financial Officer</b>	Tine Lunn						
<b>Relevant SDGs</b>							

## Strategic objective:

The overall objective of the SCP is: *Basic foundation in place for the development of a resilient, stable and peaceful Somalia based on responsive and inclusive governance and a growing and poverty-reducing economy.* This overall objective is supported by the objectives of the three Thematic Programmes.

**Thematic objective 1:** *Government ability at state and local level enhanced to respond to the development and resilience needs of in particular women, youth and marginalised groups in an equitable, transparent, accountable and participatory manner.*

Engagements	Partner	Budget (mill. DKK)
1a: Strengthening local governance and service delivery	UNMPTF/JPLG	130
1b: Human rights reforms	UNMPTF/JPHR	10
1c: CSO human rights monitoring, awareness and advocacy	UNMPTF/UNSONM	5
1d: Constitutional review	UNMPTF/UNDP	6
2: Capacity development and service delivery in Somaliland through the SDF	DFID/SDF	130

**Thematic objective 2:** *Improved framework conditions for inclusive and resilient private sector led growth, especially in critical value chains and strengthened economic management.*

Engagements	Partner	Budget (mill. DKK)
3: Support to core economic institutions	World Bank MPTF	140
4: Support to improving the business and investment climate	IFC	40
5: Inclusive investments for SME development	IFU	35
6a: Strengthening competitive, inclusive and resilient value chains and related services	EU	70

**Thematic objective 3:** *Improved livelihoods, protection and human rights for women, children, IDPs, returnees and host communities through support to durable solutions and establishment of safety nets.*

Engagements	Partner	Budget (mill. DKK)
1e: Protection for women, girls and boys in Somalia	UNICEF	65
6b: Safety Nets	EU	30
8: Durable solutions	Danish Refugee Council (DRC)	100
<b>Unallocated</b>		<b>129</b>
<b>Programme support</b>		<b>90</b>
<b>Total<sup>2</sup></b>		<b>980</b>

<sup>1</sup> Excludes the DKK 100 mio. commitment of 2017, which has been integrated into the SCP.

<sup>2</sup> Includes the DKK 100 mio. commitment of 2017 (DED: 7), which has been integrated into the SCP.



MINISTRY OF FOREIGN AFFAIRS  
OF DENMARK

# Danish Country Programme

# Somalia

## 2019-2023

15 October 2018  
File no. 2018-4903

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## Abbreviations

AU	African Union
AWP	Annual Work Plan
CSO	Chief Security Officer
CSO	Civil Society Organisation
CVE	Countering Violent Extremism
DED	Development Engagement Document
DFID	Department for International Development (DFID)
DINA	Drought Impact Needs Assessment
DKK	Danish Krone
DRC	Danish Refugee Council
ECW	Education Cannot Wait
EU	European Union
EUTF	European Union Emergency Trust Fund for Africa
FAO	Food and Agriculture Organization of the UN
FGM	Female genital mutilation
FGS	Federal Government of Somalia
FIDEP	Financial Institutions Development Program (by IFC)
FMS	Federal Member State
GBV	Gender-based violence
GDP	Gross domestic product
GoSL	Government of Somaliland
GPE	Global Partnership for Education
ICRC	International Committee of the Red Cross
ICRIC	Independent Constitutional Review and Implementation Commission
ICT	Information and Communications Technology
IDP	Internally Displaced Person
IFC	International Finance Corporation
IFU	Investment Fund for Developing Countries (Investeringsfonden for Udviklingslande)
ILED	Inclusive Local and Economic Development
IMS	International Media Support
JPHR	UN Joint Programme on Human Rights
JPLG	UN Joint Programme on Local Governance and Decentralized Service Delivery
LDF	Local Development Fund
M&E	Monitoring and Evaluation
MLS	Monitoring and Learning Systems
MOCA	Ministry of Constitutional Affairs
NDP	National Development Plan
NGO	Non-governmental organisation
NHRC	National Human Rights Commission
OC	Oversight Committee

OCHA	UN Office for the Coordination of Humanitarian Affairs
OECD-DAC	The Organisation for Economic Co-operation and Development - Development Assistance Committee
PSP-HOA	Peace and Stabilisation Programme for the Horn of Africa
PWG	Pillar Working Groups
RCRF	Recurrent Cost and Reform Financing
RDE	Royal Danish Embassy of Denmark
ROI	Regions of Origin Initiative
RRF	Recovery and Resilience Framework
SCORE	Somali Core Economic Institutions and Opportunities Programme
SCP	Somalia Country Program
SDF	Somaliland Development Fund
SDG	Sustainable Development Goals
SDRF	Somalia Development and Reconstruction Facility
SICRP	Somali Investment Climate Reform Programme
SME	Small and medium-sized enterprise
SNA	Somalia National Army
TPM	Third-party monitoring
TP	Thematic Programme
TQS	Technical Quality Service Department
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNMPTF	UN Multi-Partner Trust Fund
UNSOM	United Nations Assistance Mission in Somalia
WB-MPF	World Bank Multi-Partner Fund
WFP	World Food Programme

## 1. Introduction

This programme document describes Denmark's Somalia Country Programme 2019-2023 (SCP). The SCP aims at pursuing Danish strategic interests in accordance with the Danish Somalia Country Policy 2018-2023. The SCP applies the approach of the Danish Development Policy and Humanitarian Action - The World 20130 taking its point of departure in the New Way of Working by engaging development, stabilisation, and humanitarian instruments in a concerted effort to enhance efficiency and effectiveness of Danish development engagements in Somalia. The SCP, is also designed to strengthen complementarity with other Danish foreign policy instruments such as the regional Peace and Stabilisation Programme for the Horn of Africa (PSP-HoA) and Danish humanitarian action. The SCP builds on more than 15 years of Danish engagement in Somalia and in particular the most recent experiences gained from the current Somalia Country Programme 2015-2018 that supported the Somalia New Deal Compact (2014-2016). The SCP takes its starting point in the new Somalia Partnership Framework endorsed by national and international conferences lastly in Brussels this year.

This SCP has a stronger focus on human rights than previous country programmes particularly targeting women's and children's rights and will further the results achieved in the areas of state building; local governance and inclusive private sector led economic growth. In line with recent global and Danish policy orientations, the SCP includes operative interlinkages between humanitarian action and development engagements as key to programming in contexts such as in Somalia. The SCP is aligned with and support the National Development Plan of Somalia 2017-19 (NDP) and the National Development Plan II of Somaliland 2017-21 (NDPII), which both emphasise poverty reduction, democratic development, private sector led growth and resilience. The Royal Danish Embassy (RDE) will, together with other international development partners, support the development of new national development plans and will adjust the SCP accordingly.

The SCP contains the following three thematic programmes:

- 1) Strengthen resilient, responsive and inclusive governance able to deliver basic services and to promote and protect fundamental human rights.
- 2) Develop an enabling economic environment through core economic institutions and regulations and strengthen inclusive private sector led development and economic growth through critical and diversified livelihoods.
- 3) Develop protection and safety nets to enhance resilience, enable durable solutions and reduce forced displacement

The SCP has defined resilience as an overarching theme and approach to the engagements included in the SCP in order to link and promote the humanitarian, development and peace nexus. Hence, the SCP aims at developing the capacities and abilities of the Somali people and local communities, private sector and government systems at federal, regional and local level, to better cope with and recover from external shocks (such as natural disasters, conflict etc.). The end goal is to contribute to the reduction of potential negative impacts of shocks for vulnerable communities, Somali women, men and children.



The SCP will contribute to, but is not limited to 6 of the SDGs; SDG 1 of No Poverty, 2 of No Hunger, 5 on Gender Equality, 8 on Decent Jobs and Economic Growth, 9 on infrastructure and 16 on Peace, Justice and Strong Institutions. The SCP has been guided by the Danida Aid Management Guidelines of January 2018.

## 2. Strategic considerations and justification

The following outlines key strategic contextual considerations and the justification for the SCP.

### 2.1 Programme Context

***State building and governance:*** Somalia remains a country in conflict and with internal regional and clan related divisions challenging long-term development processes. Although al-Shabaab has been forced out of important urban centres and struggles to hold their ground against the combined force of AMISOM and the Somalia National Army (SNA), the lack of government control over significant parts of Somali territory provides al-Shabaab a safe-haven from which they plan and carry out terrorist attacks.

Al-Shabaab continues to control significant rural areas of the southern and central parts of Somalia and local militia with different clan allegiances challenge the government's authority and territorial control across the country. Accordingly, the planned, conditioned based handing over of security responsibilities from AMISOM to the Somali security forces in the coming years needs to be gradual and contingent on the security forces' abilities and progress on the political and security front as set out in relevant UN Security Council Resolutions (most recent the SCR 2431/2018) in order to safeguard prospects for long-term stabilisation of Somalia.

Somalia has, however, seen progress in terms of state building with the emergence of a federal structure with the five Federal Member States (FMS) of Puntland, Jubaland, South West State, Galmaduug and lately Hirshabelle established, even though on an interim basis. The latest electoral process based on an electoral college system culminated in February 2017 with a new President and Federal Government of Somalia (FGS) being put in place. This has provided an enhanced level of legitimacy of the FGS even though the level of representation remains limited as the elections were based on clan-appointed delegates with limited inclusion of marginalised clans and minorities.<sup>1</sup> Regarding Somaliland see below.

The FGS has ventured into a broad range of reform processes from financial management to human rights and lately, the preparation of elections in 2020 and processes for more equitable resource sharing agreements and revenue collection at FMS level. Official reform commitments and plans are in place, but implementation remains slow and the political commitment varies. Furthermore, systems for fiscal transfer are being established and the very first transfers (even though minimal) to the FMS have taken place. In addition, the FGS and parliament have engaged in a constitutional review process aimed at formalising the federal state formation processes and

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<sup>1</sup> The president was elected by the 328 members of the Lower and Upper Houses of Parliament. The Parliament's members were elected in the 2016 parliamentary elections which itself was limited to 14,025 clan elder-appointed delegates

providing a formal basis for future democratic development and state building. The potential success of these efforts depends on buy in from major clans and there is a need for targeted efforts to ensure the involvement of women and marginalised groups. The majority of the Somali people remain excluded from the above-mentioned policy processes and as basic services are still provided mainly by international partners, a key challenge remaining is to strengthen the social contract between the state and the people to strengthen the legitimacy of the state building process and federalism in Somalia.

Improving legitimate and accountable governance is further challenged by the fact that corruption remains pervasive and widespread across politics, justice, security and businesses in Somalia illustrated by the Transparency International Corruption Perception Index where Somalia is ranking 180 out of 180 countries. However, continuous reforms have improved budgeting and accounting processes at the FGS level as the first steps towards more transparent and accountable financial governance (for mitigating measures targeted by the SCP, consult the financial management section).

Human rights violations remain rampant throughout Somalia and in particular in conflict affected areas. Somalia is lagging behind with regard to both policies and enforcement. Out of 13 major human rights treaties, Somalia has only ratified two (the latest being the Convention of the Rights of the Child) and has acceded three others. The greatest contributor to human rights abuses is the ongoing conflict with al-Shabaab in terms of, but not limited to, civilian casualties<sup>2</sup>, extensive and increasing forced recruitment of children and sexual and gender based violence. In addition to human rights violations related to violent conflict, other significant violations occur in the field of Female Genital Mutilation (FGM) and Gender Based Violence (GBV) across Somalia (see below) and forced evictions. While human rights reforms might be underway, there is limited knowledge, awareness and attention to these issues among duty bearers at all governance levels as well as among security forces, which require targeted and additional action particularly with regard to the rights of women, children, Internally Displaced People (IDPs) and socially excluded groups. Recommendations from the latest Universal Periodic Review (UPR) of the Human Rights Council PR from 2016 include ensuring an inclusive state formation process, that key pieces of legislation should be drafted and approved and that the FGS should formulate policies to improve the enjoyment of rights for all people in Somalia and enact human rights-based policies. In cooperation with UNSOM's Human Rights Working Group, the FGS has developed a road map and action plan for implementing UPR recommendations. Implementation requires substantial support, commitment and priority by international partners. Denmark is committed to this agenda, including the preparation and follow-up of the next UPR scheduled for 2020.

Overall Somaliland remains stable, with functioning government institutions at all levels. The main trend of peaceful transfer of power from the last two presidential elections continued with the election of Muse Bihi Abdi as president in November 2017. The new Government of Somaliland (GoSL) seems eager to deliver on economic and political reforms and to lead the development of Somaliland and deliver services to its people. While revenue has increased,

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<sup>2</sup> 1,228 civilian casualties by al-Shabaab registered between January and September 2017

particularly at the local level, and the capacity of the government in Hargeisa to execute has improved, the need for government led service delivery still requires enhanced capacity development support and funding. Although the election were assessed as overall free and fair, post elections concerns regarding reduced political space and intimidation of the major opposition party have emerged. In addition, Somaliland has lately seen a clamp down on individuals and journalists that promote Somali national unity or publicly disclose corrupt government practices. The human rights space is thus shrinking, underscoring the need for strengthening the voice of the rights holders in parallel with strengthening the GoSL's ability to deliver services in a transparent and accountable manner.

**Economy, private sector development and structural transformation:** The economic situation is largely mirroring the security context. In general, the farther north the more secure, sophisticated and developed is the economy. Thus, in Somaliland, a basic regulatory framework is in place and although compliance and enforcement are uneven, the GoS manages to collect more than 7 pct. of Gross Domestic Product (GDP) against an all-Somalia level of only 2 pct.<sup>3</sup> Moreover the revenue base in Somaliland is also more diverse. This relative stability has also begun to attract larger and more long-term investors. In 2017, Somaliland signed agreements with the United Arab Emirates to build a new port and a military base at the coastal town of Berbera. The deal, valued at over USD 400 million, is Somaliland's largest-ever investment and has increased the concerns about the influence of some of the external international actors in Somalia. While performing relatively well, there are concerns about well-connected monopolies dominating the major sectors. Everywhere, remittances play a crucial role in both consumption but increasingly also in financing investments.<sup>4</sup>

In Somalia, not least in the southern and central parts, the institutional framework of economic governance is only now emerging partly because the FGS was only established in 2012 and partly because the political, economic and security instability had prevented any meaningful economic policy, let alone its enforcement. While the FGS has made some progress in specific areas (e.g. on the Companies Act in the fields of procurement and audits) there is still a substantial implementation and enforcement gap. This is not only a question of capacity but also an issue of physical access, as the reach of the FGS is mainly limited to Mogadishu and, in terms of revenue generation, Mogadishu port in particular.

The financial sector is severely underdeveloped with Somalia being excluded from many international financial transfer mechanisms. Financial institutions, such as Dahabshiil, do operate in Somalia, but they are mainly involved in the remittance business and provide virtually no investment capital, undermining the capacity of the emerging private sector to make longer-term

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<sup>3</sup> Figures from 2015. Recent efforts to improve revenue mobilization in especially south and central Somalia may soon improve these figures. See World Bank: Economic Update, July 2017.

<sup>4</sup> Remittances are estimated to account for 23% of GDP and 80% of investments, the highest in Africa. See World Bank: 'Progress to Support Remittance Flows' June 2016

investments that could promote the much-needed structural transformation. Moreover, many groups, in particular women, minorities and the politically marginalised are de facto excluded from accessing finance.

Somalia has experienced a rapid and arguably pre-mature urbanisation, driven not primarily by pull factors (e.g. urban job opportunities) but rather by push factors, such as conflicts, droughts and floods.<sup>5</sup> However, 49 % of the population still live in rural areas, with 46% of employed people working in agriculture. Agriculture is the sector most susceptible to climate shocks and given its dominance in the economy accounting for 75 % of the GDP and 93 % of exports, it is of critical importance to poverty reduction and growth.<sup>6</sup> However, core agricultural value chains, including the key livestock chain, are characterised by weak integration, low productivity, low compliance with export standards and increased competition over natural resources, most notably water and land. Accelerating climate change will entail more frequent and severe occurrences of extreme weather events, such as droughts, floods and temperature increases. This will put additional stress on especially livestock, but also crop-production. Consequently, there is an urgent need to accelerate climate resilient and productivity enhancing investments in agriculture. Moreover, farmers will also need to adapt their farming and pastoralist practices in terms of better irrigation regimes (e.g. drip irrigations), accessing water points for livestock, adopt less water consuming practices (e.g. conservation agriculture) and integrate into commercial value chains, that can improve their incomes. This will also help diversify the rural economy that in turn may contribute to decelerate the rural-urban migration rate.

**International Finance Institutions (IFIs).** As Somalia remains heavily indebted and does currently not meet the conditions for debt relief, one of the main priorities of the FGS is the normalisation with IFIs, and the subsequent unlocking of funding from the World Bank's International Development Association (IDA) and other concessional financing sources. As Somalia's development trajectory has clearly improved in the last decade there is a real possibility that Somalia will reach the Heavily Indebted Poor Country (HIPC) Decision Point during the implementation of the SCP. However, this will require sustained and strong commitment to reform. Nevertheless, the recent decision by the World Bank in September 2018 to grant Somalia access to IDA Pre-Arrears Clearance Financing (potentially up to US\$140 million) is an indication of the progress made so far. Even more so, the successful implementation of two consecutive International Monetary Fund (IMF) Staff Monitored Programmes (SMPs) has contributed to building a sound track-record and a third SMP is currently being developed. In addition, the EU Member States in May 2018 approved a budget support programme for Somalia. Benchmarks for implementation are currently being developed.

**Protection, displacement, and poverty:** Social and legal protection is an overall concern in Somalia from a humanitarian, human rights and development perspective. The protection needs stem from a combination of conflict, natural disasters intensified by climate change, and

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<sup>5</sup> A typical coping strategy is to keep some family members in the rural areas while others seek employment/safety in cities.

<sup>6</sup> World Bank and FAO: *Country Economic Memorandum - Rebuilding Resilient and Sustainable Agriculture*, Rome, April, 2018

marginalisation of women, children, young people, ethnic groups and/or minority clans as a consequence of the political-economy dynamics and social norms.

Conflict and disasters, in particular drought and floods, has contributed to a displacement crisis in Somalia with more than 2 million Somalis living as IDPs. As the majority of the IDPs has moved to urban and peri-urban areas with refugee returnees from Kenya and other countries, Somalia is now facing one of the fastest urbanisation rates on the continent. Mogadishu is currently housing more than half a million IDPs, but also other cities in the southern part of Somalia are facing a rapid influx such as Baidoa and Kismayo. In total 74 pct. of Somalia's IDPs are located in the south and central regions, and 36 % live in or around Mogadishu. UNHCR estimates that 58% of Somalia's IDP population consists of children under the age of 18 and 23% of women. Only 45% of all IDP settlements are planned and 64 % have no land tenure agreement. In the first five months of 2018, 171.000 IDPs were subject to forced evictions. Many of the IDPs have lived in the urban centres for more than a decade and are *de facto* urban poor, yet still classified as IDPs and primarily targeted with traditional humanitarian aid. The IDP classification of large parts of the urban poor is partly a consequence of the reluctance from local urban and national authorities to let IDPs settle permanently which in turn make the introduction of durable solutions more challenging. The IDPs as well as returnees face immediate protection needs and should be provided with the opportunity to either return to their places of origin or become part of the host communities on equal terms. This will require enhanced physical safety measures and additional livelihood opportunities. The low level of resilience among the IDPs and the returnees make Somalia dependent on recurrent humanitarian aid and provides few pathways for populations to escape cyclical humanitarian shocks.

The vulnerability to shocks is also a consequence of the high chronic levels of poverty across the country; in 2016 before the latest drought, the World Bank assessed that 1 in 3 face extreme poverty and 7 out of 10 IDPs face extreme poverty. In addition, the Humanitarian Response Plan 2018 estimates that 5.4 million have humanitarian needs of which 2.9 million are estimated to have urgent life-saving needs - a figure which has tripled since 2014. Currently, humanitarian needs are addressed either immediately through a plethora of humanitarian interventions or through long-term development interventions targeting the structural causes of poverty. There are, however, limited use of more coordinated short- to medium-term safety nets that can provide a more continuous measure for these populations. In addition to the need of an immediate coordinated humanitarian response, there is also a more development-oriented need for creating a resilient 'poverty floor'. Such an arrangement may allow the targeted population to lift themselves out of immediate poverty and gain confidence in making longer term investments in the future such as micro-enterprise investments and investments in human capital.

The high poverty levels and insecurity expose young girls and women to gender-based violence (GBV) and according to UNFPA in 2016 74% of GBV survivors were IDPs and 99% of these were women. GBV is particularly high in the domestic sphere, but it is further exacerbated in situations of enhanced displacement and poverty. Furthermore, according to UNICEF an estimated 98.5% of all girls and women above 15 years of age have been subject to female genital mutilation (FGM). FGM continues to be practiced across all states and ethnicities underscoring the importance of working with norm change, acknowledging that this is a long-term endeavour.

The high levels of GBV and FGM illustrate the importance of enhancing the focus on women's and girls' rights and protection needs.

Moreover, the conflict puts children, and in particular young boys, at risk of being abducted or recruited by al-Shabaab, other militia, or in some instances the Somali National Army. According to UNICEF more than 2,000 children were forcefully recruited or used by the warring sides in 2017, underscoring the need to enhance the protection of children in armed conflict.

Furthermore, the conflict and internal displacement influence the already ethnically eschewed power balances in Somalia. A significant number of displaced people come from marginalised sections of the Somali society such as the Bantus, who face increased protection needs when residing in areas like Mogadishu, where they have no or limited clan protection.

## **2.2 Strategic policy framework**

The SCP is aligned with the *'The World 2030'* and its 4 strategic priorities: (1) Freedom and development - democracy, human rights and gender equality, (2) Inclusive, sustainable growth and development, (3) Security and development – Peace, stability and protection and (4) Migration and development. It also responds to the Danish Foreign and Security Policy Strategy's focus on migration, security and terrorism. The SCP aims at contributing to the achievement of Denmark's three main policy objectives as described in the Danish Somalia Country Policy Paper 2018-2023:

1. Promote stabilisation and security, state building and strengthen respect for human rights, with particular focus on women's and children's rights.
2. Strengthen resilience and support Somalia's management of internally displaced and returning refugees to prevent refugee flows and irregular migration, as well as promoting constructive cooperation on readmission
3. Contribute to poverty reduction through inclusive and sustainable private sector driven economic development and job creation with a particular focus on women and youth.

In accordance with Denmark's international commitments, the SCP will contribute to the SDGs. The following six goals and particular sub-goals are found to be of particular relevance:

- 1) Goal 1: No poverty. Especially sub-goal 1.3 creating a floor for the poor, and 1.5 focusing on resilience of the poor and vulnerable
- 2) Goal 2: Zero hunger. Especially sub-goal 2.3 doubling agricultural productivity, and 2.4 sustainable food production systems
- 3) Goal 5: Gender equality. Especially sub-goal 1.2 on combatting violence against women and girls, and 5.3 focusing on the eradication of FGM and child marriages
- 4) Goal 8: Economic growth: Especially sub-goal 8.6, youth employment, and 8.10 domestic financial institutions
- 5) Goal 9: Industry, Innovation and Infrastructure. Especially investment in infrastructure is crucial drivers of economic growth and development in a Somali context.
- 6) Goal 16: Peace and justice: Especially sub-goal 16.1 reduce all forms of violence and related deaths, and 16.6 develop accountable and transparent institutions at all levels

With regard to alignment with the Somali NDPs, the SCP will focus on the objective of socio-economic transformation, justice and gender equality. More particularly, the SCP is aligned with the NDP's sub-goals on open politics and reconciliation, reduced abject poverty, more resilient communities that can withstand internal and external shocks, a vibrant economic sector with particular focus on agriculture, livestock and fishing, increased employment opportunities and decent work particularly for women and the youth and a federal political and economic framework that empowers the FMS to deliver services and economic opportunities to the people of Somalia in a secure environment. Regarding alignment with the Somaliland NDP II, the SCP aims at contributing to the priority areas of investing in people through improved social services, establishing an enabling environment for poverty reduction and sustained growth by expanding opportunities for employment and improving food security and deepening peace, improving security, and establishing good governance. The SCP will be managed according to the aid architecture of Somalia (see 2.7).

The SCP is based on the Concept Note approved by the DANIDA Programme Committee April 4 2018. The SCP has integrated its recommendations of further explaining the selection of partners by further focusing on working with the youth, consider “scalability” when finalising the various development initiatives, providing a robust case for the engagement with the Danish Investment Fund for Development Cooperation (IFU) and including flood mitigation in the risk matrix.<sup>7</sup>

### **2.3 Synergies; stabilisation, strategic partnerships, development and humanitarian action**

The SCP is one of several instruments used in the Danish support for stability, resilience and development in Somalia and together they create synergies across the development-humanitarian-peace nexus. They include, but are not limited to; diplomacy and policy dialogue and the following instruments:

- 1) The regional *Peace and Stabilisation Programme 2018-2022 for the Horn of Africa* (PSP-HoA) that supports enhanced security and stability across Somalia. The PSP-HoA thus enables implementation of the SCP in new geographical areas. There are particular synergies between the support to the PSP-HoA Somalia Stability Fund's (SSF) work on district council formation and the support to local governance under the SCP. In addition, the support to disengagement of low-level al-Shabaab combatants under PSP-HoA is complementary to the SCP support to disengagement of children associated with al-Shabaab.
- 2) *Strategic partnership agreements with Danish NGO*: The Danish strategic partners for 2017-2021 in Somalia are the International Media Support (IMS), Danish Refugee Council (DRC) and Save the Children (SC). There are particular synergies between their programmes and the SCP particularly in the areas of increased inclusion, improving human rights, freedom of expression and media and resilience. Coordination and complementarity are ensured through some joint engagements, continuous dialogue and strategic partner meetings on a semi-annual basis.

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<sup>7</sup> Summary of Conclusions of Danida Programme Committee Meeting on April 4<sup>th</sup> 2018

- 3) *Danish humanitarian assistance to Somalia* is provided on an annual basis. In 2017, Denmark contributed DKK 177 million in humanitarian assistance, mainly for famine prevention and cash programmes. This is in addition to the strategic partnerships that are also implementing programmes in the humanitarian field in Somalia.
- 4) *Migration*. Denmark is supporting several funds and programmes on migration supporting engagements such as the Migration Head Quarters in Mogadishu, EU's *Better Migration Management Programme* focusing on strengthening migration management across the region and the EU Trust Fund for the Horn of Africa. The SCP's engagement on the rights of vulnerable groups and durable solutions contributes to providing opportunities for returnees to reintegrate into the Somali society.
- 5) The support through the *Africa Programme for Peace (APP)*, focuses on capacity development of the African Union (AU) and Regional Economic Communities (RECs) with regard to their peace and stabilisation interventions across Africa, including the Horn of Africa and Somalia.
- 6) *Global Partnership for Education (GPE)* and *Education Cannot Wait (ECW)* to which Denmark is a major contributor, support primary and secondary education across Somalia. The initiatives support education services on cooperation with the FGS and the GoSL complementing SCP's efforts to improve the social contract between the state and the people.
- 7) *Somali Diaspora in Denmark*; the SCP will ensure a stronger dialogue with the Somali Diaspora in Denmark through selected joint engagements, engagement in ongoing research programmes, continuous dialogue and regular meetings in Denmark and in Somalia.

## 2.4 Danish strengths, interest and opportunities

**Danish position of strength, agenda-setting and expertise:** The Danish support in the SCP follows a long standing Danish peace, stabilisation and development cooperation with Somalia. As one of the top ten development partners and due to Denmark's long-term commitment to Somalia, a strong platform has been established for policy dialogue and development programming. Denmark's continued commitment to align with and support Somali led development, provides a comparative advantage. This includes the Danish policy of promoting a multilateral approach to Somalia through the multilateral funding mechanisms. Another Danish strength is the extensive number of Danish NGOs and consultancy companies operating across Somalia and their presence provides value in terms of policy dialogue and legitimacy. Lastly, Denmark is globally known for its work on human rights and gender equality, that features more strongly in the SCP than previously.

**Danish interests and values:** From a Danish perspective, the support to the peace-development-humanitarian nexus is over time expected to be a catalyst for a more stable region and may help reduce the risk of violent extremism in other parts of the world, including Europe. Economic growth, improved governance, stronger security, and poverty reduction are also expected to have some causal effect on reducing the number of refugees from Somalia and motivate return of those residing outside Somalia. With the new focus on private sector investments, Denmark is in principle paving the way also for Danish investments in Somalia and can potentially serve as a bridgehead for Danish companies.



## 2.5 Lessons learned

As this is the third Danish Country Programme for Somalia, the design and intervention logic is based on lessons learned from previous phases.

One key lesson is that in spite of decades of development assistance to Somalia, the country remains exposed to conflict and climatic induced shocks, which have led to massive displacement and created a dependence on immediate humanitarian assistance. There is a strong need to focus more explicitly on resilience and durable solutions by the government, by the private sector and the in population to prevent, plan, prepare and act on these recurrent shocks.

Another lesson learned is that the informal political economy emerging out of economic opportunities, clan structures and practices across the country including the application of the oral customary law (*xeer*) has significant influence on reform processes and the human rights situation. The majority of the Somali people continue to identify themselves with the clan structures and the *xeer* that they view as the legitimate system often in contradiction to the FGS. Against this backdrop, the SCP is designed to contribute to build and strengthen governance systems and practices cognisant of the complexities of these engagements and the need to ensure the inclusion of these aspects. As such, state- and institution building need to enhance transparency and accountability, ensure delivery of services and focus on inclusion especially of women, youth and marginalised groups.

Denmark has long been engaged in reform processes in Somalia. Whereas results have been achieved in the areas of governance and economic development, human rights and gender inequality have not been at the forefront and need greater attention moving forward.

From a private sector perspective, there has been less direct involvement in the past. As the Mid-Term Review (MTR) of the SCP 2015-2018 finds: Stronger private sector involvement, possibly coupled with capacity development, can be instrumental in a) securing ownership of the political processes, b) build new partnerships and c) strengthen the sustainability of the interventions. The suggested engagement with the World Bank (WB), IFC and IFU aims to promote exactly this.

From a modality perspective, there also is a continued need to coordinate and ensure alignment and harmonisation where feasible. As identified by the MTR the UN Multi-Partner Trust Fund (UN-MPTF) and the World Bank Multi Partner Fund (MPF) offer such opportunities as they provide a joint basis to support risk management and coordination and constitute the main financing mechanisms for international support to the NDP. In light of Denmark's current limited physical presence in Somalia beyond Somaliland, there is a need to use these joint mechanisms with significant capacities on the ground. However, experience from the last phase has also shown that these engagements need significant attention from Programme Management in terms of monitoring, focusing, ensuring that the right agency engages in its field of mandate and expertise and on promoting UN reform etc. This will continue to be a priority of the SCP.

Finally, there has been challenges related to getting implementing partners, authorities, informal institutions and the private sector to buy into activities and goals, which specifically target gender

equality, women's empowerment and the rights and involvement of marginalised groups. Several programme documents only contain few gender related indicators and no indicators specifically related to marginalised groups. A key lesson learned is therefore to ensure the design of results frameworks that explicitly include such indicators and their related budgets. This is an issues that is raised in continuous dialogues with the partners.

## 2.6 Programme Justification

The SCP thematic priorities and its design directly supports the vision of Denmark's Policy Paper for Somalia 2018-2023 and its three adjacent main policy objectives in Somalia (cf. section 2.2). Essentially that is to promote a stable, peaceful and resilient Somalia and inclusive economic growth that can offer its people a positive future, and where the government is able to exercise its authority to an extent that the situation in Somalia does not constitute a threat to regional and international peace, security and welfare. This justifies the focus on governance and state-building, inclusive economic growth, and protection with resilience and human rights as prominent crosscutting priorities. Other instruments such as the regional Peace and Stabilisation PSP-HoA will support other elements of the policy.

As mentioned above, the SCP is designed in line with the SDGs to promote poverty reduction, peaceful and inclusive societies, infrastructure, ensuring human rights, gender equality, accountable and inclusive institutions at all levels, and at the same time strengthening the linkages between humanitarian, development cooperation and peace. Hence, the SCP focuses on vulnerable groups from human rights based perspective, and on strengthening their resilience to enable them to cope with plethora of crises (economic shocks, climate, food security etc.) on a longer-term basis.

### *Resilience as the overarching theme and approach*

**Resilience** is an overarching theme and approach of the SCP. Hence, the Thematic Programmes (TPs) are designed to operationalise this approach with the aim of supporting the government(s) at all levels, the private sector and the Somali population with stronger means and capacities to enable them to prevent and/or overcome shocks, be they natural or man-made disasters and/or conflict. While clearly connected and interdependent, for operational reasons, the SCP distinguishes between different aspects of resilience in the programme:

Most evident and directly felt is **climate resilience**, which responds to the need to adapt extreme weather events such as droughts and floods, both of which are projected to increase in frequency and intensity as a consequence of climate change. The dominance of rain-fed agriculture and livestock in the economy makes Somalia highly vulnerable to climate change and hence the SCP engagements in those sectors will aim at promoting better water and land access, and governance hereof, as well as promoting more resilient agricultural practices (e.g. conservation agriculture). In addition, the SCP will invest in infrastructure, where accelerated efforts will be encouraged in terms of climate-proofing roads, water harvesting structure, irrigation and river/flood management.

Related to climate resilience is **economic resilience**. With the ultimate objective to improve resilience of individuals and targeted groups through independent income generation, the SCP

will provide support to value chains to allow for more sustainable agriculture, livestock and fisheries production. It will furthermore encourage diversification of the economy through long-term investments in especially Small and Medium Enterprises (SMEs) that will create jobs and help to increase the sophistication of the Somali economy and make it less susceptible to e.g. price fluctuation for agricultural produce. The SCP will support improvements in the institutional and regulatory frameworks that shape the business environment, providing predictable and conducive incentives for making long-term investments that are critical for promoting inclusive private sector-led growth, which in turn will also promote economic resilience. Similarly, investments in infrastructure often entails growth inducing benefits to the private sector in terms of better market access (e.g. roads and the markets themselves), power supply and a more productive workforce (health, training and education investments).

By providing capacity development and funding to central government level institutions, the SCP intends to contribute to enhancing capacities to plan and execute mandates in a way that better may prevent external shocks and/or react to and manage them. Furthermore, investments in improving the institutional framework for the private sector intend to contribute to strengthened economic resilience by providing predictable and conducive incentives with the aim of inducing longer-term investments focused on inclusive private sector growth.

Finally, there is core **individual resilience**, which encompasses physical resilience in all its aspects: nutritional, food security, physical integrity and absence of violence. Hence, the SCP intends to support those most in need and enable safer livelihood opportunities and coping-mechanisms. This on the one hand is supported through engagements with right holders, such as women and girls subject to FGM and GBV and children in armed conflict and with duty bearers through capacity development of key human rights institutions. Investments in durable solutions will help meet the protection needs of IDPs, returnees and host communities and provide them with new livelihood opportunities and justice services.

*Human Rights Based Approach – discrimination, participation and inclusion, transparency and accountability*

**Discrimination** is a major concern in Somalia to the extent that women, marginalised and minority groups are rarely considered as specific target groups even in human rights programming. The SCP specifically targets these groups and continuous political dialogue to engage partners on these matters will be pursued. Furthermore, the SCP will actively work with partners that have it as their mandate to ensure the participation and inclusion of excluded groups. SCP will also work with all partners to ensure the inclusion of specific indicators that will concretely measure the situation of these groups. In the economic sphere only few segments of the population have access to finance and jobs and limited elite levels influence economic reforms. Through direct interventions in terms of access to finance, business development and capacity development and at the policy and reform level, SCP aims at counteracting structural issues impeding engaging these groups with a particular focus on women, youth and minority clans. Also, the SCP aims at supporting measures to counter discrimination of these groups in relation to engagements specifically focusing on enhanced resilience in relation to livelihoods and preparedness with regard to recurrent natural or manmade shocks.

The SCP aims at promoting **participation and inclusion** of marginalised groups both with regard to decision-making processes as well as in the economic and political spheres. The preparation phase of the SCP has demonstrated that the need to focus on human rights has been quite unattended by both national and international partners for too long and this is therefore included explicitly as part of the SCP. For instance, the main expected outcome of the constitutional review process is to ensure the inclusion of all of Somali society in political processes as a constitutional right. Also, there is a particular focus on including local communities in programme development and prioritisation. With regard to the private sector engagements, the SCP aims at turning vulnerability to opportunity by providing access to finance to broader segments of the population while at the same time working towards an enabling business environment for micro and SMEs. Furthermore, with regard to engagements focusing specifically on resilience and durable solutions for the individual and local communities, target groups are included in the formulation, implementation and evaluation of the programme design.

The SCP has identified engagements such as the UN-joint programme for human rights as new comers in order to ensure a specific focus on basic human rights, including access to information and freedom of expression. The SCP as a whole aims at enhancing **transparency** of government systems around i.e. elections, legislative processes, budgeting and service delivery. In addition to the SCP, Denmark has a strategic partnership agreement with the IMS that works on ensuring access to free quality information and on security and safety of journalists and the media. Focus on advocacy and transparency related to governmental budgeting, budget-allocation and service delivery is crucial taking into account the potential risks for increased instability due to possible discontent with regard to distribution of resources throughout the country. The use of unallocated programme funds will be considered to for instance further support the civil society in accessing and analysing budgets.

Access to information furthermore remains an issue in Somalia, especially for children, girls, women and IDPs. Hence, SCP partners will conduct awareness raising on issues such as FGM and GBV. Partnerships with the strategic partner IMS will be explored around information campaigns on durable solutions, FGM, SGBV and safety nets.

**Accountability** represents a specific outcome of several engagements such as the UN-joint programme for human rights, which will focus on capacity development of key human rights institutions to support measures to ensure the principles of rule of law and respect for human rights. The SCP also support the establishment of an Independent National Human Rights Commission. There is also an explicit focus on increasing accountability in the financial sector, on economic reform, enabling regulatory frameworks, domestic revenue mobilisation, taxation and fiscal transfers to member states. The latter is a key aspect with regard to the relationship between FGS and the FMS. The engagements particularly focusing on resilience and durable solution mainly target rights-holders, but clear linkages are made to duty-bearers in terms of local authorities, police, courts and elders – and in relation to policy development for rights of children and women at the national level.

### *Thematic justification*

**State building processes and the social contract:** State building remains a key priority and the programme will work to enhance the FGS and FMS capacity to perform as per their mandate as the primary duty bearers. It is expected that the engagements supporting state functions and reform processes will enhance state capabilities to move beyond planning and security and become a viable service provider to the people of Somalia. The state building support will thus enhance the footprint of the state with the aim of eventually improving the social contract between the state and the people of Somalia and thus enhance its legitimacy. The SCP will increase the attention to the demand-side of state building and specifically support the promotion of community-led approaches and consultations between the state and the population through localised and area based dialogue between people and local authorities. Finally, state building is also a key driver for the increased emphasis on working with and through the core economic institutions (e.g. revenue mobilisation, budget execution and expenditure management) that are crucial for establishing the fiscal nexus between the population as willing tax payers and the government as legitimate and accountable service provider. This also marks a major step forward on the development trajectory, away from purely humanitarian, short-term crises management.

**Inclusive private sector led growth:** The SCP will contribute to provide credible pathways out of poverty for Somalia's poor and vulnerable, by leveraging the entrepreneurial and innovative capacities of the private sector. It will support promotion of the structural transformation of the economy by focusing on resilience and productivity focused on job creation and revenue contribution. It will work both with public institutions of core importance for inclusive private sector growth as well as complementary engagements directly with the private sector, in particularly with micro and small enterprises. A key lesson from the previous SCPs is the importance of leveraging the competencies of specialised entities to ensure that the engagements fit their focus and mandates (as opposed to e.g. more generalised UN agencies as previously done). Hence, the SCP will engage with experienced investment agencies in the area of finance and training of Somali SMEs such as the IFU including the promotion of women-led enterprises.

**Human rights and social protection especially of women, children, youth, IDPs and minority clans:** Human rights and social protection have not previously constituted specific engagements under the SCP. Hence, this SCP will focus on improving human rights and protection at a) the institutional level through capacity development and by supporting the executive in performing its mandate sensitive to human rights. At b) the policy level by supporting the alignment of Somali legislation with the country's UN obligations. And at c) the individual level by providing protection to victims of FGM, GBV and children in armed conflict and capacity strengthening of civil society. As such, it is the intention to strike a sound balance between right holders and duty bearers. For engagements not specifically targeting women, youth and minorities, the SCP will work to strengthen partners and programme documents with regard to these aspects i.e. with formulating specific indicators.

## **2.7 Partner Selection**

Selecting the right partners in Somalia is challenged by fragility, access and substantial operational costs. In addition, successful implementers will need to be well abreast with the political economy of Somalia and understand how best to deliver on Danish priorities, including alignment with

Somali development priorities and the current aid architecture. With these considerations in mind, the SCP has selected partners against the following key criteria (see Annex 2 for more detail with reference to individual engagements):

- 1) *Ability to deliver in a fragile context.* The extent to which partners in the past have been able to deliver results in areas challenged by insecurity, and whether the partner has the capacity to ensure monitoring and risk management in this environment.
- 2) *Partner effectiveness.* The extent to which the implementing partner has a high probability of meeting programme objectives.
- 3) *Risk management.* Partners that have a strong risk management system, which ensures monitoring, management and mitigation of fiduciary as well as programmatic risks.
- 4) *Danish comparative advantages and influence.* Partners and programmes where Denmark can take a lead role make a difference in the form of technical support, policy dialogue and finance.
- 5) *Danish interests and values.* Partners supporting programmes, which specifically contribute to Danish interests and values, such as paving the way, enhanced economic cooperation between Denmark and Somalia, contributing to the prevention of displacement or supporting the *human rights based approach, gender equality and women’s empowerment and youth.* The SCP will prioritise partners that have strong attention to these key Danish priority areas, not only in the programme description, but also equally in indicators and targets, which the programme will be measured against.
- 6) *Alignment and ownership.* Partner arrangements where the support is provided on budget and thus is fully aligned with the Somalia NDP and the Somaliland NDP II, and where the government has a lead role in the prioritisation and implementation of the support. This includes use of the SDRF structure.

## 2.8 Programme Strategic Objective and Results Framework

The overall objective of the SCP is: “*Basic building blocks put in place for the development of a resilient, stable and peaceful Somalia based on responsive and inclusive governance and a growing and poverty-reducing economy*”. This overall objective is supported by the objectives, outcomes and indicators of the three thematic programmes:

<b>Thematic Programme 1</b>		<b>Strengthen resilient, responsive and inclusive governance and service delivery, and fundamental human rights</b>		
Thematic Programme Objective		Government ability at state and local level enhanced to respond to the development and resilience needs of in particular women, youth and marginalised groups in an equitable, transparent, accountable and participatory manner		
Impact Indicators		<ol style="list-style-type: none"> <li>1. Political Participation (Ibrahim Index of African Governance, IIAG)</li> <li>2. Civil Society Participation (IIAG)</li> <li>3. Women’s Political Empowerment (IIAG / VDem)</li> <li>4. Gender (IIAG’s overall gender indicator)</li> <li>5. Socio-economic and political status of young people and support their engagement in the leadership and decision-making portfolio at all levels (FGS NDP indicator)</li> <li>6. Human Rights Violations (IIAG)</li> <li>7. Capacity of GSL to prioritise development objectives and to plan and budget development activities (SDF)</li> </ol>		
Baseline	Year	2016	1. Score: 25.5	Rank: 50/54
			2. Score: 33.5	Rank: 43/54
			3. Score: 29.6	Rank: 50/54

			4. Score: 18.2 Rank: 54/54 5. TBD 6. Score: 0.0 Rank: 39/54 7. TBD
Target	Year	2023	Improvement on all indicators

<b>Thematic programme 2</b>		<b>Develop core economic institutions and strengthen inclusive private sector driven growth and economic development to diversify livelihoods</b>	
Thematic objective		Improved framework conditions for inclusive and resilient private sector led growth, especially in critical value chains, and strengthened economic management.	
Impact Indicator		<ol style="list-style-type: none"> <li>World Bank Ease of Doing Business Score – Distance to Frontier/rank (WB IDA)</li> <li>Domestic revenue (FGS), and % of GDP, plus external revenue (WB)</li> <li>Foreign Direct Investments, and % of GDP (WB)</li> </ol>	
Baseline	Year	2018 2017 2016	<ol style="list-style-type: none"> <li>19.98 / 190 of 190</li> <li>USD 142.4M; 2.2%; USD 103.9M</li> <li>USD 756M</li> </ol>
Target	Year	2023	Improvements on all indicators

<b>Thematic programme 3</b>		<b>Develop protection and safety nets for enhanced resilience, enabling durable solutions and reducing forced displacement</b>	
Thematic objective		Improved livelihoods, protection and human rights for women, children, IDPs, returnees, and host communities through support to durable solutions, establishing social protection systems and safety nets	
Impact Indicator		<ol style="list-style-type: none"> <li>% of women in Somalia having undergone FGM</li> <li>% of women in Somalia who believe FGM should be discontinued</li> <li>Welfare score (IIAG)</li> <li>% of population living on &lt; US\$ 1.9 per day (WB)</li> </ol>	
Baseline	Year	2013 2006 2016 2017	<ol style="list-style-type: none"> <li>98%<sup>8</sup></li> <li>33% (rural 26%, urban 43%)<sup>9</sup></li> <li>2.9 of 100</li> <li>51.6%<sup>10</sup></li> </ol>
Target	Year	2023	Improvements on all indicators

Note, that the engagement results framework will be developed and refined in the beginning of the SCP and the TP indicators and engagement indicators are likely to change over the lifetime of the SCP where relevant and in a timely fashion. The global indicator framework for the SDGs looks promising but as it is still under development the SCP is not basing its results framework on this framework yet. The SCP will monitor the development of the SDG indicator framework and consider including indicators as and when appropriate. For an overview of the timeframe of the individual development engagements, see Annex 9.

## 2.9 Development effectiveness

The SCP is guided by the Somalia NDP and Somaliland NDP II and on the long-term commitments given at various Somalia Partnership Forums (SPF) both national and

<sup>8</sup> United Nations Children's Fund, *Female Genital Mutilation/Cutting: A statistical overview and exploration of the dynamics of change*, UNICEF, New York, 2013 and UNFPA Female Genital Mutilation Dashboard <https://www.unfpa.org/data/fgm/SO/> / [Multiple Indicator Cluster Survey 2006](#)

<sup>9</sup> UNFPA Female Genital Mutilation Dashboard <https://www.unfpa.org/data/fgm/SO/> / [Multiple Indicator Cluster Survey 2006](#)

<sup>10</sup> WB 2017 MPF report

international. The SPF divides aid coordination into two main pillars: 1) the Somalia Development and Reconstruction Facility (SDRF), which oversees the implementation of the NDP and is chaired by the Deputy Prime Minister and an international development partner on a rotating basis; and 2) the Comprehensive Approach to Security (CAS), which oversees security and stabilisation efforts in Somalia.

The aid architecture is based on the assumption that it will lead to a path towards further use of country systems. At the moment the main funding mechanism of the international development partners supporting the NDP are the two multilateral partnership frameworks that were set up to support the Somalia New Deal Compact.

The SDRF provides strategic guidance to all development actors and ensures implementation of the Mutual Accountability Framework (MAF) as adopted at the SPF in London in 2017. The SDRF is supported by the Aid Coordination Unit, nine Pillar Working Groups (PWGs) and a number of technical sub-groups, which support implementation, approves, monitors, evaluates development programmes, and ensures synergies. Denmark is co-chairing the PWG on Economic Development together with the Ministry of Planning and UK. It remains a Danish priority to support, strengthen and improve the SDRF structure and it is a Danish ambition to channel all engagements under the SCP through the SDRF to counter the current trend of only 10-15 pct. of official Development Assistance being channelled through the structure.

In Somaliland, the Ministry of Planning leads development coordination but the limited international presence means that development cooperation with Somaliland is *de facto* coordinated bilaterally and in joint development partner meetings in Hargeisa and Nairobi.

## 2.10 Contextual risk scenarios and response

Except for the relative stability of Somaliland, Somalia will remain a fragile and conflict-ridden country in the short to medium-term and the programme has been designed accordingly. The fragility of the context however also means that changes to the expected development trajectory will not be unlikely. Three potential scenarios and responses are presented in the table below:

Scenarios	SCP response
<p><b>Continued incremental progress.</b> The Constitutional Review Process will reach some formal agreements on federalisation but the process will need continued support also beyond the next election to consolidate. The FGS will continue its reform process and incremental improvements for the private sector combined with the implementation of livelihood opportunities and safety nets will have a positive effect on reducing the poverty level and improve resilience to external shocks, although poverty levels will remain high throughout the SCP. Steps towards normalisation with the IFI's will continue, but will need constant monitoring and dialogue. The conditional transition of responsibilities from AMISOM to the Somali Security Forces will progress gradually but potentially be prolonged. Human rights violations will still take place, but there will be a slow change in attitudes towards rights violations and FGM and improved use of formal referral systems by victims, including vulnerable groups. During the course of the SCP there will be setbacks in this scenario, but the overall trajectory remains positive. Somaliland will remain stable without significant deterioration in the human</p>	<p>This is the scenario used to formulate the SCP. In addition to the engagements identified below, programme management will need to allocate funding for opportunities, which may be transformative to the Somalia development trajectory.</p>



rights situation and will increase revenue and expand service delivery over time.	
<b>Significant improvement in the situation.</b> The constitutional review process leads to formal agreements with all member states (bar Somaliland) on the federal arrangements and clarity on the status of Mogadishu. The progress leads to normalisation with IFIs, enhanced implementation of the reform processes, revenue generation and even state financed service delivery in social sectors. The enhanced service delivery, stability and the systemic improvements supporting private sector growth leads to enhanced Somali and foreign investments improving job creation for in particular women and youth and ethnically excluded groups. There is a reduction in human rights abuses as reforms are implemented and an increased movement towards the use of government systems to seek justice against rights abusers. The SCP engagements manages to lift a considerable number of people out of poverty allowing these to graduate to livelihood opportunities leading to an increased self-reliance.	Prioritise unallocated funding to further motivate the FGS reform processes.
<b>Significant deterioration in the situation.</b> A range of complementary setbacks significantly reduces security in the country. The draw-down of AMISOM and limited capacity of the SNA provides room for al-Shabaab to expand its operations exacerbated by a breakdown in the constitutional review process which enhances inter-state grievances and lack of unity in the fight against al-Shabaab. Development partner withdraws funding for key state functions, the dialogue on normalisation process with the IFI's breaks down and drought will contribute to mass displacement and famine. The deteriorating situation limits opportunities for investment, increases unemployment, and increases the internal displacement, again leading to deterioration in the human rights situation with increased protection needs.	Enhanced focus on the humanitarian side of the humanitarian-development nexus. Increase in the policy dialogue for getting the states to the negotiation table. Increased emphasis on NGO service delivery.

The SCP builds on the overall assumption that the FGS and the GoS will demonstrate capacity and willingness to comply with international principles of rule of law and that they affirm continued commitment to legislative reform processes including their enforcement. It is furthermore assumed that the capacity and willingness to create an enabling environment for inclusive private sector development will proceed and that individual development partners will continue to coordinate activities through joint funding, reporting and Monitoring and Evaluation (M&E) mechanisms. While rule of law principles constitute an enabling factor, it is not considered an assumption or pre-condition for programme success. Adherence to rule of law principles continues to be weak and volatile in Somalia. This is the reality all engagements are implemented under - a reality that is not likely to change considerably during the lifespan of the SCP.

### 3. Programme Overview

The overall objective of the SCP is: “*Basic foundation in place for the development of a resilient, stable and peaceful Somalia based on responsive and inclusive governance and a growing and poverty-reducing economy*”. The SCP is divided into three thematic programmes with eight development engagements covering twelve projects and/or programmes. To ensure a lean programme management, projects/programmes with the same implementing partner has been integrated into a single development engagement document (DED) (the DED with UN-MPTF includes engagement 1a-1e and the DED with the EU includes engagement 6a and 6b). The individual interventions are presented under each TP below.

### 3.1 TP 1: Resilient, responsive and inclusive governance and service delivery

TP1 focuses first and foremost on enhancing the governments' ability to deliver as per their mandate and on the promotion and protection of human rights. The objective of TP1 is defined as: *“Government ability at state, regional and local level enhanced to respond to the development and resilience needs of in particular women, youth and marginalised groups in an equitable, transparent, accountable and participatory manner.”*

#### *Theory of Change and justification*

The Danish support under TP1 will contribute to further improve the ability of the FGS, the FMS and the GoS to deliver services in a transparent and accountable manner and contribute to the increased protection and respect of human rights. This in turn is believed to enhance legitimacy and strengthen political institutions. Stronger political institutions will also improve Somalia's capacity to manage political conflict and divisions in a peaceful manner. The policy processes around the constitutional reform is believed to provide a better and consolidated basis for a more coherent federal structure where FMSs and FGS jointly can plan for and react to emerging crisis through economic and institutional resilience. Based on this, the theory of change for TP1 is as follows:

*If* Denmark together with other like-minded partners provide assistance for; (a) strengthening the reform processes of the different levels of governments of Somalia through capacity development, upstream policy work such the constitutional processes and regulatory reform at the local level and funding for government led service delivery, and (b) strengthening key human rights institutions at state and civil society level to enable them to perform in accordance with their mandate; *then* (a) the different levels of government will manage and dispose of enhanced incentives, capacities, budgets and policy frameworks enabling them to better plan for and deliver services in a more transparent and accountable manner, and (b) the government at all levels will be further encouraged to perform on the human rights agenda by a stronger voice and pressure emerging from the civil society and independent state actors monitoring and promoting human rights across Somalia - over time *leading to* a more inclusive and accountable government which better responds to the demands from women, children, youth, and men across ethnicities on a day-to-day basis as well as towards longer-term democratic governance beneficial to strengthen resilience and furthering sustainable development.

The theory of change is built on a number of key assumptions. These include:

1. The FGS, the FMS and the GoS and remain committed to democratic reform processes that enhance performance in a transparent and accountable manner. This includes continued commitment to local government election processes and a reduction in oppressive practices against the Somali people.
2. The constitutional review process is progressing without significant instability and tensions between FGS and the FMS.
3. AMISOM and the Somalia National Army (SNA) continues to minimise the influence and geographical control of al-Shabaab and other militias to avoid the undermining ongoing state building processes.

4. The mutual accountability nexus between people and governments will continue to be strengthened, as both increasingly perceive this as being in their own long-term interest.
5. The rights of women, youth and marginalised groups are recognised and attended to and seen as key to democratic development and sustainable development.
6. Civil society and state institutions will enhance their ability to absorb development assistance and perform on their mandates increasing the knowledge of the state(s) performance.

From a resilience perspective, TP1 will provide capacity development and funding to central government level institutions and contribute to enhancing capacities to plan and execute mandates in a way that prevents external shocks and/or react to and manage them,

The support is justified against the OECD-DAC quality criteria as presented in table 3.1 below.

OECD-DAC criteria	Assessment
Relevance	TP1 is aligned with the Somalia NDP as well as the NDP II of Somaliland. It furthermore supports the strengthening of civil society and independent institutions in a situation where the space for civil society is severely challenged. The support thus enables duty bearers to perform and rights holders to hold them to account. Specific attention has also been given to women and youth throughout the SCP.
Effectiveness	The effectiveness across the engagements is expected to be high, though depending on the political will of the government. The engagements are to be implemented by multilateral agencies or other agencies with a proven track record of implementing development programmes. The design of the programme emphasising duty bearer capacity and rights holder watchdog function is expected to motivate change.
Efficiency	All the funding provided in TP1 will be through joint arrangements particularly through the UN-MPTF as well as through delegated cooperation with likeminded development partners enhancing the level of harmonisation and limiting transaction costs. Furthermore, by supporting four different projects through one funding mechanism (the UNMPTF) the programme is limiting transaction costs for the RDE as well as the UN.
Impact	The likelihood of impact will vary across the engagements. Some will produce a steady contribution to impact as in the past, while others depend on political will amongst especially government partners.
Sustainability	There is across all engagements in TP1 significant emphasis on capacity development but with no support for recurrent costs. The design is thus aimed at enhancing accountability without establishing unsustainable mechanisms. The aim is to ensure exit strategies for all engagements.

*Table 3.1 Justification against the OECD-DAC quality criteria*

#### *Thematic Programme summary*

In support of the thematic objective and the theory of change, TP1 will support four UN-Programmes under the UN-MPTF working across Somalia and the Somalia Development Fund in Somaliland.

#### **Engagement 1: Support to the UN-Multi-Partner Trust Fund**

The engagement supports four earmarked projects/programmes under the UN-MPTF. The DED has been crafted together with the relevant implementing UN-Agencies, the UN-MPTF fund manager and the Resident Coordinators Office (RCO), as signatory to the DED. The RCO is responsible for the monitoring and reporting based on inputs from implementing partners.

### **Engagement 1a: Strengthening local governance**

Denmark will continue its long-term engagement with the Joint Programme for Local Governance (JPLG), which has delivered good results under previous SCPs. The support aims at strengthening local governance across Somalia by (i) improving the legislation and policies around local governance in Somaliland and all FMS, (ii) building the capacities of the local governments (district administrations and relevant state line ministries) and (iii) providing funding for development projects/service delivery at local level through the Local Development Fund (LDF). In addition, the programme aims at strengthening the targeted communities to enhance their influence of service delivery through a participatory prioritisation and planning process, and by strengthening their role as oversight mechanism of the local governments.

The JPLG will support the graduation of initial district administration in parts of Somaliland and possibly Puntland and thus start the phase-out from these areas, and turn the attention to support of government-led expansion in districts not previously covered by the programme in Somaliland and Puntland and in other FMS to the extent the security situation allows. JPLG will move further towards enhanced use of national staff and national institutions for the capacity development work. The support will contribute positively towards combatting misuse of funds and corruption at local level by enhancing transparency in budgeting, planning and procurement processes based on the experience from previous phases of the programme.

When it comes to women and youth as crosscutting priorities, the JPLG among other initiatives, work with a young graduates programme for civil servants working on local governance. Young Graduates receive a monthly stipend through JPLG/UNDP. After a year, Young Graduates who receive a successful performance review are given the opportunity to apply for a “permanent staff” position in line with a transparent merit based recruitment process and within the budget limits. JPLG works towards a gender balanced uptake of candidates for the programme. Another example is the focus on gender inclusivity when it comes to district prioritisation processes when allocating project under the LDF.

The support to JPLG compliments the engagements with the Somalia Stability Fund (SSF) and AMISOM’s civilian affairs under the PSP-HOA, which contribute to basic state building at FMS, local and community level, including support to district council formation, which is a prerequisite for JPLG to operate. As such, Danish engagements provide broad support to the implementation of the Somalia Government’s framework for stabilisation and responds to the UNs approach to stabilisation, the Community Recovery and Extension of State Authority and Accountability Strategy.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	40	30	30	20	10	130

### **Engagement 1b: Human rights reforms and monitoring**

Denmark will support the FGS commitment to human rights reforms through the UN Joint Programme on Human Rights (JPHR), which has been developed in a close partnership with especially the Somalia Ministry of Human Rights and Gender. The JPHR aims at 1) strengthening the institutional capacity of key Somali security and justice institutions, 2) ensuring

implementation of Somalia’s international human rights commitments (Universal Periodic Review (UPR) and ratification of human right treaties and protocols), and 3) strengthening the link and cooperation with these institutions and the Somali human rights civil society. The engagement supports the establishment of the Somali National Human Rights Commission (NHRC). Other international partners are Sweden and Norway.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	2	2	2	2	2	10

### **Engagement 1c: CSO human rights monitoring, awareness and advocacy**

While the JPHR does have a civil society component, the majority of the interventions are targeting government institutions at FGS and FMS level. To balance the need for holding the duty bearers to account, the SCP will provide more targeted civil society support through UNSOM. UNSOM will provide capacity development assistance to networks and individual human rights CSOs (including women organisations) across Somalia including Somaliland. Support will also be provided to enhance the capacity and independence of the Somaliland National Human Rights Commission. This engagement also complements Denmark’s strategic partnership with IMS and their work on media, freedom of expression and human rights.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	1	1	1	1	1	5

### **Engagement 1d: Constitutional review**

The SCP will continue to support the constitutional review process with the FGS, Parliament and the Ministry of Constitutional Affairs (MOCA), the Independent Constitutional Review and Implementation Commission (ICRIC) and the Oversight Committee (OC) in their implementation of the Constitutional Review Road Map. The roadmap provides support against three key objectives:

- Having a national constitution completed within the mandated timeframe by end 2019.
- Ensuring that the review process is based on national dialogue and public consultation with the Somali people and key stakeholders.
- Educating Somali people about the process through broader civic education programmes that empowers society to contribute and engage in the review process

The constitutional review process includes targeted activities for consultation with the civil society, women, youth and marginalised groups to make the process broad-based and inclusive.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	6	0	0	0	0	6

### **Engagement 2: Capacity development and service delivery in Somaliland**

Denmark was the instigator of the SDF and since its design and rollout together with DFID as the lead, Norway and the Netherlands, it has been the main platform for providing fully aligned and government owned service delivery in Somaliland. With the NDP II, Somaliland now has an

improved planning framework against which the SDF can deliver. A key element of the support is capacity development to enhanced planning, budgeting and procurement, which will also contribute to combatting corruption further strengthened by the DANIDA advisors in Hargeisa. The SDF 2 will commence in 2019 will further SDF's focus on investments and infrastructure intending to have a catalytic effect on private sector led growth. Denmark will also promote increased ownership of the GoSL.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	30	30	30	20	20	130

### 3.2 TP 2: Core economic institutions, inclusive private sector and diversification of livelihoods

TP2 focuses on promoting inclusive private sector lead economic growth. The objective of TP2 is defined as: *“Improved framework conditions for inclusive and resilient private sector led growth, especially in critical value chains, and strengthened economic management.”*

#### *Theory of Change and justification*

TP2 on economic institutions and private sector development aims at contributing to promoting transformative structural changes that will increase inclusive economic growth, make the private sector more resilient, and create jobs and higher incomes and, above all, allow Somalia to stay on its transitional pathway toward a more ‘normalised’ development trajectory, moving away from a mainly humanitarian focus. This also entails leveraging significant investments that will make the Somali economy more resilient both at macro level (e.g. a more diversified and less climate susceptible economy) and at enterprise/farmers level where entrepreneurs and farmers will have access to a menu of support services that will increase their resilience against economic and weather-related shocks, enabling them to ‘bounce back better.’

The Danish support under TP2 will address the core challenges outlined in the context section through a set of engagements that provide assistance to both governmental entities as well as to private sector actors with a particular focus on youth<sup>11</sup>, women and minority groups. Based on this, the theory of change for TP2 is as follows:

*If* Denmark, together with other likeminded partners, provides (a) capacity development support for public financial management, regulatory improvements, public private dialogue, and revenue mobilisation for core public economic institutions that are needed for securing inclusive resilient private sector led growth, realising that the needs will become more complex as the diversity, sophistication and value added of the productive sectors increases; (b) technical and financial support to the private sector (working in strategic value chains also connected to strong national and international markets), including the financial sector, is provided; *then* this will deliver on the short-term ambition of improved framework conditions and incentives for accelerated inclusive private sector growth, allowing for more long-term investment, higher value added, while

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<sup>11</sup> Youth being defined as between 15 to 35 years.

simultaneously also improving the governments capacity to manage fiscal challenges and the relationship between the public and private sectors in a more transparent and fair manner; *eventually* leading to a more diverse, resilient and inclusive private sector providing decent work to especially youth, women and minority groups and including them as active agents and actors in the private sector and tax revenues, allowing the government an economic basis to fund its core mandates.

The theory of change is built on the following key assumptions:

1. The security situation will remain stable or improve. TP2 itself will contribute to stabilisation by offering particularly young people credible careers and acting as role models.
2. The FGS and FMS will continue to support public financial management (PFM) reform and regulatory reforms that may at times not align to short-term personal or clan-based (e.g. monopolistic) interests, but will bring Somalia closer to normalisation with IFIs and thus access to financing. All engagements are structured around the need to provide programme incentives to promote this alignment.
3. The programme will provide incentives to ensure the inclusion of women, youth and minorities.
4. The private sector actors and the governmental entities are willing to pursue the interests of women, youth and minority groups in the efforts to strengthen the private sector.
5. Private sector growth is increasingly inclusive – not limited to narrow elites – by broad based public private dialogue and institutional and economic reforms.
6. Finally, the concrete investments in micro and small enterprises also rest on the assumption that there will continue to be a pipeline of investment grade projects, even if Denmark and other external development partners start scaling their support.

The support is justified against the OECD-DAC quality criteria as presented in table 3.2 below.

OECD-DAC criteria	Assessment
Relevance	TP 2 is fully aligned with the economic growth objectives of the Somalia NDP and the Somaliland NDP II and the key external development partners in the economic development space, most notably WB, IMF and IFC. The TP will focus on core binding constraints to private sector led inclusive growth and deliver a diverse set of engagements, reflecting the need to advance on multiple fronts simultaneously. Specific attention has been paid to promote women, youth and minorities in private sector development.
Effectiveness	The engagements of the WB family has proven their effectiveness in strengthening PFM and has become a trusted partner for the FGS on macro-economic issues, including e.g. private sector legislation, revenue mobilisation. This is especially evident in relation to the normalisation process with IFIs. The value chain engagement under this TP will be implemented through a delegated cooperation agreement with the EU ensuring effectiveness and donor alignment. In terms of investments in the private sector to create jobs, this will be managed by IFU – experts in investments in developing countries – rather than more traditional implementing partners.
Efficiency	Efficiency gains is achieved by working with trusted partners with a long track record in implementing development support to the private sector and economic development and will also be achieved by carefully selecting the partners most appropriate for delivering the implementation, utilising e.g. financial institutions for credits and investments, and specialised business development service providers for CEO mentoring and guidance.

OECD-DAC criteria	Assessment
Impact	TP2 has the potential to achieve high impact, as it will leverage the increased stability and predictability to accelerate inclusive private sector growth. There is now a window of opportunity to cement the political, security and stability gains by providing legitimate and peaceful pathways especially for the young poor populations and TP2 will pursue these impact opportunities wherever they emerge.
Sustainability	For direct support to the private sector (e.g. investment finance and value chains), increased profitability is both a main objective and a robust sustainability metric. Key will be to conduct due diligence and tailor support accordingly. For more institutional support sustainability is contingent on both political commitment to maintain and augment the capacities needed to ensure enforcement as well as increased resource mobilisation that will allow the governments to finance their mandates.

*Table 3.2 Justification against the OECD-DAC quality criteria*

### *Thematic Programme summary*

In support of the thematic objective and the theory of change, four engagements have been identified covering complementary and mutually supportive interventions (See DED and Results Framework for details):

### **Engagement 3: Support to the World Bank Multi-Partner Fund (WB-MPF)**

Denmark will continue its support to the WB-MPF and the Country Partnership Framework Partnership 2019-2022. The WB-MPF will provide critical support and advisory services to initially the FGS and the GoSL, but increasingly also the FMS on economic reform and institution building. As such, the WB-MPF has been key in building a track record of the FGS for normalisation with IFIs and the WB is now adding pre-arrears clearance to the WB-MPF. The WB-MPF uses country systems and accounts for 12 pct. of ODA delivered directly to the FGS, which provides WB-MPF international development partners with significant political leverage. The MPF is implementing a number of programmes from PFM to health and education and though international development partners cannot earmark, Denmark will follow and monitor indicators related to the PFMII programme focusing on capacity development at FGS and FMS level including monitoring enhanced fiscal transfers from FGS to the FMS level; Recurrent Cost and Reform Financing II (RCRF II) the largest programme in the WB-MPF portfolio helping relieving macro-fiscal pressure (among others through salary contribution in the health and education sectors) and fiscal transfer to emerging regions using reform benchmarks and disbursement linked indicators and offering additional incentives conditional upon revenue generation; the successor to the Somali Core Economic Institutions and Opportunities Programme (SCORE) focusing on improving the enabling environment for private and financial sector development and catalysing private investment and job creation; the Financial Governance Committee (FGC) that provides technical assistance and implementation support in sensitive financial governance areas including concessions, natural resource sharing and PFM reforms and the development of a national ID-system and social protection.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	50	40	30	10	10	140



#### **Engagement 4: Support to the International Finance Corporation (IFC)**

Denmark will continue its support to the IFC Donor Trust Fund: Private Sector Development in Somalia with the main objective of strengthening the regulatory framework of the private sector, developing capacities of the various Chambers of Commerce and enhancing Public Private Sector Dialogue. The fund focuses on three main areas of 1) Investment climate reform (Somalia Investment Climate Reform Project (SICRP)); 2) Access to finance (Financial Institutions Development Programme (FIDEP)); and 3) Gender mainstreaming. Building on the work undertaken by the World Bank Group on investment climate over the last couple of years, the SICRP will strengthen the investment regulatory framework in key sectors. This involves undertaking rapid diagnostics and assessments; developing an Investment Reform Map; strengthening investment laws and regulation as well as institutional capacity for the Departments of Trade and Investment Authorities and setting up an Investment Promotion Agency. FIDEP instead, aims to address market constraints through addressing the underlying challenges for the private and financial sector in Somalia. This through e.g. improving quality of reporting standards, increase financial inclusion and intermediation through the development of new products and services for financial institutions, skills development for staff of financial institutions, SME banking and overall create specific opportunities for end beneficiaries to increasingly obtain access to finance. In relation to gender mainstreaming, IFC will include a series of training programmes for the Somalia Growth Oriented Women Entrepreneurs programme, establish a secretariat for Women Chambers, support the preparation of business plans for women chambers and/or associations and enhance networking and skills development for women entrepreneurs.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	10	10	10	5	5	40

#### **Engagement 5: Inclusive investments for SME development**

Much needed investment finance will be provided by the SCP through IFU allowing SMEs to make longer-term investments thereby boosting the economy, creating jobs and raising incomes. Together with Norfund, Finnfund (the Norwegian and Finnish equivalents to IFU) and IFU, Shuraako has established the Nordic Horn of Africa Opportunity Fund (Nordic Fund), which aims at increasing investments in Somali SMEs and IFU has already started the investment. The fund manager Shurakoo connects Somali SMEs to capital with the aim of catalysing job creation and economic development. Shuraako has a strong presence in all major regions of Somalia with offices in Hargeisa, Somaliland, Garowe, Puntland and in Mogadishu. Shuraako identifies businesses that add value to the local economy, conducts in depth due diligence and establishes strong relationships with its clients. The SCP will provide first-loss capital to the Nordic Fund to increase investment in Somali SMEs and will finance technical business support for SMEs in the Fund's pipeline and portfolio to improve performance. Special attention is paid to women and youth in enterprise development and employment. IFU's close engagement with Danish companies will allow for the potential promotion of commercial interests, an advantage in a largely unexplored market.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	22	4	3	3	3	35

### Engagement 6a: Strengthening competitive, inclusive and resilient value chains

Denmark has supported livestock value chains in the past and will continue such engagement by partnering with the EU and its programme “*Inclusive Local and Economic Development – ILED*”. With the consolidation of stability and peace in new parts of Somalia, there is a need to provide credible and resilient pathways out of vulnerability and poverty for especially the rural population. The support will focus directly on strengthening value chains of critical importance to the poor, e.g. livestock, crop and fisheries, with a focus on improving productivity and enhancing climate adaptive capacity, necessitated by accelerating climate change. This direct support is likely to be provided by an NGO consortium that is experienced in various technical aspects of the support. Indirect support to the enabling policy framework (e.g. quality control, quality infrastructure, extension policy and certification) will be provided by an experienced implementing partner. The Danish support will be channelled through the “European Union Emergency Trust Fund for Africa” from where the ILED programme is funded.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	25	20	15	10	0	70

### 3.3 TP 3: Protection, safety nets and reduction of forced displacement

TP3 focuses on providing protection for the most vulnerable Somalis with the objective: “*Improved livelihoods, protection and human rights for women, children, IDPs, returnees, and host communities through support to durable solutions, establishing social protection systems, and safety nets*”.

#### *Theory of Change and justification*

TP3 will directly address immediate protection needs and in parallel provide more development oriented support to the targeted populations aiming for graduation from humanitarian and/or protection assistance. TP3 deals directly with resilience of the individual. It aims at providing women, men and children in Somalia with capacities to adapt to extreme weather conditions such as droughts and floods, both of which are projected to increase in frequency and intensity as a consequence of climate change. It will furthermore focus on the establishment of social safety nets based on commonly agreed concepts and livelihood programmes. And finally it will provide resilience by focusing on physical safety and integrity of in particular survivors of FGM and GBV, and children and armed conflict, particularly children formerly associated with al-Shabaab. It will provide them with opportunities and options for rehabilitation and reintegration. Based on this, the theory of change for TP3 is as follows:

If Denmark supports improved protection in the form of: (a) enhanced capacity development to duty bearers (justice and security services and local authorities) to better perform according to their mandates and human rights of IDPs, returnees, women and children and other vulnerable groups; (b) awareness raising among women, children and other vulnerable groups about their rights as well as the provision of referral and psycho-social services to survivors of FGM, GBV and rights abuses; (c) provision of shelter, rehabilitation and reintegration of children (formerly)

associated with armed groups and children captured in conflict; and (d) service provision and livelihood opportunities for IDPs, returnees and host communities; as well as a coordinated social safety net to people subject to chronic poverty or survival from humanitarian shocks - *then*, over time, duty bearers will implement their services with enhanced respect for human rights for women and men, children, IDPs and returnees; and vulnerable targeted groups including women, children, IDPs, returnees and host communities will be provided with capacity to enable more sustainable livelihoods and durable solutions - *eventually* leading to a reduction in the number of IDPs, returnees, and vulnerable groups exposed to human rights abuses, including children in conflict exposed to grave violations, and enhanced resilience of exposed families.

The theory of change is built on a number of assumptions. These include:

1. Willingness of the targeted authorities to engage in dialogue and capacity development related to human rights.
2. Ability of the implementing teams to access and identify the target groups.
3. Agency among survivors to utilise the opportunities provided.
4. Humanitarian and development actors agree on and eventually implement a joint safety net programme for Somalia.

The support is justified against the OECD-DAC quality criteria as presented in table 3.3 below:

OECD-DAC criteria	Assessment
Relevance	TP3 is fully aligned with the NDP, the Drought Impact Needs Assessment (DINA) and the Recovery and Resilience Framework (RRF). TP3 will focus on key protection needs, including internal displacement and the long-term poverty situation in Somalia. Specific attention is paid to protection against GBV, FGM and enhanced attention given to women, youth, children and minority groups.
Effectiveness	The three different engagements are all assessed to be effective in each their way: UNICEF's approach has proved effective in the past and DRC's vast experience with implementation of similar interventions in Somalia is likely to display significant effectiveness as well. The Safety Net programme is still to be designed, but originates in considerations around effectiveness of aligning and mainstreaming the massive cash response in Somalia.
Efficiency	Efficiency is sought by building on existing operational capacities and procedures of UNICEF and DRC. For the last engagement on Safety Nets, the joint approach is expected to significantly reduce transaction costs
Impact	The level of impact will depend on the extent to which the individual engagements will be implemented in accordance with the designed theory of change. For UNICEF, key will be to be successful in changing social norms; for DRC key will be moving beyond the more humanitarian work towards more development oriented durable solutions; while the Safety Net programme will have to ensure that it can provide a comprehensive nation-wide approach
Sustainability	For all three engagements, the sustainability depends on how successful they are in their activities aimed at enabling the target groups to enhance their capacities to make changes in their lives, either through graduating from the Safety Nets programme; by deciding to reintegrate or return to their places of origin; or by deciding to say no to FGM. UNICEF and DRC have a long record of accomplishment in supporting this work, while the Safety Nets programme sustainability will depend on the design in order to ensure success in implementation.

Table 3.3 Justification against the OECD-DAC quality criteria

### *Thematic Programme summary*

In support of the theory of change and the thematic objective, three engagements have been identified covering complementary and mutually supportive sub-themes of which one (6b Safety Nets, see below) is part of the of the EU-ILED engagement described above under TP 2.

#### **Engagement 6b: Safety Nets**

After the 2016-17 drought where up to 3 million Somalis received cash assistance, there is a growing understanding among development partners that systems for cash transfers needs to be consolidated and harmonised and that a more streamlined, predictable and permanent system of a shock responsive safety net should be established. As such, key donors have come together to develop such a safety net, which ideally – with time – should be regulated by the FGS and implemented by the private sector. As the need for cash transfers persist and as there is a need to move fast, before the next drought or crisis hit, there is now a bridging phase where key international development partners can come together and develop a system that in time may be handed over to the FGS. The EU has a component for developing a shock responsive safety net under the programme ILED. This engagement will support this ILED component and specifically contribute to the design, development and piloting of a safety net mechanism. This will require incremental engagement on issues like policy setting, regulation, standardisation and building up an information system, as well as appropriate monitoring and evaluation. The WB will under the WB-MPF work with the FGS and more specifically the Ministry of Labour and Social Affairs to pave the way for government ownership. The WB is a partner in the donor working group working to establish the safety net to ensure that the two processes learn from each other and eventually will be combined. The safety net will be shock responsive and as such, Danish humanitarian aid for cash in Somalia may also be channelled through the safety net to the extent this is found relevant and efficient.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	15	15	0	0	0	30

#### **Engagement 7: Protection for women, girls and boys in Somalia**

To counter the harmful practices around FGM and GBV, provide shelter, rehabilitation and reintegration of children (formerly) associated with armed groups, including al-Shabaab, and strengthen the FGS capacity to deliver against these areas, Denmark will provide support to UNICEF's national child protection programme. Specifically, the programme will focus on

- 1) Working with communities on norm change to prevent FGM and GBV and provide women and girls with the option of taking a stand and seeking referral or other means of protection and redress;
- 2) Working with the protection and reintegration of children (formerly) associated with al-Shabaab, local militia as well as the SNA from conflict ridden parts of the country; and
- 3) Providing capacity development to the FGS and FMS to address these protection needs.

The engagement will be complementary to engagements under the PSP-HoA. For instance, Denmark support adult defectors under the PSP-HoA, but that engagement has not included children who instead have ended up in rehabilitation centres for adults or worse in the prisons.

Denmark will continue to pro-actively raise this concern with the FGS and FMS, but the UNICEF engagement will in addition provide the much-needed services for child defectors.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	15	15	15	10	10	65

### Engagement 8: Durable solutions<sup>12</sup>

To address the present need of internal displacement, Denmark provides funding to the Danish Refugee Councils' (DRC) durable solutions programme implemented in the urban areas hit hardest by displacement. The project specifically addresses the protection and livelihood needs of IDPs, returnees, and host communities through ensuring community approaches and government ownership in identifying and promoting durable solutions. The programme focuses on five major implementation areas:

- 1) Capacity development of local authorities (courts, elders, police, councils) to enable a better understanding of durable solutions and IDPs and prevent community conflict
- 2) Support to access to land and housing for returnees and IDPs
- 3) Provision of shelter, water and nutrition, as well as legal and psycho-social referral for targeted population
- 4) Provision of livelihood opportunities in terms of training, employment and access to finance.
- 5) Increasing knowledge of durable solutions, intentions of IDPs and returnees and engaging in policy dialogue and advocacy on the regional and national frameworks for displacement.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	85	15	0	0	0	100

### 3.4 Unallocated funds

As Somalia is a fragile state, implementation of the development engagements under the SCP will not necessarily be according to plan and contextual as well as programmatic changes may offer both opportunities and risks to which the programme management has to respond. As such, the programme has set aside a relatively large budget for unallocated funds. The budget line will be spent according to the Danida Aid Management Guidelines and allocated based on the recommendations of the MTR of the current SCP. The criteria for the use of the unallocated funds include, but are not limited to, the following: funds must be fully aligned with the objectives of the SCP and in line with the risk management and M&E arrangements of the SCP and funds should use existing fund management arrangements and engage with already identified SCP partners. Potential engagements could include:

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<sup>12</sup> This programme was approved and DKK 100 million committed to DRC in December 2017 and is now being integrated into the SCP 2019-2023.

- Support to civil society to engage more directly in monitoring of government operations (budgeting and execution) at central and local level to enhance the rights holders' perspective in the state service delivery and state-civil society dialogue.
- Support to existing private sector investments, which have proven successful, particularly in ensuring increased job generation and private sector opportunities for especially women, youth and minority groups.
- Engagements that empower minority and/or marginalised groups (e.g. Bantus) in the decision-making process in Somalia.
- Engagements specifically aimed at improving gender equality and women's empowerment.
- Engagements that specifically focus on enhancing the political and economic opportunities for youth in Somalia.
- Continuation of engagement beyond the project period stated in DEDs.
- Additional M&E, technical reviews or studies.

#### 4. Overview of management set-up

The RDE will manage the SCP through Programme Committee Meetings, which are informed by inputs from the implementing partners of the WB MPF, UNMPTF, EU, DFID, IFC and DRC, the Monitoring & Evaluation set-up of the SCP and the Danida Advisors (see below). The RDE will sit on programme boards and/or steering committees and other management structures established for the trust funds, joint funding arrangements, delegated cooperation agreements and separate programmes and projects.

##### 4.1 M&E, reviews, risks and technical advisors

A comprehensive monitoring framework is being put in place by the internal RDE Programme Committee to facilitate achievement and documentation of results during the implementation of the SCP. The SCP will be monitored at the following levels:

- 1) **Results:** to assess progress and achievement of the planned results
- 2) **Assumptions:** to test and validate the theory of change and identify needs for adaptation
- 3) **Scenarios and risks:** to assess and mitigate risks
- 4) **Financial management:** to ensure proper administration of Danish funds

The SCP Results Framework (Annex 3) draws on the theory of change and builds on selected outcomes, outputs and indicators from partners. It is the main tool for measuring and documenting results and will be updated on a bi-annual basis based on progress reports by partners. The RDE Programme Committee will on a bi-annual basis review the progress towards achieving the expected results of the SCP, the assumptions underlying the ToC and the Risk Matrix to assess the overall progress of the SCP. This assessment will inform the RDE's continuous dialogue with partners and guide possible adjustments to implementation modalities and partner agreements. Likewise, it will provide input to the RDE's reporting through the Results Frame Interface, Open Aid and Annual Portfolio Performance report which will be submitted prior to the Annual Results Dialogue with the Under-Secretary for Global Development and Cooperation. Approximately halfway through the SCP a MTR will be conducted to assess the overall programme performance and to recommend possible

adjustments to the SCP as well as make recommendations on the allocation of unallocated funds and/or possible reallocation of funds. To ensure independent verification of results most development engagements undergo third party monitoring (TPM) or have other sufficient external and independent monitoring in place, but for those engagements where this is not the case (DRC and IFU) the SCP will engage technical assistance and experts to carry out independent technical reviews to assess progress prior to the MTR of the SCP.

The SCP will contract long-term external M&E support for the SCP. It is anticipated that this technical advisory service will assist programme management with various M&E services, including but not necessarily limited to the following:

- 1) On-going review the SCP results framework as well as theories of change and assumptions in close collaboration with partners and the RDE and recommend amendments as appropriate.
- 2) Bi-annual review and report to the RDE of the RF, Risk Matrix and Theory of Change.
- 3) Provide other M&E support to partners and the Somalia team when needed and requested by the RDE. This includes a kick-off M&E workshop in the beginning of implementation.

There will be strong focus on risk management in the programme as the contextual situation in Somalia is highly volatile and many factors may change at a fast pace that in turn may affect the implementation of the engagements. A risk matrix is attached as annex 5 to the programme document that includes the three areas of risks; contextual, programmatic and institutional. The management of the risk matrix will be conducted in conjunction with regular monitoring exercises with regard to the theory of change and progress in relation to achievement of expected results and together with an assessment of the potential contextual scenarios. Subsequently the risk matrix will be updated with regard to the content of the risks, the likelihood for the risks to materialise, the level of potential impact and what mitigating measures will be put in place to reduce the risk level. Risk assessments is also part of the development engagements.

The SCP will deploy internal or external technical advisory services as and when necessary to carry out technical reviews of individual engagements or TPs, to inform political economy analyses and to aid the RDE's external communication. The SCP will further consider carrying out joint third-party monitoring, thematic reviews, value for money assessments and other monitoring exercises together with other development partners.

To assist the FGS and the GoSL with the implementation, the RDE will recruit four international advisors on the ground. This includes:

- 1) A long term advisor/programme coordinator focusing on key Danish priority areas in the field of governance, including local governance, the constitutional review process as well as issues pertaining to internal displacement with a particular focus on but not limited to TP1.
- 2) A long term advisor/programme coordinator focusing on economic development with a particular focus on but not limited to TP2.
- 3) Continued long term advisor to the Ministry of Planning in Hargeisa supporting the national planning process and the Ministry's engagement with the SDF

- 4) Continued long term adviser as the Somaliland Programme Coordinator tasked with coordination, monitoring and reporting of Danida funded activities in Somaliland.

## 4.2 Financial management

The financial management of the SCP will be done in accordance with the MFA's regulations for financial management including the *Guidelines for Programmes and Projects* (2018), *Danida's Guidelines for Financial Management of Decentralised Units* (2015) and the *General Guidelines for Accounting and Auditing of Grants channelled through Multilateral Organisations* (2012).

Solid financial management is particularly important in a fragile institutional context like in Somalia where corruption and fraud levels are significant as accounted for in the context section. Denmark has a zero-tolerance policy towards corruption. All partner agreements will therefore stress that engagement partners must implement strict measures to minimise the risk of corruption or misappropriation of funds and must immediately report to the RDE any suspected case of corruption or misappropriation of funds related to the programme. Deliberate and carefully considered partner selection, monitoring and financial inspection visits constitute applied mitigation measures

The SCP's financial management arrangements and implementation responsibilities will be supported by the cooperation agreements with implementing partners. Most agreements are with Multilateral Organisations (UN, World Bank, and IFC) or with like-minded partners (EU and DFID) and the EU Trust Fund, which limits the risk to Danish funds as these organisations have robust systems in place for financial management. DRC and IFU have a proven track record of sound and robust financial management.

Programme operational costs in Somalia are relatively high compared to most other countries. The SCP will address this issue by predominantly working through existing multi-donor funded programmes rather than setting up own implementing structures and through exploring joint monitoring with other development partners.

**Strengthening country systems:** The SCP uses country systems through the multi-donor funds which is expected to strengthen these systems. This include support to the Financial Government Committee under the WB-MPF which reviews all major government contracts.

**Financial and fiduciary risks:** As emphasised in the SCP's risk matrix (Annex 5), there are substantial financial and fiduciary risks in the SCP. Several risk outcomes should trigger consideration of steps such as initiating audits, reclaiming funds or adjusting work-plans with partners to reflect new feasibility and performance information.

**Inspection visits:** The RDE will conduct regular inspection visits following a Financial Monitoring Visit Plan. These visits will be carried out in accordance with the *Guidelines for Financial Monitoring, Representations*, and to the extent possible be coordinated with monitoring of the progress of activities and achievements of planned results. For multi-donor programmes - UNMPTF, WB MPF, IFC, EU, and possibly the SDF and the IFU the RDE will only carry out



physical inspections to the extent agreed with these partners according to general practise under agreements with such organisations.

## 5. Programme budget

The total amount allocated to the SCP is DKK 980 million<sup>13</sup> for the period 2019-2023:

No.	Engagement name	Budget
<b>TP1: Strengthen resilient, responsive and inclusive governance and service delivery, and fundamental human rights</b>		
Engagement 1a	Local governance (JPLG/UNMPTF)	130
Engagement 1b	Human rights reforms and monitoring (JPHR/UNMPTF)	10
Engagement 1c	CSO support (UNSOM/UNMPTF)	5
Engagement 1d	Constitutional review (UNDP/UNMPTF)	6
Engagement 2	Somaliland Development Fund (SDF/DFID)	130
<b>Total TP 1:</b>		<b>281</b>
<b>TP2: Develop core economic institutions and strengthen inclusive private sector driven growth and economic development to diversify livelihoods</b>		
Engagement 3	Support to core economic institutions (World Bank)	140
Engagement 4	Support to improving the investment climate (IFC)	40
Engagement 5	Inclusive investments for SME development (IFU)	35
Engagement 6a	Strengthening value chains (EU)	70
<b>Total TP 2:</b>		<b>285</b>
<b>TP3: Develop protection and safety nets for enhanced resilience, enabling durable solutions and reducing forced displacement</b>		
Engagement 1e	Protection for women, girls and boys in Somalia (UNICEF/UNMPTF)	65
Engagement 6b	Safety Nets (EU)	30
Engagement 7	Durable Solutions (DRC)	100
<b>Total TP 3:</b>		<b>195</b>
<b>Programme management</b>		
Unallocated funds		129
Advisors and DPO Hargeisa and Mogadishu		75
External monitoring support, reviews, studies, communications, extraordinary audits		15
<b>Total Programme Management</b>		<b>219</b>
<b>Total Somalia Country Programme (2019 – 2023)</b>		<b>980</b>

<sup>13</sup> DKK 100 million of this was committed in December 2017 to DRC.

# **ANNEXES**

## **Danish Somalia Country Programme 2019-23**

## Annex 1: Context Analysis

### 1. Overall development challenges, opportunities and risks

*General development challenges including poverty, equality/inequality, national development plan/poverty reduction strategy, humanitarian assessment.*

Somalia is taking the first steps in a transition towards a fragile stability after almost three decades of civil war, insecurity and humanitarian crises. With the Provisional Constitution of 2011, the establishment of a the Federal Government of Somalia (FGS) in Mogadishu in 2012, the 2017 election of a new president and the creation of the Federal Member States (FMS) of Galmudug, Jubaland, South West State and Hirshabelle in addition to the established state of Puntland and the self-declared autonomous republic of Somaliland (see below), Somalia is on the right path towards state-building and stabilisation. The federal model is materialising, the government's territorial footprint has increased and the insurgency has resorted to asymmetric attacks focused on Mogadishu, financed through protection rents. Urban areas in southern Somalia – formerly under al-Shabaab control – are now the capitals of newly formed FMS, responsible for sub-national administration. Despite this progress, rural Somalia remains acutely poor, and subject to repeated cycles of devastating droughts such as the one in 2016-2017 which has left over 5.4 million Somalis in need of humanitarian assistance (app. 44 pct. of the population) and displaced more than a million Somalis in addition to the already one million displaced.

The political progress and associated security and stability gains have allowed for higher economic growth and institutional reforms and the government's fiscal position has subsequently improved significantly, though from a low starting point. However, this growth has not been robust enough to create marked improvements in the lives of most Somalis and past trends of fragility are hard to break in a country susceptible to high frequency of both political instability, climatic and geo-political shocks. With the gradual and sustained improvements, there are opportunities to lock in the stability gains and create a virtuous circle of inclusive growth leading to better and non-conflictual livelihoods options that in turn will also increase the tax base, helping the government to fund and deliver on its basic service provision obligations.

Nevertheless, the challenges are multiple. Somalia's GDP per capita is estimated at USD 450, making it the fifth poorest country in the world. Half of the country's population of about 12 million live below the international poverty line (of USD 1.90 a day) with a high number living just above and thus being vulnerable in terms of falling below the poverty line. Inequality is high, driven by the difference in the incidence of poverty in different locations: it is close to 60 pct. in Mogadishu, more than 40 pct. in other urban settings, a little over 50 pct. in rural areas, and at about 70 pct. among IDPs.

The FMS, especially in southern and central parts of Somalia are only beginning to establish the foundations for basic macro-economic and fiscal management with weak capacity within revenue mobilisation capacity (mostly from trade levies collected at ports and donor funding), budget planning and expenditure management. However, as can be seen from figure 1 below, domestic revenues at FGS have increased substantially over the past five years:

Figure 1: FGS Revenue & Grants 2013 – 18



Source: IMF: Staff Monitoring Programme Review, May 2018 (2018 estimated).

While on an upward trend, FGS revenues only account for around 2 pct. of GDP. This is insufficient to fund the core mandates a functional government is expected to, such as education and health services, and most Somali citizen have very limited (if any) stake in the typical social compact in which citizen (and companies) pay taxes and in return are provided with basic social services. This social compact (or fiscal nexus) is seen as core in driving state legitimacy and mutual accountability and is hence still a major challenge, also for locking in the political and stabilisation gains.

After four consecutive seasons of poor rainfall, Somalia has suffered from droughts since November 2016. Due to a historic humanitarian response of USD 1.2 billion combined with improved access for the humanitarian actors, Somalia, the international community and the diaspora avoided a famine in 2017. At the onset of 2018, 5.4 million Somalis remain food insecure, out of which 2.7 million Somalis are dependent on life-saving interventions. The overall number of food insecure represents a reduction in comparison with 2017, but the number of people at extreme risk has increased significantly just as livelihood opportunities have been exhausted. With the Somalis having utilised already limited resource and with the prospects of a reduction in the humanitarian aid, the outlook for 2018 and the duration of this SCP remains bleak. In April-June 2018, Somalia suffered from heavy flooding increasing the already high number of vulnerable and displaced Somalis and Somalia is thus currently one of the only countries that has published humanitarian appeals for drought and floods at the same time. The drought has displaced 1.1 million Somalis since November 2016, which is an addition to the already 1 million displaced. With 2.1<sup>14</sup> million internally displaced and app. 1 million refugees, out of which app. 870.000 reside in the region, Somalia is facing a displacement crisis with a desperate need for durable solutions. As the vast majority of the displaced Somalis have moved to urban areas of Mogadishu, Kismayo and Baidoa, Somalia has one of the world's highest urbanisation rates and thus an even further increased need for capacity development of local authorities and massive investments in infrastructure. Whereas the Somalis during previous periods of drought have fled out of the country, this drought has seen increased displacement inside Somali borders. This is due to an improved and efficient humanitarian response, Kenya's policy of returning Somalis and not registering new arrivals as well as the conflict in Yemen.

While the poverty challenges remain significant, there is progress in terms of enhanced government capacity to assess and plan for development interventions (even though the revenue generation and

service delivery remain limited). A National Development Plan (NDP) for Somalia was adopted in 2017 together with a new aid architecture for Somalia, the New Partnership for Somalia, which replaces the previous New Deal Compact. Somaliland also adopted its second National Development Plan (NDP II). The Somalia Country Programme (SCP) will be aligned with the NDPs and the relevant coordination mechanisms (see main programme document).

Somaliland is overall stable, with functioning government institutions. The overall trend of peaceful transfer of power from the last two presidential elections was continued with the election of Muse Bihi Abdi as president in November 2017 in what was assessed by national and international observers as a fair and free election. However, post elections concern of reduced space for and intimidation of the major Waddani opposition party has emerged. While revenue has increased, in particular at local government level, the need for government led service delivery still requires enhanced capacity development support and funding. The Somaliland Development Fund (SDF), initiated by Denmark and established jointly by Denmark and the UK, has further motivated the allocation of funding for development activities particularly with regard to infrastructure. However, essential needs still remain and further consolidated efforts are necessary in order to ensure long-term development. In spite of the successful elections, Somaliland has lately seen a clamp down on individuals and journalists that promote Somali national unity or publicly disclose corrupt government practices. The human rights space is thus shrinking, underscoring the need for strengthening the voice of the rights holders in parallel to strengthening the government's ability to deliver services in a transparent and accountable manner.

*Development in key economic indicators: GDP, economic growth, employment, domestic resource mobilisation, etc.*

Since 2013, economic growth rates have averaged around 5 pct., despite serious setbacks in the productive sectors from droughts and partial export closures. The economic resilience in the face of serious natural disasters is due to Somalia's GDP being comparatively urban-based, consumption-driven and fuelled by remittances (USD 1.3 billion a year) and international aid. FGS expenditure in the economic sector remains low at app. 8 pct. in 2017, while expenditures within administration and security were at 52 pct. and 37 pct. respectively. Somalia's economy is highly dependent on imports, which account for more than two-thirds of GDP while exports comprise just 14 pct. creating a large trade deficit, mainly financed by remittances and international aid. However, Somalia's economic growth is expected to pick up in 2018 and 2019. IMF predicts that the economy will expand by 2.5 pct. in 2018 and 3 pct. in 2019, while inflation is estimated to fall to 2 to 2.5 pct. in the same period. Somalia's unemployment rate is, according to the World Bank, estimated at 60 pct. and even higher amongst the Somali youth.

Comprehensive up-to-date macroeconomic data are not readily available for all the regions. In Somaliland, the World Bank estimates the GDP at USD 1.39 billion (excluding ODA), with livestock and wholesale/retail trade accounting for over 50 pct. of the total followed by crops, forestry and communications. The private sector is robust with a 10 pct. growth rate, but it remains largely informal.

Public expenditure in Somalia has increased significantly, from USD 35.1 million in 2012 to USD 170.5 million in 2016, driven by year-on-year increases in revenue. Improvements in revenue collection mean that domestic revenue grew from USD 84.3 million in 2014 to USD 112.7 million in 2016, driven by taxes on trade. However, total revenue to GDP accounts for only 2.7 pct. of GDP (including

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<sup>14</sup> Recent data from UNHCR and IOM suggests 2.6 million

Somaliland and FGS). Poor collection capacity, a narrow tax base, few legal and regulatory frameworks, and the government's lack of full territorial control hinder revenue mobilisation.

The significant economic potential of Somalia remains largely untapped due to rampant corruption (Somalia ranks 180 out of 180 on the Corruption Perceptions Index) and the complexity and challenges of doing business (Somalia ranks lowest in the World Bank's Ease of Doing Business index). Nevertheless, the private sector continues to drive the economy across Somalia. It has continued to thrive through decades of conflict, financed by remittances from the diaspora, and enabled by trading networks in Dubai and across African markets. In the last few years, the business community has started to see the absence of regulation as a constraint to further growth. Thus the business community is increasingly interested in more formalised engagement with the public sector in order to improve the regulatory and policy frameworks with a view to facilitate investment in e.g. energy, livestock, ICT and banking.<sup>15</sup>

Somalia remains heavily indebted (more than USD 5 billion) and does currently not meet the conditions for debt relief. However, the country's development trajectory has clearly improved in the last decade and there is a real opportunity for Somalia to reach the HIPC Decision Point during the next five years. Reaching the Decision Point and normalisation with IFIs is a stated objective of Somalia's leadership, to unlock World Bank's IDA and other concessional financing sources. However, this will require sustained and strong commitment to reform and stability. Nevertheless, the recent decision by the World Bank to grant Somalia access IDA Pre-Arrears Clearance Financing (potentially up to USD 140 million) is an indication of the progress made so far. Even more so the successful implementation of two consecutive IMF Staff Monitored Programmes has contributed to building a sound track-record and a third SMP is currently being developed. In addition, the EU Member States in May 2018 approved a EUR 100 million-budget support programme. Benchmarks for implementation are yet to be developed.

The economic impact of the 2016-17 drought is severe and drought related damages and losses is estimated at USD 3.25 billion and effects are carried into 2018 and beyond with the two sectors of environment/natural resource and livestock/agro-pastoralism accounting for 80 pct. of all damages and losses. In addition, the drought has hurt Somalia's tax collection efforts.

Challenges remain in relation to creating an enabling environment that will facilitate inclusive private sector led economic growth. Currently, there is only a rudimentary regulatory framework in place and enforcement is even patchier. That provides for considerable uncertainty and discretion from authorities in e.g. awarding licenses and collection of taxes and deterring long-term investments. Moreover, there is a very real risk that the regulatory vacuum entrenched monopolies and reward businesses for the political, rather than commercial, acumen to the detriment of the consumers and the wider economy.

The financial sector is also severely underdeveloped with limited integration into the global financial system (including limited use of correspondence banks) as Somalia does not yet fully comply with internationally agreed anti-money laundering and combating the financing of terrorism standards. While the domestic financial sector is highly innovative and applies 'techvelopment' technologies such

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<sup>15</sup> Consequently, there has been robust backing for the "Somalia Public Private Dialogue" organized by the World Bank and IFC and support by Denmark and the Confederation of Danish Industry.

as mobile banking and money transfers, its reach and product diversity is still underdeveloped. There is virtually no formalised access to term finance, hindering much needed investments, especially for SMEs which tend to resort to informal (and often more expensive) financing channels or simply refrain from undertaking large scale investments.

Related, due in part too few long-term investments, the Somalia economy is excessively reliant on agriculture, accounting for around 75 pct. of GDP and 93 pct. of export, most of which is livestock. Both livestock and crop production are highly susceptible to intensifying climate change and, as a corollary, the increased frequency of flooding and droughts. Consequently, there is a need to make agriculture resilient through investment in e.g. better water and land management and governance. Moreover, Somalia's agricultural exports could attract higher prices if the value chains were better able to add value to the products through e.g. promoting premium products. This in turn is reliant on better public provision of certification, standards enforcement and advisory services, which is currently absent in Somalia and only emerging in Somaliland.

*Status and progress in relation to SDGs, in particular those that are special priorities for Denmark.*

In general, there is a lack of solid development data on Somalia. This includes status and progress on the SDGs. However, the following estimates are the latest update (World Bank 2018):

- Seven out of ten in Somalia live in poverty with 5 million dependent on humanitarian assistance.
- Unemployment is estimated at 60 pct.
- 400,000 cases of acute child malnutrition.
- Life expectancy is a limited 55 years.
- Nine out of ten are under 40 years old.
- Only 16 pct. have completed primary education.
- UNICEF estimates that 98 pct. of women and girls have been subject to FGM.
- The UNDP Gender inequality data for Somalia is 0.776 with 1 showing full inequality.

The NDPs of both Somaliland and Somalia are linked to the SDGs. As the Somalia Country Programme supports the two NDPs, Denmark will in particular focus on:

- 7) Goal 1: No poverty. Especially sub-goal 1.3 creating a floor for the poor, and 1.5 focusing on resilience of the poor and vulnerable
- 8) Goal 2: Zero hunger. Especially sub-goal 2.3 doubling agricultural productivity, and 2.4 sustainable food production systems
- 9) Goal 5: Gender equality. Especially sub-goal 1.2 on combatting violence against women and girls, and 5.3 focusing on the eradication of FGM and child marriages
- 10) Goal 8: Economic growth: Especially sub-goal 8.6, youth employment, and 8.10 domestic financial institutions
- 11) Goal 16: Peace and justice: Especially sub-goal 16.1 reduce all forms of violence and related deaths, and 16.6 develop accountable and transparent institutions at all levels

*Political economy, including drivers of change (political, institutional, economic) (e.g. political will, CSO space, role of opposition, level of donor funding to government expenses, level of corruption, foreign investment, remittances, role of diaspora, youth, gender, discovery of natural resources or impact of climate change etc.)*

Traditional law (xeer) is still applied in Somalia, where disputes etc. are settled and agreements made informally between clan, sub-clan and militia leaderships. In the last ten years, some of these have been more formalised allowing for more transparent and accountable processes, though these still rely on informal political settlements between majority clans in the Somali society.



Major formal changes a potential drivers of change include:

- The third successful electoral process of a Somali President, Mohamed Abdullahi "Farmajo" in February 2017 with a peaceful political transition of power and thus a continuation of a workable political settlement at the federal level.
- The establishment of a Federal Member State (FMS) *structure* provides for a power and resource sharing across Somalia - a key challenge -, which allows for greater regional stability. Somaliland remains outside the process and Puntland is still to agree on the Federal arrangements.
- The drafting of a new Constitution, which will formalise the federal structure and provide a legal basis for the political settlement.
- The FGS is showing willingness to reform. The passing of the Telecommunications Act in August 2017 is significant and formalises, for the first time, inputs of the sector to the GDP. The National Statistics Bill passed by cabinet, is key in addressing paucity of relevant data for planning and tracking change and the Public Financial Management Bill also passed by cabinet but awaiting parliamentary approval equally provides important opportunities. The financial sector, to a larger extent than previously, benefits the general public as mobile finance expands and access improves. There is also a strong commitment to fiscal governance and revenue raising for the public services and capital investment and confidence is reflected in the establishment of six newly licensed commercial banks. Capital accumulation is however impacted negatively by continued lack of trust in the FGS and even more so by cyclical shocks of drought, conflict and regional embargos.
- Normalisation with International Finance Institutions (IFIs) and the willingness to reform, also means that Somalia may in the medium term come under the HIPC initiative, which could eventually allow the country to again access loans and thus boost the public spending as a generator of growth.

In addition to the formalised positive development a number of other key drivers should be considered for improving the political economy. These include:

- Somalia is one of the fastest urbanising countries in the world. While this significantly increases the pressure on service delivery and infrastructure, it could potentially supply of work force supporting the economic growth.
- A large part of the urbanisation consists of youth increasingly connected with the outside world and seeking enhanced influence based on improved institutional performance, transparency and accountability - also driven by technological improvements.
- The private sector is increasingly interested in security of investment and thus an improved regulatory environment.
- Remittances estimated at USD 1.3 billion annually play a key role in supporting the private sector and providing for access to credits as well as additional humanitarian relief.

There are however also a significant number of factors working as spoilers in the present political economy in Somalia. These include, but are not limited to:

- The strong clan-dominated society means that political settlements are still de facto negotiated among key clans limiting transparency and accountability. The informal power struggles are made explicit when the use of authority is applied along sub-clan lines as was seen with the use of policy and security forces in the power struggle between the now former Speaker of the House and the President early 2018.



- The clan challenges are also reflected in the security apparatus where allegiance is usually stronger along clan lines than in accordance with formal military rankings. Consequently, there is not a complete overview of the security sector, nor a proper vetting of security forces.
- Related negative side effects of this ingrained system also has other side effects. These include:
  - Recruitment in public positions based on clan lineage rather than merit.
  - Exclusion of minority clans as well as non-clan segments of the populations (such as Bantus) from any significant political influence in spite of their considerable population size.
  - A culture of impunity, which limits the accountability of leading members of clans to the formal system.
- A weak civil society. There is little tradition for civil organisation in Somalia and the social fabric has historically been clan-based. There are a magnitude of NGO's – sometimes referred to as civil society – but they are widely based on support from the international community and are above all professionalised delivery mechanisms. Significant civil society voices widely come from the media, journalists and human rights lawyers. Civil society space is under pressure both from government and non-government actors. This is particularly severe up to major political events, such as elections.
- The geopolitical rivalry in the Gulf has influenced Somalia negatively, particularly with respect to the relationship between the FGS and the FMS as well as strained relations with several of the Gulf countries impacting trade opportunities and deployment of security personnel.
- The planned condition-based and gradual transition from AMISOM-led security to Somali-led security as mandated by the UN Security Council will pose a significant challenge for the Somali security apparatus and political system but is also an opportunity for Somalia to finally take the principal responsibility for its own security after a decade long AMISOM engagement.

### **Somaliland:**

In December 2017, Somaliland swore in their new president, Musa Bihi Abdi and the responsibility now lies with him and his administration to improve Somaliland's relations with Somalia and other FMS as well as further develop existing trading partnerships with Ethiopia and the United Arab Emirates and in ensuring a secure space inside Somaliland for doing business.<sup>16</sup> Recently, it has caused a crisis that Somaliland has signed an agreement with Dubai based DP World and Ethiopia on the building and management of the Berbera Port. If resolved, the agreement can benefit Somalia at large. A situation that the new Ethiopian Prime Minister has tried to mend in his recent visit to Mogadishu.

Somaliland is often praised for its locally adjusted multi-party democratic system, dating back to 2001, which has sought to underpin the more homogenous clan structures present in Somaliland rather than to try to replace them.<sup>17</sup> The parliament is organised along three parties: Kulmiye (government party), Waddani and UCID. The relationship between government and particularly the opposition party Waddani is contentious with regular detentions of opposition figures as a result. Recent conflict with Puntland in the disputed areas of Sool illustrates the tensions in the border areas of Somaliland and

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<sup>16</sup> Abdi, Musa Bihi (2017). No illusions about the challenges facing Somaliland. Financial Times, 28 November 2017: <https://www.ft.com/content/974d7a62-d453-11e7-8c9a-d9c0a5c8d5c9> (accessed: 07 March 2018).

<sup>17</sup> See for instance: Hoehne, Markus Virgil (2013). Limits of hybrid political orders: the case of Somaliland. Journal of Eastern African Studies. May 2013, Vol. 7 Issue 2: 199-217 as well as Renders, Marleen (2012). Consider Somaliland: State-Building with Traditional Leaders and Institutions. Brill, African Social Studies Series.

Puntland which also influences indirectly the prospective of improved relations with the Federal Government.

***List the key documentation and sources used for the analysis:***

- “Somali Poverty Profile – June 2017”, the World Bank (2017).
- World Bank national accounts data, and OECD National Accounts data files.
- The World Bank Country Partnership Framework, May 16, 2018
- “Country Overview”, the World Bank (October 2017).
- “Six Things to Know About Somalia's Economy”, IMF (2017).
- “Somalia Drought Impact & Needs Assessment Volume I – Synthesis Report”, the World Bank (2018).
- The World 2030 Denmark’s strategy for development cooperation and humanitarian action
- IMF: Staff Report for Article IV Consultations, February 2018

## 2. Fragility, conflict, migration and resilience

*Situation with regards to peace and stability based on conflict analysis and fragility assessments highlighting key drivers of conflict and fragility, protection and resilience, organised transnational crime and illicit money flows and how conflict and fragility affect inclusive private sector development and women and youth.*

NOTE: For major drivers of and in prevention of conflict, see also section above.

There has been notable progress in the political and security context in the recent years, even though the situation continues to be fragile and volatile. Extremist attacks and violent conflicts pose significant threats to the stabilisation process as the country still suffers from clan conflicts and the presence of al-Shabaab. Although at the operational level al-Shabaab has been pushed out of important urban centres and struggles to hold their ground against the combined strength of AMISOM and the Somalia National Army (SNA), the lack of government control over significant parts of Somali territory provides al-Shabaab a safe-haven from which they plan and carry out terrorist attacks. Also, the gradual handing over of security responsibilities from AMISOM to the Somali security forces in 2020 raises concerns about long-standing security problems in Somalia. The Comprehensive Approach to Security (CAS) agreed by FGS and the FMS and the accompanying Somalia Security Pact agreed at the May 2017 London Conference represents a strong roadmap to facilitate the process of establishing security in Somalia.

Root causes and structural drivers of fragility and instability in Somalia include weak security and (non-legitimate) state governance, massive youth unemployment, lack of and inconclusive political settlements, perceived historic injustices and impunity, conflict over resources (land in particular), corruption, and unsettled conflicts among identity groups. These conflict drivers are exacerbated by climate change, natural disaster, commercial, and natural resource exploitation leading to struggles over resources, often with displacement and migration as a result.

The emerging federal state structure serves a short-term stabilising factor as it provides a framework for much needed power sharing across the country. However, the federalisation has also led to renewed contestation over resource sharing between the centre and the regions and to frictions between formal state and local structures and traditional informal and clan-dominated non-state power structures. Hence legitimate and participatory local governance formation is a highly sensitive political issue that is dependent on local conflict resolution and brokering to avoid further destabilisation.

Outside Somalia, al-Shabaab sponsored terrorism remains a significant threat. In Kenya, underdevelopment persists in high-risk areas, further fuelling local grievances. While the overall economic consequences of Somalia's instability on the region are difficult to assess, they include direct costs such as the financing AMISOM but also a range of indirect costs such as lower investments and missed market opportunities within Somalia and in the region. A resilient number of actors within and outside of Somalia benefit from the persistent governance and security vacuum and the extensive war and conflict economy thriving in it, which counteracts the efforts taken to end the violent conflicts in Somalia.

According to UNODC, transnational organised crime (TOC) and terrorism (primarily emanating from al-Shabaab) pose significant threats to the stabilisation process in Somalia. TOC across Somalia's land borders includes trafficking of drugs, small arms, persons and natural resources, smuggling of migrants and illicit financial flows. Organised crime is a product of instability, corruption and not least weak law enforcement and differences between legal systems, lack of trust, and lack of effective national and regional coordination obstruct cooperation on transnational criminal justice. There is strong interconnectedness between transnational organised crime and terrorism as terrorist organisations, including al-Shabaab, benefit from cross boundary trade in illicit goods arriving by sea to Somalia and as weak border security contributes to movement of terrorists across borders and the transnational movement of illicit goods and cargo. However, maintaining secure maritime, land and air borders is highly challenging in the Horn of Africa.

The conflict combined with climate change and related droughts, impacts the migration patterns in Somalia and results in significant number of internally displaced. The bulk of the displaced move to urban and peri-urban areas with Mogadishu now housing more than half a million IDPs. Similarly, Somalia is now facing an increasing number of returnees from Kenya and other countries, which also are subject to protection needs. Many of the IDPs have lived in the urban centres for more than a decade and are de facto urban poor, yet still classified as IDPs and primarily targeted with traditional humanitarian development. The IDP classification of mere urban poor is partly a consequence of the reluctance from the urban leadership of letting IDPs settle locally making durable solutions more challenging.

The conflict combined with the high poverty levels expose young girls and women to gender-based violence (GBV). According to UNFPA in 2016, 74 pct. of GBV survivors were IDPs and 99 pct. women though the statistics remain incomplete. The tendency is further exacerbated in situations of enhanced displacement making internally displaced populations, women and girls in areas marred by conflict vulnerable to sexual violence and child marriage. Moreover, the conflict across Somalia puts children, and in particular boys, at risk of being abducted or recruited by al-Shabaab, other militia, or in some instances from the Somali National Army. According to UNICEF, in 2017 more than 2,000 children were forcefully recruited or used by the warring sides in the ongoing conflict across Somalia, underscoring the need to enhance the protection of children in armed conflict.

*Identifying on-going stabilisation/development and resilience efforts and the potential for establishing partnerships and alliances with national, regional and other international partners in order to maximise effects of the engagements.*

Resilience is an overarching theme for the SCP and will be mainstreamed across the programme to provide the government(s) at all levels, the private sector as well as the people of Somalia the means and capacities enabling them to prevent or overcome shocks, be it natural or man-made disasters and conflict, without compromising their long-term prospects. While clearly connected and interdependent, for operational reasons we distinguish between different aspects of resilience in the

programme. These are elaborated extensively in section 2 in the main programme document, and relate to:

- Climate resilience, which responds to the need to adapt extreme weather events such as droughts and flooding, both of which are projected to increase in frequency and intensity as a consequence of climate change.
- Economic resilience by enabling government and private sector institutions to improve performance and withstand economic shocks.
- Institutional resilience underpinning all other aspects of resilience and consequently also features prominently in the SCP engagement portfolio. By providing capacity development and funding to central government level institutions, the SCP will enhance their capacity to plan and execute their mandate in a way that prevents external shocks and/or can react to and manage them.
- Individual resilience, which encompasses physical resilience in all its aspects (nutritional, bodily integrity, food security and absence of violence).

The SCP is designed with emphasis on the development-humanitarian nexus in line with Denmark's Strategy for Development Cooperation and Humanitarian Aid – the World 2030'.

The SCP is designed to support and ensure partnerships with multilateral institutions, in particular the World Bank and UN, leading development partners such as the EU and Nordic+ and our strategic partners of IMS, Save the Children and Danish Refugee Council as well as implementing partners under the SCP and the Danish humanitarian portfolio.

The SCP is aligned with and complement the Danish regional Peace and Stabilisation Programme for the Horn of Africa (PSP-HoA), which is described in more detail in the overall programme document. Building and strengthening links between this regional programme and its engagements in both Somalia, but also Kenya and Ethiopia and the SCP remains a Danish priority.

*Issues and concerns of relevance to Danish interest in the area of security and migration.*

With 2.1 million internally displaced and 1 million refugees, Somalia constitutes one of the world's largest displacement crisis. While the vast majority of Somali refugees have historically settled in the region, some have fled or migrated to Europe and Denmark. The Somali diaspora in Denmark counts some 21,000 individuals, which both adds to why Somalia is a Danish priority and constitutes a largely untapped, human resource in Denmark's engagement in Somalia both in terms of leveraging the diaspora knowledge base and due to the Danish diasporas growing engagement in investments in Somalia.

However, the combination of new displacement in the Horn of Africa and the desire of host countries to reduce the number of refugees within their borders (this is especially true for Somali refugees in Kenya) may well mean that potential new refugees will head for countries with existing Somali diaspora and thus friends, relatives and networks. As such, Denmark could become a destination for new Somali refugees. A number of Somalis in Denmark are expected to be returned to Somalia throughout the duration of the SCP.

*Identify where Denmark has comparative advantages that may lead to more effective and efficient programming and better results including where Denmark may contribute with deployment of specific expertise and capacities.*

As expressed in the main programme document, the SCP follows a long Danish tradition of a strong financial and programme presence in Somalia. Denmark's long-term commitment and as one of the top ten development partners provides a strong base for policy dialogue and development in the country. Denmark is in particular recognised for its initiation of and continued commitment to the SDF and its programme office in Hargeisa. But also, Denmark's continued commitment to the

development planning frameworks such as the New Deal and now the New Partnership for Somalia, including the SDRF and NDP and the aligned joint funding arrangements provides a comparative advantage in the partnership with Somalia.

From a Danish perspective, the support in the humanitarian-development nexus is expected to be a catalyst for a more stable region and may help reduce the risk of violent extremism in other parts of the world, including Europe. Furthermore, economic growth, improved governance, stronger security, and poverty reduction will have a causal effect on reducing the migration from Somalia and motivate return of Somali refugees. Denmark's leading role in promoting durable solutions and engagement in displacement also provides opportunities for creating long lasting solutions on the group and in the political framework around refugees and displacement.

With the reinforced focus on private sector investments in Somalia, Denmark is in principle paving the way for Danish investments in the country using Danish expertise through IFU. While IFU is no longer tied to having Danish partners in their engagements (allowing it to e.g. partner with Shuraako), IFU is nevertheless still very well-connected to Danish companies that are willing and able to invest in frontier markets. Consequently, if and when the context further stabilises, IFU will be well placed to serve as a bridgehead for Danish companies leveraging the experiences gained from the Shuraako engagement, giving Danish companies a head start in what could prove a promising but largely unexplored market. This engagement furthers Denmark's already recognised role in the Pillar Working Group on Economic Development and within the economic sector overall.

The Danish strengths are also evident in extensive number of Danish NGOs – including the strategic partners of IMS, DRC and Save the Children – and consultancy companies operating in Somalia. These operate in all regions of Somalia and the Danish presence provides value in terms policy dialogue and diplomatic leverage and they provide a source of information to the Embassy as well.

*Considerations regarding the humanitarian situation, migration, refugee and displacement issues, including the need to integrate humanitarian-development linkages and long term strategies*

NOTE: see sections above

The SCP has a crosscutting focus on strengthening the resilience of the Somali government at all levels as well as the population of Somalia allowing them to better prevent, plan for and cope with manmade or natural disasters. While developments relating to the level of violent conflict in the programming period are hard to predict, the cyclical and climate-change related nature of droughts is likely to persist, which will require radical and durable solutions for all Somalis.

Strengthened resilience is a prerequisite for reducing displacement and creating an enabling environment for those returning - also from outside Somalia's borders - or ensuring that those deciding to settle elsewhere in Somalia have access to critical services, security and economic opportunity.

The SCP includes resilience measures across all thematic programmes. Some of these relate directly to IDPs and strengthening their resilience by finding durable solutions (Thematic Programme 3). Responsive governance at the local level and economic opportunity - in Somalia best provided through inclusive private sector growth and development - are critical preconditions for developing the resilience of the Somali people in combination with sustainable stability, which is pursued through the PSP-HoA (see further above).

*Relevant issues and considerations related to radicalisation and violent extremism and the potential for Danish engagement to prevent and counter violent extremism (P/CVE)*



Note that Denmark directly supports P/CVE activities through its engagements funded by PSP-HOA. However, the SCP is also expected to contribute indirectly to the PVE agenda.

Violent extremism is a major driver of conflict in Somalia. Drivers of radicalisation and ultimately violent extremism are multiple and operate at both structural and individual level. Factors include youth unemployment, clan dynamics and marginalisation, lack of alternative opportunities, foreign ideological influence, perceived injustices etc.

Violent extremism is a particular concern for Danish interests. The causes of recruitment and radicalisation are a complex combination of political, economic, communal and individual factors and ideological convictions. The most dominating violent extremist organisations operating in the Horn of Africa are so called “home-grown” and some has links to international organisations such as Al Qaeda and ISIS, which is reported to have an expanding presence in the region. The organisations are primarily operating in Somalia but spin-offs and local groups exist across the region and in particular, al-Shabaab continues to attract regional and a limited number of global foreign fighters to join their operations.

Al-Shabaab remains a key player in Somalia and the region and diligently exploits local grievances to their advantage. Youth and minority groups often remain excluded from political processes as well as from economic development and are a vital recruitment ground for violent extremist groups. In their support networks a great range of actors including elders, women and business people play integral roles. In Somalia where al-Shabaab holds significant geographical areas under their control, recruitment is forced rather than voluntary. Prevention and disengagement programmes such as the Danish supported centre based in Mogadishu must therefore be considered in that light.

The SCP’s focus on private sector driven growth addresses poverty as one of the key drivers of violent extremism in Somalia. Research confirms that many al-Shabaab operatives join the organisation as a livelihoods strategy in the absence of other employment opportunities (bearing in mind that the salaries to al-Shabaab fighters are both higher and disbursed more regularly than those offered by the SNA)<sup>18</sup>. Therefore, by lowering poverty through strengthening the private sector in Somalia the SCP has the potential to indirectly prevent violent extremism if al-Shabaab's common practice of extorting bribes and taxes from private businesses<sup>19</sup> can be gradually inhibited as well.

Besides poverty, there is also a connection between violent extremism and poor governance (in the security sector and beyond) as lack of government control can provide terror groups with safe-havens, from which the plan terrorist attacks – as it is the case with al-Shabaab in parts of Somalia. The SCP’s objective to strengthen responsive and inclusive governance could thus be a factor in preventing/countering violent extremism as well.

Finally, Denmark will support rehabilitation of children that has been part of al-Shabaab. This will complement the al-Shabaab defectors rehabilitation support under the Danish Peace and Stabilisation programme.

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<sup>18</sup> UNSOM (2017). Countering Al-Shabaab Propaganda and Recruitment Mechanisms in South Central Somalia. United Nations Assistance Mission in Somalia, 14 August 2017: 15-17.

<sup>19</sup> UNSOM (2017). Countering Al-Shabaab Propaganda and Recruitment Mechanisms in South Central Somalia. United Nations Assistance Mission in Somalia, 14 August 2017: 8-9.

List the key documentation and sources used for the analysis:

- International Dialogue for Peace and State Building – New Deal:  
<https://www.pbsbdialogue.org/en/>
- DAC International Network on Conflict and Fragility (INCAF):  
<http://www.oecd.org/dac/governance-peace/conflictfragilityandresilience/>
- World Bank - Fragility, Conflict and Violence:  
<http://www.worldbank.org/en/topic/fragilityconflictviolence>
- Global Initiative Against Transnational Organised Crime: <http://globalinitiative.net/>
- Global Witness: <https://www.globalwitness.org/en-gb/>
- UK-Stabilisation Unit: <https://www.gov.uk/government/organisations/stabilisation-unit>
- Solution Alliance (humanitarian-development nexus) : <http://www.solutionsalliance.org/>
- DCAF Security Sector Governance/Reform: <http://www.dcaf.ch/>
- EU. Crisis and fragility management: [http://ec.europa.eu/europeaid/policies/fragility-and-crisis-management\\_en](http://ec.europa.eu/europeaid/policies/fragility-and-crisis-management_en)
- UN Peace Building; Un Peace Building Commission:  
<http://www.un.org/en/peacebuilding/> and the UN Peace Building Fund  
<http://www.unpbf.org/>
- UNOCHA sitrep's
- Global Peace Index ([www.economicsandpeace.org](http://www.economicsandpeace.org))
- Failed State Index ([www.fundforpeace.org](http://www.fundforpeace.org))
- International Crisis Group country reports ([www.crisisgroup.org](http://www.crisisgroup.org))
- <http://data.worldbank.org>
- <http://reliefweb.int/countries>
- UNSCR 1325
- International and regional human rights and HRBA principles and HRBA Guidance Note of 2013
- International humanitarian law, humanitarian principles and Good Humanitarian Donorship
- Agenda for humanity (<http://www.agendaforhumanity.org>)
- Making the SDGs work for Humanitarian Needs (<http://unsdsn.org/wp-content/uploads/2016/05/WHS-background-paper.pdf>)
- The solution alliance (a network to tackle protracted displacement -  
<http://www.solutionsalliance.org/library>)

### 3. Assessment of human rights situation (HRBA) and gender<sup>20</sup>

*Human Right Standards (international, regional and national legislation)*

Human rights violations are rampant throughout Somalia and in particular in conflict affected areas and Somalia is lacking behind at both the policy as well as the implementation level. Out of 13 major human rights treaties, Somalia has only ratified two (the Convention on the Rights of the Child and the Convention on the Elimination of all Forms of Racial Discrimination) and accession to three (The Convention Against Torture, Covenant on Civil and Political Rights and the Covenant on Economic, Social and Cultural Rights). Key conventions such as the CEDAW and the rights of migrant workers are thus still to be accessed and ratified.

<sup>20</sup> The purpose of the analysis is to facilitate and strengthen the application of the Human Rights Based Approach, and integrate gender in Danish development cooperation. The analysis should identify the main human rights issues in respect of social and economic rights, cultural rights, and civil and political rights. Gender is an integral part of all three categories.

The human rights situation in Somalia remains a key challenge. Patterns of (political) repression including intimidation against media and activists are widespread. Moreover, governments' inability or unwillingness to respond to serious allegation of arbitrary and summary executions torture and other serious violations create a reinforcing environment of impunity. Another issue is security forces' and related services' inability to operate in a human rights compliant manner – being it AMISOM, NISA, SNA, coast guard or police. Often it is the result of a unidimensional (“tough”) approach to security combined with lack of training and absence of standard procedures. In general, knowledge, awareness and attention to human rights among duty bearers at the FGS, FMS and local level, as well as among security forces, however remains limited. This in particular concerns attention to the rights of women, children, IDPs and marginalised groups.

Protection of civilians remains a major concern. In the period January 2016 to October 2017 UNSOM documented 4.585 civilian casualties (2.078 killed and 2.507 injured), 60 pct. of which were attributed to al-Shabaab but the remaining contributed to local militias and Somali security forces. State- and non-state actors also carried out extrajudicial executions; sexual and gender-based violence; arbitrary arrests and detention; and abductions. Somali children are disproportionately affected by the conflict, and are exposed to grave violations during military operations, including killing, maiming, and arrest and detention by Somali security forces. Children are increasingly being recruited into armed forces with 2017 witnessing an increase from 122 children per month in mid-2017 to over 170 in January 2018. In 2017 5.071 grave violations committed by armed groups/forces affected 3.700 children (620 girls) including recruitment and use (42 pct.), abduction (32 pct.), killing and maiming (18 pct.).

On a more positive note, human rights reforms have however been initiated with the establishment of the Ministry for Human Rights and Gender, the development of a human rights road map with support of UNSOM and the new law and formation on the National Human Rights Commission (see below).

#### *Universal Periodic Review*

Recommendations from the latest UPR from 2016 include ensuring an inclusive state formation process, that key pieces of legislation are drafted and approved and that the FGS should formulate policies to improve the enjoyment of rights for people in Somalia and enact rights-based policies. In cooperation with UNSOM's Human Rights Working Group, the FGS has developed a road map and action plan for implementing UPR recommendations. Implementation requires substantial support, commitment and priority by international partners. In the new SCP, Denmark is committed to this agenda, including the preparation and follow-up of the next UPR scheduled for 2020.

#### *Identify key rights holders in the programme:*

Key rights holders in the programme include:

- Somali women and men engaging in development prioritisation through the JPLG
- Somali women and men being involved in the constitutional review process
- Women and girls subject to GBV and FGM
- Children subject to recruitment and abduction by armed forces
- Minority and marginalised groups
- Internally displaced persons and refugee returnees
- The Somali youth
- Institutions fighting for rights holders, including civil society and the independent human rights institution(s)

#### *Identify key duty bearers in the programme*

Key duty bearers in the programme include:

- The Federal Government of Somalia
- The Federal Member States



- The Government of Somaliland
- The private sector
- Local governments across Somalia

#### *Human Rights Principles (PANT)*

The SCP will apply the PANT principles throughout the programme in the following way:

##### Participation:

- Consultations and awareness raising around the constitutional review process
- Community planning processes in the JPLG
- Enhanced involvement of the private sector through IFU
- Enhanced agency to survivors of GBV, FGM etc. through the DRC and UNICEF support
- Enhanced voice in political process through the human rights support to CSOs

##### Accountability:

- Awareness raising and training of judges and security forces through UNICEF and DRC
- Improved local governance through JPLG
- Improved financial management through the World Bank and IFC
- Improved human rights accountability mechanisms through the FGS human rights road map implementation and the establishment of the Independent Human Rights Commission

##### Non-discrimination:

- Enhanced attention to durable solutions and integration of IDPs through DRC
- Specific focus on children in armed conflict and women and girls subject to FGM and GBV
- Full community inclusion in the JPLG community planning process

##### Transparency:

- Improved financial governance through the support through World Bank and IFC
- Enhanced transparency processes at local level through JPLG
- Enhanced transparency in the execution of the SDF

#### *Gender*

Women experience disproportionate marginalisation and exclusion, particularly from select parts of society, typically the higher layers of politics, which in turn increases their vulnerability to negative impacts from conflict and violence. Clan-based politics marginalise women because of the gendered nature of clan kinship system.

At the household level, women and girls suffer from GBV including child marriage and domestic violence (no full statistics are in place but a UNICEF survey showed that 76 pct. of girls and women consider that a husband justified to beat his wife and domestic violence is not criminalised by law), which is widely accepted in Somalia's patriarchal culture. FGM remains a widespread social practise oppressing girls and women (UNICEF estimate that 98 pct. of women and girls have been subject to FGM), with communities including women speaking in favour hereof. While the most extreme form of infibulation is decreasing, the vast majority of Somali girls continue to be subjugated to some form of FGM.

However, the FGS, in partnership with AMISOM, the United Nations and other partners, has developed initiatives to ensure that the 30 pct. political representation quota for women is supported and fully implemented. In addition, women currently take up 24 % of the seats in the Somali Parliament (the World Bank, 2017). The Government of Somaliland has recently suggested a quota of 20 pct., which is awaiting approval in the Somaliland Parliament, which currently has only 1 MP.

Internally displaced women and girls remain at particular risk of SGBV by armed men, including government soldiers, militia members and civilians. According to the UN, incidents of reported sexual violence around displacement settlements increased in 2017 (see data in above sections).

Women play an active role in al-Shabaab and Islamic state both in Somalia and Kenya as well as in clan conflicts in Somalia. This includes intelligence gathering, financial contributions and enabling financial transfers, recruitment, support roles and more rarely active fighting. On the other hand, women also play an important role in peace processes, especially community level reconciliation, including disengagement of al-Shabaab combatants (sons). Moreover, women, in Somalia in particular, constitute the social and economic fabric at community level.

Actions: In light of the significant rights violations against large sections of Somali society, the SCP will provide support to improved rights, protection and agency of these groups either targeted or mainstreamed through the different engagements. The targeted interventions have been designed to provide both systemic and institutional support to improve legislation and the policy framework such as establishing the National Human Rights Commission and in the training provided to the judiciary and security forces on the one hand, and on the other through direct protection of women, girls, children in armed conflict, IDPs and marginalised groups.

The mainstreaming in the remaining part of the engagements is ensured by introducing indicators, which specifically focus on inclusion of the targeted groups. Examples include employment of women and youth in the IFU engagement or women's and marginalised groups involvement in the community prioritisation process under JPLG.

#### *Youth*

A young Somali population with a high level of youth unemployment (91 pct. of the population is under the age of 40, with youth unemployment rate at 67 pct.) has created a critical need for employment creation. A 2012 survey in Somalia reported that more than 60 pct. of young people intended to leave the country in search of better work opportunities.

Armed groups recruit and use children in military operations. Al-Shabaab increasingly focused on *duksis* (Quranic schools) to indoctrinate children, particularly in communities where it sought to assert control such as in Mudug, Galgadud, and Bay regions. The FGS is committed to rehabilitate children linked to al-Shabaab. However, military courts have prosecuted and sentenced children to heavy penalties for terrorism-related offenses in trials that do not meet international juvenile justice standards.

Youth will in the SCP particularly be targeted through:

- Awareness and inclusion at the national level through the constitutional review process and at local level through the community planning in JPLG.
- From a livelihood perspective youth will benefit from the private sector investments of IFU and the value chain work funded through the EU.
- Introducing indicators, which specifically focus on inclusion of youth in the results framework.

*List the key documentation and sources used for the analysis:*

- *Women in Peacebuilding in Somalia & Beyond Principles – the Inclusion of Somali Women in Peacemaking* (2018) in Portfolio of Expert Briefing Papers on Peace and Reconciliation in Somalia.

- Human Rights Watch
- Freedom House, <https://freedomhouse.org/report/freedom-world/2017/somalia>

#### 4. Inclusive growth, climate change and sustainable natural resource management

*Assess the overall risks and challenges to inclusive sustainable growth and development from the impact of climate change and environmental degradation; Assess the status of policies and strategies in the country/thematic area/organisation to ensure that development is inclusive and sustainable, avoid harmful environmental and social impacts and respond to climate change; and assess the political will and the institutional and human capacity to implement these policies and strategies.*

The dominant economic activity is agriculture, in particular livestock – fed on the rangelands, grass, trees, and shrubs – which also dominate exports, provide sustenance and cash income to its pastoralists and agro-pastoralists and underpin the food security of most of Somalia. The fertile alluvial soils and water resources in the two main river valleys in the southern part of the country underpin both crop and livestock production systems. Forests provide frankincense, myrrh, and gum Arabic for both export and local markets, charcoal for cooking, and pasture and browsing resources for livestock. Though still minimally tapped for their economic potential, the country's long coast and ocean are home to numerous and valuable species of fish and other marine life. The new Exclusive Economic Zone makes it possible to harness revenues from commercial offshore fishing and build up inshore fishing for local food security, trade, and economic growth. Licensing of offshore fishing is closely linked to maritime security, public financial management, political equity, and collaboration among the regional states; and the revenues can help public finances.

However, agriculture in general and livestock in particular are becoming more vulnerable to accelerating climate change, which could undermine the tentative steps towards sustainable and inclusive growth Somalia has already made. Anticipated shifts in air and sea temperatures and rainfall patterns linked to climate change are harbingers of an uncertain future for a country that already suffers from acute levels of economic, social and environmental fragility. The combination of rising temperatures and more frequent drought spells and extreme rainfall events (resulting in more runoff and erosion) and increased variability in water availability threaten to undermine the viability of traditional livelihood systems. In the absence of improved natural resource management, unsustainable exploitation of the country's resources (e.g., soils, rangelands, forests) will amplify the country's exposure and vulnerability to future climate shocks. In this respect, the continued widespread use and in particular export of charcoal remains a serious threat to the environment. The export takes place despite the international ban on charcoal trade from Somalia, the main buyer being UAE.

While direct causation to climate change is impossible to prove, the fourth consecutive season of poor rainfall in Somalia is a stern warning of the challenges ahead. This drought has aggravated already high levels of acute food insecurity and 5.4 million people will need humanitarian assistance and protection in 2018 of which 2.9 million will require urgent life-saving assistance.

The policy framework is only nascent in southern Somalia and everywhere the enforcement capacity is weak, which has increasingly important ramifications for the environment and sustainable natural resource management. However, there is political acknowledgement that more efforts are need to address these challenges through the development of more inclusive and sustainable policy directions and, most importantly, by ensuring their implementation.

*Identify opportunities for mainstreaming support to inclusive green growth and transformation to a low-carbon and climate resilient economies in the programme thematic areas and DEDs.*

The design has made considerable efforts to create entry points for promoting climate adaptation. Support through the SDF will focus on adaptive infrastructure, including water conservation and more efficient water management. The value chain engagement will also promote more climate resilient practices and technologies assisting farmers to adapt, including conservation agriculture, drip irrigation, water harvesting, micro-dosing and generally better water and pasture governance.

*Identify potential risk and negative impacts related to environment and climate change from the proposed thematic areas and DEDs and consider how these may be mitigated in the design of the programme and the relevant DEDs.*

The investments in SMEs may, viewed in isolation, increase emission and new industries could have detrimental environmental impact. However, IFU is committed to uphold strict environmental standards as part of its Environmental, Social and Governance due diligence processes, which also include a commit to address climate change. The engagement on value chains will promote better governance of core natural resources, in particular water, pastures and farming land, improving environmental protection and increasing resilience against climate change. In projects funded and implemented by the SDF, the SDF has a solid EIA system in place.

*Identify if EIA (Environmental impact assessment) or similar should be carried, including legal requirements in partner countries / organisations.*

In general not, but IFU supported investments may, based on which project will be financed. Again, IFU and its partner Shuraako are committed to respect both local, national and international good practices for environmental protection. IFU will ensure that EIA are undertaken where required as per its sustainability policy and handbook.<sup>21</sup>

*Consider rights and access to key natural resources land, water, energy, food and agriculture, including impacts on employment for youth, women and indigenous peoples, etc.*

Access to basic services such as water, land and shelter is restricted in Somalia. Only 58 pct. of Somalis have access to an improved source of water compared to an average 69 pct. in low-income Sub-Saharan countries. Improvements in access to water is key for economic and social development. Violent conflicts and insecurity affect minority groups' right to their own land as they are being forced to leave by either stronger clans or al-Shabaab.

With most farmed land currently privately owned (under long-term leases), traditional and religious leaders' recommendations and decisions are usually accepted by parties in conflict in rural areas where there are no armed clan conflicts. However, many prime farms in the Lower Shabelle are still occupied by militias from outside the region who fought against the Siad Barre regime. Landholders who left those farms for safety after the start of the civil war are still unable to reclaim their land, despite documentary or traditional evidence and rulings, because of insecurity, the weakness of traditional arbitration, and the absence of modern judicial institutions. The displacement of farmers, deteriorated infrastructure, and continuing insecurity are among the major reasons for the reduction in the area cultivated and crop production in southern Somalia.

The continuing insecurity makes access to farms and market outlets risky, costly, and unprofitable. Such conditions also make interventions by aid agencies extremely challenging. Ministries at the federal and state level provide agricultural services in Southern Somalia in only a very limited, fragmented, and inefficient way, because of lack of skilled staff and funding and poor access to most rural areas, penalising some of the already most marginalised groups living there. Minority groups (e.g. the Bantus) generally have limited access to productive resources and which is again a source of conflict.

The SCP will target access to livelihoods, jobs and natural resources through:

- The IFC work on financial inclusion

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<sup>21</sup> <https://www.ifu.dk/wp-content/uploads/Sustainability-policy-1.pdf>

- The DRC durable solutions programme
- The EU managed value chains initiative focusing on fisheries and livestock
- The IFU private sector investment programme

*List the key documentation and sources used for the analysis:*

- World Bank: Country Economic Memorandum – Rebuilding Resilient and Sustainable Agriculture in Somalia, 2018
- World Bank: “Somali Poverty Profile – June 2017”, 2017.
- World Bank: *Country Partnership Framework, 2019-2022*, 2018

## 5. Capacity of public sector, public financial management and corruption

*Capacity of the public sector for policy-making, enforcement and service delivery.*

Somalia has seen several achievements over the past years in relation to the governance architecture and the legal framework and political foundation for decentralisation and local governance is slowly but steadily progressing providing new entry points for supporting accountable governance structures where it has a genuine impact on the Somali people.

Somaliland has made progress in terms of institution-building and service provision and the Somaliland government and its institutions are more accountable to the Somaliland people as the government is now able to co-finance many development engagements demonstrating capabilities as a more mature and equal partner to development cooperation.

Accountable institutions and suitable and reliable legal frameworks are also a prerequisite for economic development and while some sectors have seen progress such as the passing of the telecommunications bill, critical reforms are still pending in other sectors and in relation to overall economic governance.

In many places, however, the state continues to lack monopoly on the enforcement of law and order and is outcompeted as public authority by customary institutions such as councils of elders, local power brokers and/or al-Shabaab in what is often described as hybrid political orders. At the local level, the state thus often needs to negotiate its position vis-à-vis other power entities in an environment with competing and at times reasonably accountable bodies. The relations between formal and informal governance bodies are on the other hand not necessarily antagonistic and may in some contexts represent an open window for improving public accountability.

Above all, service delivery remains a key challenge of the FGS, FMS and Somaliland, why this is a main focus area of the SCP also in relation to state-building and increasing legitimacy between the Somali state and its citizens.

*Quality and capacity of PFM, including budget credibility, comprehensiveness and transparency as well as control and external scrutiny/ audit in all phases of the budget process as well as participation of citizens/ CSOs in monitoring public budgets and corruption;*

The absence of performance-based indicators and the unstable political environment complicate assessments of the PFM system in Somalia. The government’s self-assessment report pointed to a need to update the existing legal framework and a prevalence of transgressions of PFM legislation, demanding an adequate sanctioning system. The capacity for budget development and ensuring alignment with policies is weak and the budget mainly covers recurrent spending and contains financing gaps with no indication of how those gaps are to be financed. There is evidence of spending without recourse to the approved budget and non-adherence to established expenditure controls.



There is a lack of active oversight of PFM by parliament, CSOs, NGOs and the private sector as well as a lack of an effective auditor general. However, since 2015, the World Bank has been supporting the Federal Republic of Somalia’s “Public Financial Management Strengthening Project” and the mid-term review held in May 2017 recorded the following results:

- (i) Annual financial statements are now being submitted in a timely manner with coverage including revenues, expenditures, financial assets, domestic arrears and cash flow statement, as well as donor funds under the control of the government;
- (ii) A short-medium term (6-12 months) strategic plan for revenue mobilisation, has been developed and adopted by the FGS.
- (iii) Budget reports classified to allow comparison to original budget including supplementary budget;
- (iv) Functional, technical requirements and procurement and supply for core banking system have been assessed and completed.
- (v) 126 students have passed the IPFM certificate level exams against the targeted 20 students as at original project closing date of June 2018.

Somalia’s National Development Plan 2017-2019 presents a PFM Action Plan with three priority areas; Expenditure Management and Reporting, Revenue Generation, and External Financial Audit and Control by the Auditor-General. The new Somaliland Government is also committed to PFM reform.

*The corruption situation and relevant anti-corruption measures and reforms.*

Somalia ranks number 180 as the most corrupt country on Transparency International’s Corruption Perceptions Index (2017) and corruption continues to perpetuate al-Shabaab’s claim to power as it feeds off the grievances of communities that are excluded from political processes and rent-seeking opportunities. Fighting corruption remains the priority of the Somali and Somaliland Government, but actual progress and direct action remains to be seen

Denmark will seek to assist with alleviating corrupt practices through the SCP by supporting capacity development of financial institutions, improving the regulatory frameworks, and enhance public oversight of government spending at the federal, FMS and local level through the support to the FGS financial institutions, the SDF and locally through the JPLG.

*List the key documentation and sources used for the analysis:*

- Transparency International “Corruption Perception Index”. Federal Government of Somalia “National Development Plan, 2017-2019”, Federal Government of Somalia.
- World Bank (2017): “Restructuring paper on a proposed project. Restructuring of second Public Financial Management capacity strengthening project approved on July 7, 2015 to the Federal Government of Somalia”

## 6. Matching with Danish strengths and interests, engaging Danish actors, seeking synergy

*Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:*

- |   |   |
|---|---|
| <p>Identify:</p> <ul style="list-style-type: none"> <li>- Where we have the most at stake (interests and values),</li> <li>- Where we can (have) influence through strategic use of positions of</li> </ul> | <ul style="list-style-type: none"> <li>- The Danish support in the SCP follows a long Danish tradition of a strong Danish financial and programmatic presence in Somalia. Denmark’s long-term commitment and as one of the top ten development partners provides a strong base for</li> </ul> |
|---|---|

<p>strength, expertise and experience, and</p> <ul style="list-style-type: none"> <li>- Where we see that Denmark can play a role through active partnerships for a common aim/agenda or see the need for Denmark to take lead in pushing an agenda forward.</li> </ul>	<p>policy dialogue and development in the country. Denmark is in particular recognised for its initiation of and continued commitment to the SDF and its programme office in Hargeisa, which makes Denmark a lead donor for the region. But also, Denmark’s continued commitment to the development planning frameworks such as the New Deal and now the NDP and the aligned joint funding arrangements provides a comparative advantage in the partnership with Somalia.</p> <ul style="list-style-type: none"> <li>- From a Danish perspective, the support in the humanitarian-development nexus is expected to be a catalyst for a more stable region and may help reduce the risk of violent extremism in other parts of the world, including Europe. Furthermore, economic growth, improved governance, stronger security, and poverty reduction will have a causal effect on reducing the out-migration from Somalia and motivate return of Somali refugees.</li> <li>- Denmark can and already plays a lead role within local governance, inclusive economic growth, within the humanitarian-development nexus, and on durable solutions to the displacement crisis. With the new SCP, Denmark will also lead on key human rights issues and protection.</li> <li>- Denmark will with the new SCP play an even more active role in the area of promotion and protection of human rights as human rights engagements through partnership with the UNs Joint Programme on Human Rights will be an important part of the new programme.</li> </ul>
<ul style="list-style-type: none"> <li>- Brief mapping of areas where there is potential for increased commercial engagement, trade relations and investment as well as involvement of Danish local and central authorities, civil society organisations and academia.</li> </ul>	<ul style="list-style-type: none"> <li>- With the new focus on private sector investments in Somalia, Denmark is in principle paving the way for Danish investments in the country using Danish expertise through the IFU. While IFU is no longer tied to having Danish partners in their engagements (allowing it to e.g. partner with Shuraako), it is nevertheless still extremely well-connected to Danish companies that are willing and able to invest in frontier markets. Consequently, if and when the context further stabilises, IFU will be well placed to serve as a bridgehead for Danish companies leveraging the experiences gained from the Shuraako engagement, given Danish companies a head start in what could prove a promising but largely unexplored market.</li> <li>- The Danish strengths are also evident in extensive number of Danish NGOs and consultancy companies operating in Somalia. These operate in all regions of</li> </ul>

	<p>Somalia and the Danish presence provides value in terms policy dialogue and diplomatic leverage and they provide a source of information to the Embassy as well. This is particular true for the Danish strategic partners of DRC, IMS and Save the Children</p> <ul style="list-style-type: none"> <li>- Somalia is also a key study area for academic institutions such as DIIS and the University of Copenhagen</li> </ul>
<ul style="list-style-type: none"> <li>- Assessment of the donor landscape and coordination, and opportunities for Denmark to deliver results through partners including through multilaterals and EU;</li> </ul>	<ul style="list-style-type: none"> <li>- Good opportunities for cooperation with multilateral institutions. Consequently, Denmark will be providing substantial support through the World Bank and UN multi partner trust funds. These will also serve to promote coordination and to share risk across stakeholders, which is particularly relevant in fragile contexts</li> <li>- Denmark will also prioritise delegated cooperation to the EU and DFID</li> <li>- Coordination and alignment is improving with the SDRF structure, but will need support and engagement to persist.</li> <li>- Denmark participates in the rather vibrant international development community with dedicated programmes in Somalia.</li> </ul>
<p><i>List the key documentation and sources used for the analysis:</i></p> <ul style="list-style-type: none"> <li>- Third Party Monitoring and External M&amp;E Support for Somalia Country Programme, February 2018</li> </ul>	

## 7. Stakeholder analysis

*Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:*

*Who are the stakeholders that may be interested in or affected by the program, including donors?*

The main stakeholders interested and affected by the SCP are the FGS, Somaliland, the FMS and local and district authorities, whom all are expected to benefit from capacity building, support to service delivery at federal, FMS and local levels and from the legitimacy between citizens and state, which is expected to be built by the SCP and other development engagements. Other Somali stakeholders include the private sector who is interested in and will be affected by improvements in the regulatory framework and increased access to finance.

Other stakeholders interested and affected includes the multilateral funds and implementing UN agencies and other implementing partners, including civil society, who will receive funding from and cooperate with Denmark on the selected programmes. Other donors and especially the EU, Sweden, Norway and DFID are key stakeholders in the SCP in terms of both joint implementation as well as coordination and cooperation on important policy dialogue.

Beneficiaries who will be affected positively by the SCP are civil society, women, youth, children IDPs and other marginalised groups who are expected to get enhanced access to resources, opportunities, rights and avenues for advocacy.



In terms of stakeholders potentially being affected negatively, these include the traditional leadership and the traditional culture (in terms of promoting women's rights, combatting FGM etc.) and various political, economic and clan elites as transparency is increased and governance structures formalised. The SCP will monitor whether the development engagement will have unexpected outcomes that might affect beneficiaries negatively and continuously review the stakeholder analysis to counter risks.

*Who are the key stakeholders and what are their main interests, capacity and contributions?*

The FGS, FMS and local authorities are the key stakeholders in the SCP and though they are interested in promoting reforms and consolidating their leadership and authority and aware that this is built on service delivery and accountability to their citizens, their capacity remains weak – especially in more remote and rural areas. In addition, the individual power holders are not elected democratically and might be more dependent on allegiance and loyalty along clan lines rather than their constituency. The government – at various levels – contribute significantly to the SCP and implementation cannot be achieved without a close partnership from the federal to the local level.

The main interest from implementing partners are more or less aligned with the overall objective of the Danish SCP on putting in place the basic building blocks for the development of a resilient, stable and peaceful Somalia based on responsive and inclusive governance and a growing and poverty-reducing economy. There might be difference in opinion on how to achieve this, but overall the SCP relies heavily on the implementing partners and their capacities and contributions to implementations. This in relation, but not limited to their partnership with the Somali government(s) and other partners, their increased access in comparison to access for the RDE and above all, their technical expertise in key areas of economic development, finance, governance and human rights.

*How do the stakeholders (in this programme context) communicate, coordinate, and cooperate?*

As can be read above, the governance structures of the Somali federalism are only being developed and engagements under the SCP aims to strengthen exactly the coordination and cooperation between the FGS, FMS and local governments. The relationships between the various levels remain extremely fragile and the RDE should at all times consider how to engage constructively without doing harm in the process.

A key forum for coordination between all stakeholders (governments, multilaterals, donors and NGOs) is the SDRF and Pillar Working Groups, which Denmark supports (see section on aid effectiveness above). However, as this structure is still nascent, the SCP depends on extensive and also bilateral dialogue with government and implementing partners. The international donors convene in the Somali Donor Group (SDG), but even more so the RDE meets bilaterally or in smaller groups with key donor partners.

Regarding programme implementation, partners communicate and coordinate at joint steering committee meetings and on an ad-hoc basis.

*Who is the lead stakeholder and is it a homogenous group or are there divisions within the group?*

The lead stakeholder is the FGS, Government of Somaliland, FMS and local government and as can be read throughout the context analysis and programme document, this is not a homogenous group and severe divisions remain above all along clan lines. This is of course to be expected in a fragile context such as the Somali, and the SCP and its engagements is designed to counter divisions and formalise governance systems.

In terms of implementing partners, this is a relative homogenous group and though competition for funds exist there is a developing sense of the need to cooperate and refer etc.

<p>Key beneficiaries are of course the Somali people and in particular – besides government entities – SME owners and employees, people seeking livelihood opportunities, women, youth, children and other marginalised groups, which definitely are divided but who’s needs are similar.</p>
<p><i>How have key stakeholders been involved during the preparation and formulation process?</i></p> <p>The FGS and the Government of Somaliland have been consulted on the overall strategy (i.e. through bilateral briefing on the Concept Note and Policy Paper), but also in relation to some of the specific engagements where they play a key implementing role. Above all, the design is based on the various NDPs.</p> <p>All implementing partners have been consulted and involved in the formulation phase and this and especially in the drafting of the development engagement documents (DEDs).</p> <p>The Somali beneficiaries on the ground (women, marginalised groups, IDPs, entrepreneurs etc.) have not been consulted directly but have been represented by implementing partners who engage directly with them.</p>
<p><i>Which stakeholders are likely to support the programme and who, if any, are likely to hinder the program? (Who stands to gain and who stands to loose?)</i></p> <ul style="list-style-type: none"> <li>- Potential enablers: (1) government institutions at federal, FMS and local level that receive support from the programme; (2) Private entrepreneurs that can see a benefit in a change to the current situation; (3) IDPs, women and marginalised groups that have an interest and capacity to make change happen; (4) Likeminded development partners</li> <li>- Potential spoilers: (1) Monopolistic stakeholders right from well-connected businessmen dominating e.g. economic sectors, to (2) UN agencies monopolising needs assessment and humanitarian delivery, with high overhead costs, and (3) strong clan structures with limited interest in changing the current political settlement in Somalia and thus with limited interest in ensuring an enhanced role of marginalised groups or women</li> </ul>
<p><i>What are potential strategies (approaches, methods, etc.) for engaging key stakeholders?</i></p> <p>This varies across the many different engagements and sub-engagements. Overall all programmes includes management and implementation arrangements that include and engage stakeholders from the FGS, FMS and local level of government as well as beneficiaries and target groups. Due to access restrictions, the RDE relies heavily on engagement with implementing and government partners and their close interaction with beneficiaries. This is different for Somaliland, where the RDE has direct access to beneficiaries through monitoring visits etc.</p>
<p><i>Which stakeholders offer the best overall prospects in terms of possible partnerships and why?</i></p> <p>The FGS, FMS and Government of Somaliland as they have the influence needed to implement the SCP. Implementing partners and like-minded donors are equally important in relation to implementation of programmes and key policy dialogue.</p>
<p><i>List the key documentation and sources used for the analysis:</i></p> <p>See Annex 6</p>
<p><i>Are additional studies / analytic work needed? How and when will it be done?</i></p> <p>Technical and political economy studies are anticipated during the course of the SCP implementation</p>

## Annex 2: Partner Assessment

The SCP draws on the experience and lessons learned from the previous (2011-2014) and current (2015-2018) SCPs. The majority of the current partners will remain the same, a few will be discontinued and thus provide the opportunity to add news partners and focus areas to the Danish development portfolio. All engagements work with and in support of the Federal Government of Somalia (FGS), Federal Member States (FMS) as well as Government of Somaliland, and District Councils and administrations.

Denmark will not provide bilateral budget support in the coming SCP, but will do so as a contributor to the EU Trust Fund (EUTF). The Operational Committee of the EUTF approved the ‘State and Resilience Building Contract (SRBC) in May 2018, and though benchmarks are yet to be formulated by the FGS and approved by Member States of the EU, the FGS is likely to receive budget support from EU Member States in 2018-2021. In addition, the funding through the SDF and the UNMPTF will be delivered on the budget and funding through the WB MPF will be channelled through government systems. Additional possibilities for using government systems will be explored through some engagements and all engagements will be aligned with the respective NDPs. The SCP prioritise multi-donor trust fund mechanisms such as the UNMPTF, WB MPF) and the SDF as the preferred modalities. Past phases have demonstrated the necessity of diligently utilising and consistently supporting agreed upon coordination and accountability mechanisms. This is especially important considering the capacity of the different layers of government and the numerous development partners operating in Somalia.

The SCP partners are primarily those with whom the Embassy will sign a partner agreement, but also their implementing partners, government entities etc.:

DED partners	Implementing partners	Government counterparts	Civil Society
Engagement 1a-1e: The United Nations Multi Partner Trust Fund (UNMPTF)	JPLG: UNDP, UN-Habitat, UNICEF, UNCDF JPHR: UNSOM, UNDP and UNICEF Civil Society: UNSOM Constitutional review: UNSOM and UNDP	JPLG: Ministry of Finance, Ministry of Planning, Ministry of Labour and Social Affairs and Ministry of the Interior at FGS, FMS and district/municipality level JPHR: Several but especially the FGS (led by Ministry of Women and Human Rights Development) in collaboration with FMS, the Federal Parliamentary Committee on Human Rights, the National Human Rights Commission Civil Society: Target government entities Constitutional review: Ministry of Constitutional Affairs (MOCA), the Independent Constitutional Review and Implementation Commission (ICRIC) and the Oversight Committee (OC)	JPLG: Community committees JPHR: Networks Civil Society: Several Constitutional review: Several
Engagement 2: DFID	The Somaliland Development Fund (SDF)	Ministry of Planning and line ministries implementing programmes and projects	Limited, but further engagement could be explored during design and implementation phase

Engagement 3: The World Bank Multi Partner Fund (WBMPF)	World Bank in cooperation with line ministries in FGS, Somaliland and FMS	Several	Limited but could be further explored
Engagement 4: IFC's Private Sector Fund	IFC in cooperation the Chamber of Commerce in Mogadishu and Hargeisa, line ministries, private sector etc.	Several	Limited
Engagement 5: IFU	Shurakoo	Limited	Limited
Engagement 6a-6b: EU	A partner to be selected for the policy framework and a consortium (probably of NGOs) for implementation	Ministry of Water, Agriculture, Fisheries, Trade etc.	Implementing partners
Engagement 7: DRC	DRC	Deputy Prime Minister, National Commission for Refugees and IDPs, FMS, local authorities in areas of intervention	Community committees, elders, CSOs etc.

*Criteria for selecting programme partners:* the fragile environment, endemic corruption, challenges related to accessing great parts of the country and substantial operation cost are all challenges when it comes to choosing implementing partners. In addition to this, a successful implementer will need to be well abreast with the political economy of Somalia and understand how best to deliver on Danish priorities. With these considerations in mind, the programme has selected partners against the following key criteria:

- *Ability to deliver in a fragile context.* The extent to which partners in the past have been able to deliver results in areas challenged by insecurity, and whether the partner has the capacity to ensure monitoring and risk management in this environment. Examples include DRC, that is present with staff in all FMS and have in the past been able to operate even in areas controlled by al-Shabaab, or UNICEF that is able to receive children freed from forced recruitment or child marriage with militia or al-Shabaab soldiers from all FMS.
- *Partner effectiveness.* The extent to which the implementing partner has a high probability of meeting programme objectives. This is based on: (a) an assessment of past results and ability to adapt to the changing environment and learn from the lessons of the past. As an example, the SDF that has delivered projects across sectors in the past will now ensure a higher degree of technical oversight and probability of impact. And (b) new interventions that are critical for meeting the objectives of the SCP, such as support to the constitutional review process or the IFU support to Shuraako promoting a more private sector led growth in Somaliland.
- *Risk management.* Partners, which have a strong risk management system in place, which ensures monitoring, management and mitigation of fiduciary as well as programmatic risks. This on the one hand includes SDF, which have a full risk management arrangement in place. IFU's partner Shuraako have a robust track record of leveraging the private sector in challenging context having invested in emerging markets, consistently being profitable, indicating strong ability to manage the core commercial risks. However, IFU's added value extends beyond commercial success (and its associate risk management) but also extends to its ability to manage (and improve) social, governance and

environmental risks, by providing tailor made support in the form of e.g. board participation, technical assistance, mentoring and compliance guidance.

- *Danish comparative advantage and influence.* Partners and programmes where Denmark can make a difference in the form of technical support, policy dialogue and finance. Most important is the long-term commitment and engagement by Denmark to the multilateral funds, which besides achieving concrete results in Somalia provides an opportunity for Denmark to further promote efficient and effective multilateralism, which is key for the development of Somalia. Also the SDF, which provides significant policy dialogue opportunities and where the support is facilitated and monitored by Danish technical assistance in Hargeisa is a good example of Danish comparative advantage. New partnerships with IFU, DRC and the several human rights engagements also provides Denmark with a substantial platform for increasing economic cooperation and for promoting the respect for human rights.
- *Alignment and ownership.* Partner arrangements where the support is provided on budget and thus is fully aligned with the Somalia NDP and the Somaliland NDP II, and where the government has a lead role in the prioritisation and implementation of the support. This includes the SDF, the World Bank MPTF and the UNMPTF.
- Attention to Danish priority areas including a *human rights-based approach, gender equality and women's empowerment and youth.* Priority to partners, which have strong attention to these key Danish priority areas, not only in the programme description, but equally so in indicators and targets, which the programme will be measured against, as well as in the capacity of the partner organisations. This in particular includes the UN Joint Programme on Human Rights, UNSOM's support to human rights CSOs, DRC's support to IDPs and UNICEF's support to children and young girls that are victims on conflict, GBV and FGM under the UNMPTF.

#### *Brief presentation of partners*

The United Nations Multi Partner Trust Fund (UNMPTF): Development coordination in Somalia is in principle managed through the SDRF, which is mandated to approve projects to Somalia but specifically those implemented through the multilateral funds. The UNMPTF is thus a key aid coordinating and alignment mechanism for support to the FGS and is anticipated to strengthen FGS capacity and service delivery. The UNMPTF is streamlining and consolidating the existing UN delivery mechanisms in Somalia and aims to coherence and alignment of aid mechanisms through common governance, common monitoring, evaluation and reporting, and common risk assessment and management – and above all, through joint programmes. As a central funding mechanism, the MPTF draws on the resources available at the Resident Coordinators offices, including an M&E section, a risk management unit and a financial management setup. It is a Danish ambition that the MPTF overall reporting should be sufficient for monitoring, although the RDE will participate in steering committees etc. Of the individual programmes. The Danish support to the Joint Programme for Local Governance (JPLG), Joint Programme for Human Rights (JPHR), the UNSOM civil society support, the Joint Programme for Constitutional Review and the UNICEF support to counter GBV, FGM and children affected by conflict will be channelled through the MPTF through one joint cooperation agreement and thus one DED.

DFID: The funding to the SDF will be provided as delegated cooperation through DFID. The SDF is implemented through a contract with a privately contracted fund manager, which manages the SDF Secretariat. The fund manager provides full-fledged M&E, financial management and monthly reporting to DFID. DFID – though the SDF Secretariat - then reports to Denmark on a quarterly basis. Denmark also participates in all

relevant joint steering committee meetings. To triangulate information the SDF is subject to DFID third party monitoring. Furthermore, the Danish advisors in Hargeisa will provide M&E support as well.

The World Bank Multi Partner Fund (WB MPF): The MPF is another of the funding windows established under the Somalia SDRF. Administered by the World Bank, the fund has provided a platform for coordinated financing for suitable reconstruction and development in Somalia with a focus on core state functions and socio-economic recovery. Denmark has participated right from the beginning in 2014 and it is still the main funding channel for the World Bank's work in Somalia. Contrary to the UN trust fund, the MFP has an explicit ambition to work through and hence strengthen national systems and procedures, making it not only the most aligned modality available, but also an important vehicle for normalising relations with the international financial institutions. The World Bank has already granted Somalia pre-arrears clearance funding; a vote of confidence in the progress made so far. In order to strengthen the overall fund, M&E will be done at the fund level and preferably not at the level of programmes and projects.

IFC: Danish support to IFC started with the mid-term review of the previous country programme and has evolved since then to encompass support to broader regulatory and business enabling reforms in Somalia. Denmark will provide support through IFC's multi-donor trust fund, and though funding will be preferenced M&E will, to the extent possible, be at fund level and not at individual projects/programmes.

IFU: IFU is a new partner to Danida in Somalia but globally very experienced, having invested more than DKK 20bn in 1250 companies in developing countries. IFU will manage Danida's contributions to the investment vehicle 'Shuraako' and take a seat on its advisory board. IFU is well placed to serve as an active board member and will minimise risks involved for Denmark. The RDE will provide a capital injection to IFU, earmarked as a first loss tranche, as well as a grant to support a TA facility to mentor and guide SMESs to optimise the outcomes from the investments.

EU: EU is a major donor of humanitarian, stabilisation and development assistance to Somalia and is currently developing the programme 'inclusive local economic development' (ILED) which contains several entry points for Denmark to support, while also ensure better harmonisation. These entry points are within rural value chains, livestock related education and safety nets. Denmark will provide earmarked funding to EU's emergency Trust Fund (EUTF) for Somalia, the financial vehicle for ILED. In addition to the support provided through the SCP, Denmark is a financial contributor to the EUTF:

Danish Refugee Council (DRC) is implementing on behalf of Denmark on an existing grant, which is now being integrated into the SCP. DRC has a long record of accomplishment of programming in Somalia and a significant country presence with six main sub offices and four offices in Somaliland. The organisation has the added benefit of being able to span the humanitarian-development-peace nexus through the broad Danish Refugee Council and Danish Demining Group portfolio and are experts on the Danish priority of durable solutions.

*Summary of key partner features*

Partner name <i>What is the name of the partner?</i>	Core business <i>What is the main business, interest and goal of the partner?</i>	Importance <i>How important is the programme for the partner's activity-level</i>	Influence <i>How much influence does the partner have over the programme</i>	Contribution <i>What will be the partner's main contribution?</i>	Capacity <i>What are the main issues emerging from the assessment of the partner's capacity?</i>	Exit strategy <i>What is the strategy for exiting the partnership?</i>
UNMPTF	UNMPTF is the multi-donor trust fund for the UN interventions in Somalia. The Fund has been developed as a mechanism to ensure alignment with government priorities in accordance with the new aid architecture of the SDRF. Secondly, it ensures a simple and coordinated management and alignment of the UN projects.	The UNMPTF will provide funding for key sub-engagements in TP1 and TP3 and the capacity of the institution is thus a core element in the programme support. Furthermore, by supporting the UNMPTF Denmark aims to emphasise the need for multilateralism in Somalia where there is currently an increase in the bilateral assistance, and by doing so ensure enhanced alignment with the FGS.	The programmes/projects under the UNMPTF are key in providing governance and human rights based support under TP1. For most of these interventions the individual project/programme is the only relevant project to be supported.	A multilateral approach to support key areas of NDP priorities in terms of capacity development and funding for Somali institutions such as: FGS, FMS, local authorities, independent state institutions, CSOs and women, children and youth.	Strengths: Alignment with the NDP. Strong risk management arrangement as well as strong financial management setup. Weaknesses: only 18 pct. of the funding goes through the UNMPTF limiting degree of alignment. Also, need to become stronger at reporting at outcome level. Opportunities: with enhanced use of the UNMPTF more funds will be reflected in the FGS budget and enhance alignment. Threats: serves primarily as a funding mechanism and is reliant of the SDRF for policy dialogue.	The individual projects and programmes funded under the UNMPTF all focus on capacity development and do not fund recurrent costs. The aim is thus to ensure that the support will remain beyond the project implementation period.
SDF through DFID	Provides a single vehicle for supporting the (GoSL) National Development Plan II and in this process provide core basic services for economic growth as well as capacity development for the Government of Somaliland.	The SDF is the major contributor to service delivery and capacity development in Somaliland covered by the SCP (the other being JPLG under the UNMPTF).	Significant. The SDF is one of the largest engagement recipient under the SCP.	In addition to its contribution to planning, implementation and oversight for the Government of Somaliland, the SDF will be implemented in partnership with the Government's development	Strengths: The only support to service delivery that is reflected in the budget (beyond the LDF) in Somaliland and which enhances the government's ability to deliver services. Weaknesses: Slow reforms and weak capacity limits speed of transfer of tasks to Government. Opportunities: more development partners are joining the SDF ensuring enhanced coordination and alignment. Threats: limited civilian oversight and lack of capacity.	Focuses on alignment and harmonisation allowing the government of Somaliland to gradually take over operations.

Partner name <i>What is the name of the partner?</i>	Core business <i>What is the main business, interest and goal of the partner?</i>	Importance <i>How important is the programme for the partner's activity-level</i>	Influence <i>How much influence does the partner have over the programme</i>	Contribution <i>What will be the partner's main contribution?</i>	Capacity <i>What are the main issues emerging from the assessment of the partner's capacity?</i>	Exit strategy <i>What is the strategy for exiting the partnership?</i>
				funding in line with the NDP II.		
World Bank	Strengthening core economic institutions, allowing for normalisation with WB and access to IDA finance. Improving enabling business environment.	Medium. Denmark important donors but among many.	Significant influence as Trust Fund managers and implementers.	Technical Assistance, finance and capacity development.	Strengths: Strong technical expertise, engaged in core economic state building and access to key economic decision makers and aligned with FGS priorities and systems Weaknesses: Still not able to provide IDA financing. Not consistently working in a coordinated fashion. Opportunities: If HIPC materialises it will have substantial more resources. Threats: More funding may tempt the Bank to engage in activities outside its core mandate and expertise.	Necessary legal frameworks and institutions in place (long term). IDA funding eligibility for Somalia.
IFC	IFC provides investment and advice to both public and private actors, in the process strengthening the dialogue and creating an enabling environment.	Improving the investment climate is paramount for increasing incomes, generating jobs and reducing poverty and vulnerability.	Significant, but in strong partnership with private sector (incl. companies and chambers of commerce) and public business-facing institutions.	Drawing on a global knowledge repository of improving the investment climate IFC is critical to lift Somalia's standing.	Strengths: Building on a global repository of knowledge on how to improve investment climate in diverse context, IFC is well placed to assist in this key area. It has also strong convening power in terms of fostering public private partnerships. Weaknesses: Relatively narrow focus of IFC entails need to have complimentary engagements. Opportunities: With increased stability and normalisation, the investment potential is significant. Threats: Private sector recovery is still only nascent and fragile. Corporate governance weak, with considerable fiduciary risks.	Strong government commitment and self-interest in a viable (and hence taxable) private sector.
IFU	Financing and targeted business training initiatives to Somali entrepreneurs across the	Significant. Denmark (with IFU) critical second donor for first loss modality	Significant. Direct implementer.	Microcredits and SME financing coupled with technical assistance.	Strengths: Robust track record of due diligence and profitability. Weaknesses: Limited knowledge of the Somalia context (compensated by	Revolving fund and hence one time investment.



Partner name <i>What is the name of the partner?</i>	Core business <i>What is the main business, interest and goal of the partner?</i>	Importance <i>How important is the programme for the partner's activity-level</i>	Influence <i>How much influence does the partner have over the programme</i>	Contribution <i>What will be the partner's main contribution?</i>	Capacity <i>What are the main issues emerging from the assessment of the partner's capacity?</i>	Exit strategy <i>What is the strategy for exiting the partnership?</i>
	country, including women and youth.				Shuraakos extensive experience), pro-poor impact more difficult to assess Opportunities: Few other long-term investors in Somalia confer first mover advantage and could drive other (incl. DK) businesses. Threats: IFU has limited experience in managing portfolio in case of increased conflict and more insecurity.	
EU	Promoting economic resilience of poor and vulnerable.	Significant. Few donors in the field and strong main partners. Can lead the way for harmonisation of safety nets (w. DFID) and has robust track record in rural development.	Significant. Managing/lead in engagements and can drive it forward if partnering correctly.	Improved value chain and increase in employment as well as providing the foundation for the development of more permanent, predictable and effective safety nets for vulnerable people.	Strengths: EU has clout, resources and capacity to implement large-scale programmes Weaknesses: At times procedurally complex to implement and technical capacity often outsourced to NGOs, UN or consultants. Opportunities: DK as a MS and funder can influence the engagements and potential for TC reduction significant. Threats: Implementation may be held up by procedural delays and lack of willingness to harmonisation among DPs, NGOs & UN (the latter esp. relevant to safety nets).	Commercial sustainability for value chains. Increased national ownership and financing for safety nets (long – term).

DRC	Promoting Durable Solutions through Integrated Return, Reintegration and Resilience Support to Somali Displacement-Affected Populations.	Significant. Denmark as sole donor.	Significant. Direct implementer.	The solution programme will holistically address physical, material and legal safety as outlined in the durable solutions frameworks.	Strengths: Good track record of delivery in Somalia across humanitarian-development and security. Weaknesses: Highly ambitious programme, high competition, lack of access to the policy level. Opportunities: With alignment with other partners, the programme could become lead in implementing durable solutions. Threats: Access may limit M&E (though DRC has string capacity in this field).	Strengthened resilience of beneficiaries. Graduation into other programs or self-sufficiency.
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### Annex 3: Result Framework

The overall objective of the SCP is: *Basic building blocks put in place for the development of a resilient, stable and peaceful Somalia based on responsive and inclusive governance and a growing and poverty-reducing economy.* This overall objective is supported by the objectives, outcomes and indicators of the three thematic programmes:

<b>Thematic Programme 1</b>		<b>Strengthen resilient, responsive and inclusive governance and service delivery, and fundamental human rights</b> <b>SDG 5, 8, 9, 16</b>	
Thematic Programme Objective		Government ability at state and local level enhanced to respond to the development and resilience requests of in particular women, youth and marginalised groups in an equitable, transparent, accountable and participatory manner	
Impact Indicators		<ol style="list-style-type: none"> <li>1. Political Participation (Ibrahim Index of African Governance, IIAG)</li> <li>2. Civil Society Participation (IIAG)</li> <li>3. Women's Political Empowerment (IIAG/VDem)</li> <li>4. Gender (IIAG's overall gender indicator)</li> <li>5. Socio-economic and political status of young people and support their engagement in the leadership and decision-making portfolio at all levels (FGS NDP indicator)</li> <li>6. Human Rights Violations (IIAG)</li> <li>7. Capacity of GSL to prioritise development objectives and to plan and budget development activities (SDF)</li> </ol>	
Baseline	Year	2016	<ol style="list-style-type: none"> <li>1. Score: 25.5      Rank: 50/54</li> <li>2. Score: 33.5      Rank: 43/54</li> <li>3. Score: 29.6      Rank: 50/54</li> <li>4. Score: 18.2      Rank: 54/54</li> <li>5. TBD</li> <li>6. Score: 0.0      Rank: 39/54</li> <li>7. TBD</li> </ol>
Target	Year	2023	Improvement on all indicators
<b>Engagement 1a</b>		<b>Strengthening local governance (JPLG/UNMPTF)</b> <b>SDG 5, 8, 9, 16</b>	
Outcome 1		Policy, legal and regulatory frameworks on local governance finalised	
Outcome indicators		<ol style="list-style-type: none"> <li>1. Number of key national and sub-national policies on local governance that are approved and implemented</li> <li>2. Number of states that have sectoral strategies guiding decentralised service delivery</li> </ol>	
Baseline	Year 0	2017	TBD
Target	Year 5	2023	<ol style="list-style-type: none"> <li>1. All 6 states and BRA have essential legal frameworks for local government</li> <li>2. PL/SL have strategies in place with implementation plans; and new states have health and education sectoral decentralisation strategies</li> </ol>
Outcome 2		Local governments have the capacity to deliver equitable and sustainable services, promote economic development and peace <b>SDG 16</b>	
Outcome indicators		<ol style="list-style-type: none"> <li>1. Number of JPLG districts that are documenting increase in own source revenue</li> </ol>	

			<ol style="list-style-type: none"> <li>2. Proportion of the target districts' budgets (including contribution by the national and sub-national governments) allocated and spent for delivery of equitable services, disaggregated by services</li> <li>3. Population satisfaction of local government performance improves, with a break down in relation to services, stability and the development environment</li> </ol>
Baseline	Year 0	2018	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. Current SL/PL JPLG districts: minimum 15Pct.</li> <li>3. TBD through baseline survey in 2018</li> </ol>
Target	Year 5	2023	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. SL/PL JPLG districts: 30Pct.; FMS: 15Pct.</li> <li>3. TBD based on baseline survey</li> </ol>
Outcome 3		Local governments demonstrate improved engagement of citizens, with an emphasis on women and marginalised groups <a href="#">SDG 5</a>	
Outcome indicator		<ol style="list-style-type: none"> <li>1. Percentage of districts with plans and budgets that reflect community priorities, including priorities from women, youth and marginalised groups</li> <li>2. Number of districts with gender responsive infrastructure in place</li> </ol>	
Baseline	Year 0	2018	<ol style="list-style-type: none"> <li>1. 17 districts (8 SL, 8 PL, 1 Galmudug)</li> <li>2. TBD</li> </ol>
Target	Year 5	2023	<ol style="list-style-type: none"> <li>1. 80Pct. of all targeted districts</li> <li>2. TBD</li> </ol>
Output 1.a		Policies, laws and strategies for decentralisation are drafted to clarify the division of functional responsibilities among central/federal, state and local governments.	
Output indicator		<ol style="list-style-type: none"> <li>1. National agreement on division of functions between three levels of government for selected sectors reached and articulated in legislation and policy</li> <li>2. Number of key national and sub-national policies on local governance that are revised/formulated</li> </ol>	
Baseline	Year		<ol style="list-style-type: none"> <li>1. Decentralisation roadmap (PL/SL); Wadajir Framework (FGS)</li> <li>2. TBD</li> </ol>
Target	Year 1	2019	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 2	2020	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 3	2021	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 4	2022	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 5	2023	<ol style="list-style-type: none"> <li>1. PL/SL legislative reviews completed; national strategies for decentralisation approved (FGS/FMS)</li> <li>2. Local governance policies in place in all States</li> </ol>
Output 1.b		National and sub-national mechanisms are established and strengthened that lead dialogue on policies and legal framework related to local governance and decentralisation	

Output indicator		Number of mechanisms for inclusive and gender-responsive dialogue on federalism and decentralisation	
Baseline	Year 0	2018	Inter-ministerial committees exist in Somaliland and Puntland
Target	Year 1	2019	3. TBD 4. TBD
Target	Year 2	2020	3. TBD 4. TBD
Target	Year 3	2021	3. TBD 4. TBD
Target	Year 4	2022	3. TBD 4. TBD
Target	Year 5	2023	Inter-ministerial committees and the stabilisation local governance coordination forum established in relevant states
Output 2.a		Fiscal arrangements are strengthened and expanded for service delivery and local investment at district level	
Output indicators		<ol style="list-style-type: none"> <li>1. Number of JPLG districts that have developed their revenue generation/mobilisation plans</li> <li>2. Number of districts with strengthened capacities to collect and record revenue from different sources</li> </ol>	
Baseline	Year 0	2018	<ol style="list-style-type: none"> <li>1. Four districts in PL/SL have plans</li> <li>2. In place in JPLG target districts</li> </ol>
Target	Year 1	2019	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 2	2020	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 3	2021	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 4	2022	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 5	2023	<ol style="list-style-type: none"> <li>1. All JPLG target districts have plans'</li> <li>2. All future JPLG districts to have revenue system in place</li> </ol>
Output 2.b		Structures and systems for inclusive local governance, planning and programming are functional	
Output indicators		<ol style="list-style-type: none"> <li>1. Local governments develop, adopt and implement participatory planning / budgeting processes</li> <li>2. Local governments implement local development fund (LDF) programmes compliant with systems and procedures</li> </ol>	
Baseline	Year 0	2018	<ol style="list-style-type: none"> <li>1. Exist in PL/SL/BRA/Adado JPLG districts; none elsewhere</li> <li>2. All current JPLG districts compliant</li> </ol>
Target	Year 1	2019	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 2	2020	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 3	2021	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 4	2022	<ol style="list-style-type: none"> <li>1. TBD</li> </ol>

			2. TBD
Target	Year 5	2023	1. Exist in all target districts 2. Compliance expanded to all districts
Output 2.c		Local governments deliver improved services in collaboration with central/federal, state governments and non-state actors	
Output indicator		1. Number of sector strategies/plans aligned with decentralisation that are developed and implemented 2. Number of districts that develop specific measures to facilitate improved gender-responsive service delivery at district level 3. Number of districts that develop and implement emergency preparedness, resilience and/or social protection plans	
Baseline	Year		1. 2 sector decentralisation strategies, alignment of education strategic plan (SL) 2. 16 districts 3. No plans in place
Target	Year 1	2019	1. TBD 2. TBD 3. TBD
Target	Year 2	2020	1. TBD 2. TBD 3. TBD
Target	Year 3	2021	1. TBD 2. TBD 3. TBD
Target	Year 4	2022	1. TBD 2. TBD 3. TBD
Target	Year 5	2023	1. At least two sector strategies/plans in each state 2. 25 districts 3. 50 pct. of targeted districts have plans
Output 3.a		Representation of women in local government institutions (councils and administrations) increased	
Output indicator		1. Number of districts with gender responsive infrastructure in place 2. Increase in number of women in local government institutions occupying management and leadership positions 3. Number of partners raising awareness to eliminate discriminatory gender and social norms	
Baseline	Year 0	2018	1. TBD 2. TBD 3. TBD
Target	Year 1	2019	1. TBD 2. TBD 3. TBD
Target	Year 2	2020	1. TBD 2. TBD 3. TBD
Target	Year 3	2021	1. TBD 2. TBD

			3. TBD
Target	Year 4	2022	1. TBD 2. TBD 3. TBD
Target	Year 5	2023	1. At least 50 pct. of target districts have gender responsive infrastructure 2. 30 pct. improvement annually 3. At least 10 partnerships in selected districts
Output 3.b		Communities (particularly women, youth and marginalised groups) engage with local governments and hold them accountable for their actions	
Output indicator		<ol style="list-style-type: none"> <li>Number of people reached through civic education campaigns/ consultations, with an improved focus on women, youth and marginalised groups</li> <li>Pct. people, with representative participation of women, youth and marginalised groups engaging in community accountability mechanisms that express satisfaction with local government responsiveness to their concerns</li> <li>Use of digital technologies enabled for monitoring of service delivery and local government performance</li> </ol>	
Baseline	Year		<ol style="list-style-type: none"> <li>200,000 in Baidoa (SWS) and BRA; 100,000 in Kismayo and Garbarharey (Jubaland)</li> <li>73 pct. of participants in interactive radio shows expressed satisfaction (Baidoa and Kismayo)</li> <li>Digital technologies have been piloted</li> </ol>
Target	Year 1	2019	1. TBD 2. TBD 3. TBD
Target	Year 2	2020	1. TBD 2. TBD 3. TBD
Target	Year 3	2021	1. TBD 2. TBD 3. TBD
Target	Year 4	2022	1. TBD 2. TBD 3. TBD
Target	Year 5	2023	1. 2 million 2. 70Pct. express satisfaction 3. Digital technologies rolled out in 10Pct. of target districts
<b>Engagement 1b</b>		<b>Human rights reforms and monitoring (JPHR/UNMPTF)</b> <b>SDG 5, 16</b>	
Outcome		Somali Human Rights, Security and Justice institutions are capable and responsible for upholding human rights, including women and children's rights	
Outcome indicators		1. National Human Rights Commission is established and activated in terms of the law.	

			<ol style="list-style-type: none"> <li>2. Number of human rights complaints particularly sexual violence and violations of children's rights received and addressed.</li> <li>3. A treaty ratification action plan developed by MoFA for treaties Somalia accepted to consider in the UPR process</li> </ol>
Baseline	Year	2017	<ol style="list-style-type: none"> <li>1. Independent National Human Rights Commission not established</li> <li>2. Sensitisation on CEDAW undertaken (UNFPA)</li> </ol>
Target	Year 2	2020	<ol style="list-style-type: none"> <li>1. Nine Commissioners with regional, gender and clan representation are confirmed by Parliament.</li> <li>2. At least 50 complaints received and/or addressed including those affecting women and children are handled by the commission per year</li> <li>3. CEDAW ratified</li> </ol>
Output 1		Legal, policy and institutional capacity for the promotion and protection of human rights is developed and strengthened (FGS, Parliament and the National Human Rights Commission)	
Output indicator		<ol style="list-style-type: none"> <li>1. Support provided to the Inter-Ministerial Committee overseeing implementation of the Human Rights Roadmap including the domestication of Convention on the Rights of the Child, UPR, and National Action Plan on Sexual Violence (NAP/SVC) is established/strengthened.</li> <li>2. Number of draft laws and policies on the nexus between human rights, justice and security developed in line with human rights standards with the support of the inter-ministerial task force (Security and Defence related legislations/policies).</li> <li>3. Mechanism for the implementation of a comprehensive juvenile justice is initiated</li> </ol>	
Baseline	Year		<ol style="list-style-type: none"> <li>1. Steering Committee on the implementation of the NAP/SVC in place, Loose Task Force on the UPR exist. Convention on the Rights of the Child (CRC) ratified</li> <li>2. Human Rights Roadmap, National Action Plan on Ending Sexual Violence, Action Plans on Children and Armed Conflict in place</li> <li>3. Absence of appropriate mechanisms and framework in Somalia, except for Puntland Juvenile Justice Law</li> </ol>
Target	Year 1	2019	TBD
Target	Year 2	2020	<ol style="list-style-type: none"> <li>1. An inter-ministerial Committee with sub-working groups is formed (Federal Task-Force on the domestication of the Convention on the Rights of the Child (CRC); Federal Steering Committee on the NAP/SVC.)</li> <li>2. Eight draft bills (including counter terrorism, Amnesty Policy/Law, penal code, citizenship, sexual offences, constitution). 5 thematic policy/programme papers (including NDP implementation, Protection of Civilians policy developed)</li> <li>3. A pilot programme is implemented at Federal level and at least in one FMS</li> </ol>



Output 2		Federal and State Parliamentary Committees are able to ensure that legislation complies with international and domestic human rights standards and are able to effectively hold the executive to account on its human rights commitments especially for women and children	
Output indicator		<ol style="list-style-type: none"> <li>1. Number of human rights and security related legislation developed and reviewed by the different human rights and security committees.</li> <li>2. Number of consultation meetings organised by human rights and security committees to engage in dialogue with citizens on draft legislation.</li> <li>3. Number of national laws that protect women's and girls' human rights are in line with international standards.</li> </ol>	
Baseline	Year		<ol style="list-style-type: none"> <li>1. Federal Constitution of Somalia, Draft Federal Constitution, Sexual Offences Bill, Penal Code, Citizenship Bill, Anti-FGM Bill, International treaties requiring domestication. Convention on the Rights of the Child.</li> <li>2. New Parliamentary Committees being constituted.</li> <li>3. TBD</li> </ol>
Target	Year 1	2019	TBD
Target	Year 2	2020	<ol style="list-style-type: none"> <li>1. Human rights and security committees reviewed 3 draft legislation per year on its compliance with human rights (constitution, penal code, counter-terrorism, citizenship, sexual offences, justice for children/juvenile justice).</li> <li>2. One consultation per committee per quarter.</li> <li>3. 3 - Federal Constitution, penal Code and Sexual Offences bill address women's and girl's rights.</li> </ol>
Output 3		An independent National Human Rights Commission that is able to sustainably and effectively promote and defend human rights and address violations including against women and children fully established.	
Output indicator		<ol style="list-style-type: none"> <li>1. Multi-year strategic plan for the Human Rights Commission developed based on collected knowledge on the context of women and children's rights in Somalia focusing on the nexus between human rights, peace and security.</li> <li>2. Standard operating procedures established for the operationalisations of the independence and autonomy of the commission.</li> <li>3. Number of human rights complaints particularly sexual violence and violations of children's rights received and addressed.</li> </ol>	
Baseline	Year		<ol style="list-style-type: none"> <li>1. No strategy</li> <li>2. Human Rights Commission not existing</li> <li>3. Human Rights Commission not existing</li> </ol>
Target	Year 1	2019	TBD
Target	Year 2	2020	<ol style="list-style-type: none"> <li>1. A strategic plan launched.</li> <li>2. a) One state of human rights report and one thematic report launched. b) At least five press statements released on human rights issues/concerns in the country per year.</li> </ol>

			3. At least 50 complaints received and/or addressed including those affecting women and children are handled by the commission per year.
<b>Engagement 1c</b>	<b>CSO human rights monitoring, awareness and advocacy (UNSOM/UNMPTF)</b> <b>SDG 16</b>		
Outcome	A strong, national Human Rights focused CSO alliance working with empowered communities and able to influence laws and policies in Somalia.		
Outcome indicator	<ol style="list-style-type: none"> <li>1. Level of CSO coordination in Mogadishu, Federal Member States and Somaliland to engage with authorities on Human Rights issues.</li> <li>2. Level of consultations between civil society and Parliament in FMS/FGS and in Somaliland.</li> <li>3. Contribution from Somali CSO alliance has successfully developed and/or contributed to the development of laws and policies relevant to the promotion and protection of human rights, and governmental programmes on thematic human rights priorities.</li> </ol>		
Baseline	Year	2018	<ol style="list-style-type: none"> <li>1. One loose Civil Society Forum with informal clusters is in existence, led by more networked individuals (stronger clans) and limited engagement with institutions in FGS, FMS and Somaliland.</li> <li>2. The loose Civil Society Forum does not have a formal relationship with Parliament, no strategy to engage with Parliament and does not regularly meet with Parliament.</li> <li>3. The Civil Society Forum has no significant influence on laws and policies by Mogadishu, Federal Member States and Somaliland and has no strategy of how to influence these laws.</li> </ol>
Target	Year	2021	<ol style="list-style-type: none"> <li>1. A formalised CSO alliance with representation from all Somali CSOs reflecting the diverse communities including marginalised and minority clans is empowered and has started to engage the Federal Government, Federal member States and Somaliland institutions including parliament on human rights issues.</li> <li>2. CSO-Parliament Partnerships in Mogadishu, Federal Member States and Somaliland have been initiated with a strategy to engage with Parliament containing clearly defined objectives and outcomes.</li> <li>1. The Somali CSO alliance has positively influenced at least two enacted pieces of legislation resulting in their compliance with human rights standard and the adoption of two policies in relevant human rights areas.</li> </ol>
Output 1	A strong civil society alliance is developed which is working together to empower communities and to influence laws and policies, which uphold human rights principles.		
Output indicator	Strength and level of formalisation of the network of civil society organisations evidenced by a signed memorandum of understanding, containing cooperating arrangements to collectively increase their capacities to lobby and advocate together but retaining their individual identities and roles.		

Baseline	Year 0	2018	Loose network of civil society organisations is in place but not formalised or well established.
Target	Year 1	2019	The network starts to be formalised with sensitisation and mobilisation activities aimed at strengthening the network into a strong alliance.
Target	Year 2	2020	<ul style="list-style-type: none"> <li>• Nationwide baseline assessment completed which will identify key civil society actors and their specific thematic areas in Mogadishu, Federal Member States and Somaliland.</li> <li>• Draft memorandum of understanding developed and comments and views from CSO gathered.</li> <li>• UNSOM providing secretarial support to the CSO alliance.</li> </ul>
Target	Year 3	2021	<ul style="list-style-type: none"> <li>• Memorandum of understanding discussions completed, and MOU signed by at least 20 CSOs.</li> <li>• A voluntary steering committee is elected to administer the alliance on a rotational basis without any remuneration.</li> <li>• Up to five new CSOs are added to the network and activities continue to work on developing the formalised structure.</li> <li>• UNSOM secretarial role reduced gradually and is now moving towards an advisory role.</li> </ul>
Output 2		CSOs' capacities are strengthened, and their knowledge of human rights principles, human rights mechanisms and advocacy skills are sharpened and are able to conduct awareness raising activities with the aim of empowering communities.	
Output indicator		Level of capacity development support offered to CSOs	
Baseline	Year 0	2018	<ul style="list-style-type: none"> <li>• Limited knowledge about CSOs understanding of human rights, domestic and international human rights laws and no training materials produced and disseminated for CSOs.</li> <li>• Limited awareness activities undertaken at both Federal Government or Federal Member state level as well as in Somaliland by CSOs.</li> </ul>
Target	Year 1	2019	<ul style="list-style-type: none"> <li>• A needs assessment study has been conducted in conjunction with the national baseline assessment to determine the levels of understanding of human rights and international human rights mechanisms as well as domestic laws and constitutional arrangements that protect and promote human rights in Somalia.</li> <li>• UNSOM has developed training materials, which will include manuals relevant human rights, adult teaching methodologies and translate these into Somali.</li> <li>• Sensitisation on current ongoing government initiatives at Federal and State levels have taken place to assist CSOs to identify critical human rights issues to focus on.</li> <li>• Civil Society Organisations who have come together in loose networks or those active in Federal Member States or community are empowered on human rights issues and are</li> </ul>

			equipped to carry out sensitisation and awareness activities at community level.
Target	Year 2	2020	<ul style="list-style-type: none"> <li>Based on the outcome of the needs assessment study, four (4) human rights training of trainers workshops in Mogadishu, covering all Federal Member States and Somaliland with focus on international human rights law, humanitarian law, refugee law, child rights, women's rights have been conducted.</li> <li>UNSOM has provided support to CSOs to develop advocacy strategies as well as messages.</li> </ul>
Target	Year 3	2021	<ul style="list-style-type: none"> <li>Four (4) additional human rights training of trainers workshops covering organisations not included in the first round of training conducted.</li> </ul>
Output 3		CSO alliance enters into a partnership with the Federal and Member State Parliaments and the Parliament in Somaliland.	
Output indicator		Quality of Civil Society- Parliament Partnership	
Baseline	Year 0	2018	<ul style="list-style-type: none"> <li>Engagement with Parliaments in Mogadishu, Federal Member States and Somaliland on an ad hoc basis.</li> <li>No strategy in the engagement and the engagement is based on one off interest in a particular piece of legislation.</li> <li>CSOs do not have a full understanding of how Parliament works hence the ad hoc engagement.</li> </ul>
Target	Year 1	2019	<ul style="list-style-type: none"> <li>Preliminary engagements with parliament with one CSO-Parliament meeting conducted in 2017 and no champions identified except the members of the Parliamentary Committee on Human Rights.</li> <li>Also, no engagements beyond the one meeting held and no Priority human rights issues either identified and/or clarified as focus.</li> </ul>
Target	Year 2	2020	<ul style="list-style-type: none"> <li>UNSOM has conducted four (4) training of trainers workshops in Mogadishu, Federal Member States and Somaliland for CSOs on Parliamentary processes including how bills are drafted and what happens when they go through the various processes until they are passed into law.</li> <li>CSOs will have identified priority human rights areas to focus on with the support of UNSOM.</li> <li>UNSOM has facilitated CSO meeting with Speakers of Parliament and relevant Parliamentary Committee particularly Human Rights Committees of Parliament in Mogadishu, Federal Member States and Somaliland to begin discussions on entering into a partnership with the Parliaments.</li> <li>CSOs will have identified influential Members of Parliament to lobby on relevant human rights areas/issues of and to develop relationships.</li> </ul>

Target	Year 3	2021	<ul style="list-style-type: none"> <li>• UNSOM has conducted an additional four (4) training of trainers' workshops in Mogadishu, Federal Member States and Somaliland for CSOs on Parliamentary processes including how bills are drafted and what happens when they go through the various processes until they are passed into law. These trainings of trainers will be for those who did not participate in year 2.</li> <li>• UNSOM has continued to facilitate access to Speakers of Parliament and relevant committees.</li> <li>• Confidence and relationship building activities with the newly elected Parliament have been carried out this year.</li> </ul>
<b>Engagement 1d</b>		<b>Constitutional review</b> <b>SDG 16</b>	
Outcome		A new social contract negotiated between Somali Government and the population that is more legitimate, effective, open, and accountable, providing the foundation for enduring equitable and sustainable development and peace in Somalia.	
Outcome indicator		National constitution is adopted and key acts of policy, legislation and public administration have been implemented in an inclusive, transparent and accountable manner.	
Baseline	Year	2018	National vision for constitutional review process developed...
Target	Year	2020	A finalised national Constitution that meets the needs of Somali women and men, reflects political realities, is of good technical quality and becomes a living document in society through an effective, inclusive, and accountable implementation process.
Output 1		Enhanced capacities of constitutional key players to effectively discharge their mandate and resolve key contentious issues on all levels.	
Output indicator		Percentage of Review Process completed in accordance with National Vision/Roadmap.	
Baseline	Year 0	2018	0
Target	Year 1	2019	33Pct. completed.
Target	Year 2	2020	100 Pct. completed.
Target	Year 3	2021	TBD
Target	Year 4	2022	TBD
Target	Year 5	2023	TBD
Output 2		Enhanced public engagement in the constitutional review process, including women, youth, minority groups and the most marginalised.	
Output indicator		Number of submissions made to the OC and ICRIC from civil society (disaggregated by gender, age, and region).	
Baseline	Year 0	2018	TBD

Target	Year 1	2019	TBD
Target	Year 2	2020	TBD
Target	Year 3	2021	TBD
Target	Year 4	2022	TBD
Target	Year 5	2023	TBD
Output 3		Strengthened capacity of duty-bearers to advance the effective implementation of new constitutional provisions through inclusive legislation-making processes and institutional reforms.	
Output Indicator		Number of policies, laws and decrees drafted and enacted at the federal and FMS level embodying provisions and principles foreseen in the new Constitution.	
Baseline	Year 0	2018	0
Target	Year 1	2019	1 policy developed and debated at federal and FMS.
Target	Year 2	2020	2 policies debated and approved at federal and FMS.
Target	Year 3	2021	TBD
Target	Year 4	2022	TBD
Target	Year 5	2023	TBD
Output 4		Strengthened long-term constitutional awareness and commitment to the new Constitution among members of the Somali public.	
Output Indicator		Pct. of Somali citizens who are knowledgeable about new Constitution and the implementation process (disaggregated by gender, age, and region).	
Baseline	Year 0	2018	TBD
Target	Year 1	2019	Baseline survey carried out
Target	Year 2	2020	TBD
Target	Year 3	2021	TBD
Target	Year 4	2022	TBD
Target	Year 5	2023	TBD
Engagement 2		Capacity development and service delivery in Somaliland through the SDF (SDF/DFID) <a href="#">SDG 5, 8, 9</a>	

Outcome		Service delivery and governance improved as a result of rehabilitated infrastructure that is operational and maintained	
Outcome indicator		1. Pct. the population benefitting from SDF investments 2. Time to water points and costs to consumers	
Baseline	Year	2019	TBD
Target	Year	2023	TBD
Output		Improved availability of clean water and improved road infrastructure	
Output indicator		1) Quantity of water per day available for distribution in urban water systems through SDF support 2) Number of water points connected 3) KMs of roads maintained / rehabilitated	
Baseline	Year 0	2018	TBD
Target	Year 1	2019	TBD
Target	Year 2	2020	TBD
Target	Year 3	2021	TBD
Target	Year 4	2022	TBD
Target	Year 5	2023	TBD
Output 2		Increased inclusion of priorities of women and youth in decision-making and implementation of infrastructure programmes in Somaliland	
Output indicator		1. Pct. of women in government project management units 2. Pct. of women in implementing partners delivery teams 3. Pct. of senior positions in community forums consulted in project design are held by women	
Baseline	Year 0	2018	TBD
Target	Year 1	2019	TBD
Target	Year 2	2020	TBD
Target	Year 3	2021	TBD
Target	Year 4	2022	TBD
Target	Year 5	2023	TBD
Output 3		Improved effectiveness, efficiency and transparency of SDF supported GoSL ministries and agencies	
Output indicator		1. Effectiveness and efficiency score (from SCP report - outcome indicator 3 in SDF1) <i>or alternative indicator to measure this</i> 2. Publication of maintenance budgets by the Roads Development Agency and Hargeisa Water Agency on their websites (yes/no) 3. SDF programme average time from approved concept note to approved proposal	
Baseline	Year 0	2018	TBD
Target	Year 1	2019	TBD
Target	Year 2	2020	TBD
Target	Year 3	2021	TBD
Target	Year 4	2022	TBD
Target	Year 5	2023	TBD



<b>Thematic Programme 2</b>		<b>Develop core economic institutions and strengthen inclusive private sector driven growth and economic development to diversify livelihoods</b> <b>SDG 1, 5, 8, 16</b>	
Thematic Programme Objective		Improved framework conditions for inclusive and resilient private sector led growth, especially in critical value chains, and strengthened economic management.	
Impact Indicator		<ol style="list-style-type: none"> <li>1. World Bank Ease of Doing Business score – distance to frontier / rank (WB IDA)</li> <li>2. Domestic revenue (FGS), and Pct. of GDP, plus external revenue (WB)</li> <li>3. Foreign Direct Investments, and Pct. of GDP (WB)</li> </ol>	
Baseline	Year	2016	1. 19.98 / 190 of 190
		2017	2. USD 142.4M; 2.2Pct.; USD 103.9M
		2016	3. USD 756M
Target	Year	2023	Improvements on all indicators
<b>Engagement 3</b>		<b>Support to core economic institutions through the World Bank Multi-Partner Fund (MPF) SDG 8</b>	
Outcome		Improved revenue mobilisation, budget planning and execution in Somalia	
Outcome indicator		<ol style="list-style-type: none"> <li>1. All revenue mobilisation – domestic / external</li> <li>2. Variance between actual primary expenditure and the originally budgeted primary expenditure</li> </ol>	
Baseline	Year	2017	1. USD 142.4M / USD 103.9M
		2015	2. FGS: 43Pct.
Target	Year	2023	<ol style="list-style-type: none"> <li>1. Increase</li> <li>2. Reduced (2018 target: 25Pct.)</li> </ol>
<b>Output 1</b>		Improved environment for growth	
Output indicators		<ol style="list-style-type: none"> <li>1. Number of recommended laws / regulations / amendments / codes enacted, or policies adopted for financial and private sector development (cumulative)</li> <li>2. Number of diagnostic reports on legal, regulatory, institutional and infrastructure aimed at supporting orderly financial sector development (cumulative)</li> </ol>	
Baseline	Year 0	2017	<ol style="list-style-type: none"> <li>1. 1 law enacted, 3 bills ready for cabinet submission</li> <li>2. 5 reports</li> </ol>
Target	Year 1	2019	<ol style="list-style-type: none"> <li>1. 3 enacted</li> <li>2. 7 reports</li> </ol>
Target	Year 2	2020	<ol style="list-style-type: none"> <li>1. 5 enacted</li> <li>2. 8 reports</li> </ol>
Target	Year 3	2021	TBD
Target	Year 4	2022	TBD
Target	Year 5	2023	TBD
<b>Output 2</b>		Strengthen the inland revenue administration systems and capacity	
Output indicator		Increase in real terms of inland revenue collection (USD, millions)	



Baseline	Year 0	2018	24
Target	Year 1	2019	28
Target	Year 2	2020	34
Target	Year 3	2021	42
Target	Year 4	2022	50
Target	Year 5	2023	TBD
<b>Output 3</b>		Increased uptake of Financial Governance Committee (FGC) recommendations	
<b>Output indicator</b>		Cumulative number (Pct.) of FGC confidential assessments with evidence of FGC recommendations being implemented	
Baseline	Year 0	2017	21 assessments (75Pct.) with evidence of implementation
Target	Year 1	2019	21 recommendations with evidence of implementation
Target	Year 2	2020	TBD
Target	Year 3	2021	TBD
Target	Year 4	2022	TBD
Target	Year 5	2023	TBD
<b>Engagement 4</b>		<b>Support to improving the investment climate through the International Finance Corporation (IFC) SDG 8</b>	
<b>Outcome 1 (SICRP)</b>		Improved investment climate leads to unlocking of private investment and trade	
<b>Outcome indicator</b>		<ol style="list-style-type: none"> <li>1. Number of company laws enacted, regulations developed as well as procedures improved including through operationalisation of OSS</li> <li>2. Number of new investment frameworks drafted for key sectors (policy, law, regulation) e.g. ICT, renewable energy and financial services</li> <li>3. Existence of programme to increase access to regional markets</li> </ol>	
Baseline	Year 0	2018	<ol style="list-style-type: none"> <li>1. 0</li> <li>2. 0</li> <li>3. 0</li> </ol>
Target	Year 5	2023	<ol style="list-style-type: none"> <li>1. 2</li> <li>2. 3</li> <li>3. Trade program designed and agreed (scoping to be carried out through SICRP 1)</li> </ol>

Outcome 2 (FIDEP)		Increased access to finance, improved financial inclusion, and new products for financial institutions.	
Outcome indicator		<ol style="list-style-type: none"> <li>1. Number of SMEs that can access formal leasing financing for which they would not normally qualify / other financial products</li> <li>1. Number of FIs reporting improved - performance and reporting standards (e.g. audited accounts, governance, productivity, operations, loan terms, valuations)</li> <li>2. Number of new financial products launched</li> <li>3. Number of active women borrowers</li> </ol>	
Baseline	Year 0	2018	<ol style="list-style-type: none"> <li>1. 0</li> <li>2. 0</li> <li>3. 0</li> <li>4. 0</li> </ol>
Target	Year 5	2023	<ol style="list-style-type: none"> <li>1. 10 / 20</li> <li>2. 3 entities</li> <li>3. 3 new financial products</li> <li>4. 5 active women borrowers</li> </ol>
Output 1.a (SICRP)		Attracting and enabling private investment and improving Somalia trade facilitation.	
Output indicator		<ol style="list-style-type: none"> <li>1. Doing Business - Support to data collection (FY 17 - 19) and development of reform memo (FY 19 - 22).</li> <li>2. Sub-national Doing Business - Support to data collection and development of reform memo (FY 19 - 22).</li> <li>3. Action plan for operationalisation of Investment Promotion Agency.</li> <li>4. Action plan for improving laws/regulations/procedures related to trade.</li> </ol>	
Baseline	Year	2018	<ol style="list-style-type: none"> <li>1. 2</li> <li>2. 1</li> <li>3. 0</li> <li>4. 0</li> </ol>
Target	Year 1	2019	<ol style="list-style-type: none"> <li>1. 1 data collection and 1 reform memo</li> <li>2. 0</li> <li>3. 1</li> <li>4. 1</li> </ol>
Target	Year 2	2020	<ol style="list-style-type: none"> <li>1. 0</li> <li>2. 1</li> <li>3. 0</li> <li>4. 0</li> </ol>
Target	Year 3	2021	<ol style="list-style-type: none"> <li>1. 0</li> <li>2. 0</li> <li>3. 0</li> <li>4. 0</li> </ol>
Target	Year 4	2022	<ol style="list-style-type: none"> <li>1. 1</li> <li>2. 0</li> <li>3. 0</li> <li>4. 0</li> </ol>
Target	Year 5	2023	<ol style="list-style-type: none"> <li>1. 0</li> <li>2. 0</li> </ol>

			3. 0 4. 0
Output 2.a (FIDEP)		Improved quality of reporting and standards for FIs <i>and</i> better governance and compliance to improve structures and prudential norms	
Output indicators		<ol style="list-style-type: none"> <li>1. Cumulative number of FIs receiving advisory services: technical needs assessment/mapping of individual FI's portfolio</li> <li>2. Cumulative number of operational risks assessment conducted</li> <li>3. In-depth advisory services (customised training; benchmarking FIs operational processes with governance and compliance indicators)</li> <li>4. Number of procedures/policies/practices proposed for improvement or elimination</li> </ol>	
Baseline	Year 0	2018	1. 0 2. 0 3. 0 4. 0
Target	Year 1	2019	1. 1 2. 1 3. 0 4. 1
Target	Year 2	2020	1. 2 2. 2 3. 1 4. 2
Target	Year 3	2021	1. 3 2. 3 3. 2 4. 2
Target	Year 4	2022	1. 4 2. 3 3. 3 4. 2
Target	Year 5	2023	1. 5 2. 3 3. 4 4. 2
Output 2.b (FIDEP)		Stakeholders have technical skills and know-how, and are better equipped to improve the level of financial inclusion and intermediation	
Output indicator		<ol style="list-style-type: none"> <li>1. Cumulative number of participants in technical training/workshop/seminars.</li> <li>2. Cumulative know-how / hands on knowledge transfers.</li> <li>3. Annual number of training/workshops/seminars organised on inclusion and intermediation.</li> <li>4. Peer to peer learning for stakeholders to share knowledge on best practices.</li> </ol>	
Baseline	2018	2018	1. 0 2. 0 3. 0 4. 0

Target	2019	2019	1. 25 2. 1 3. 1 4. 1
Target	2020	2020	1. 50 2. 2 3. 1 4. 1
Target	2021	2021	1. 100 2. 3 3. 1 4. 0
Target	2022	2022	1. 150 2. 3 3. 1 4. 0
Target	2023	2023	1. 200 2. 3 3. 0 (cumulative target: 4) 4. 0 (cumulative target: 2)
<b>Engagement 5</b>			
<b>Engagement 5</b>		<b>Inclusive investments for SME development, mediated by IFU and Shuraako</b> <b>SDG 5, 8</b>	
Outcome		Investments create jobs and stimulate sustainable and inclusive economic growth	
Outcome indicator		<ol style="list-style-type: none"> <li>1. Number of full time jobs created in the portfolio companies (disaggregated by gender)</li> <li>2. Average increase in revenue among portfolio companies</li> <li>3. Pct. of loans non-performing<sup>22</sup></li> </ol>	
Baseline	Year	2018	1. 0 2. 0 3. 0
Target	Year	2023	1. 650 full time jobs created (TBD 25Pct. female) 2. >= 10Pct. 3. <= 10Pct.
<b>Output 1</b>			
<b>Output 1</b>		<b>Improved Fund participation</b>	
Output indicator		<ol style="list-style-type: none"> <li>1. Capital committed</li> <li>2. Capital invested</li> <li>3. Number of portfolio companies with 10Pct. owned by women</li> </ol>	
Baseline	Year 0	2018	1. USD 8,000,000 committed 2. 0 3. 0
Target	Year 1	2019	1. TBD 2. USD 2,500,000 invested

<sup>22</sup>Outstanding principal balance on loans overdue / total invested capital

			3. 10 portfolio companies
Target	Year 2	2020	1. TBD 2. USD 5,000,000 invested 3. 20 portfolio companies
Target	Year 3	2021	1. TBD 2. USD 7,500,000 invested 3. 30 portfolio companies
Target	Year 4	2022	1. USD 12,500,000 committed 2. USD 10,000,000 invested 3. 40 portfolio companies
Target	Year 5	2023	1. USD 12,500,000 committed 2. USD 12,500,000 invested 3. 50 portfolio companies
Output 2		The Fund's prospective portfolio companies are qualified and ready for financing as a result of training	
Output indicators		1. Number of pipeline companies / portfolio companies 2. Number of pipeline companies that attended kick-off workshops and class-room style training 3. Number of pipeline companies have received tailored support (one-on-one) focused on top 2-3 key areas for improvement	
Baseline	Year 0	2018	1. 0 pipeline companies / 0 portfolio companies 2. 0 companies 3. 0 companies
Target	Year 1	2019	1. 20 pipeline companies / 10 portfolio companies 2. 15 companies 3. 15 companies
Target	Year 2	2020	1. 40 pipeline companies / 20 portfolio companies 2. 30 companies 3. 30 companies
Target	Year 3	2021	1. 60 pipeline companies / 30 portfolio companies 2. 45 companies 3. 45 companies
Target	Year 4	2022	1. 80 pipeline companies / 40 portfolio companies 2. 60 companies 3. 60 companies
Target	Year 5	2023	1. 100 pipeline companies / 50 portfolio companies 2. 75 companies 3. 75 companies
Output 3		Provision of specialised technical assistance to Nordic Fund portfolio companies enables companies to execute their business plans and run sustainable and profitable businesses	
Output indicators		1. Number of portfolio companies received on-site mentorship and technical support 2. Number of one-on-one technical consulting hours provided to portfolio companies 3. Amount of grant financing allocated towards technical needs	
Baseline	2018	2018	1. 0 2. 0

			3. 0
Target	2019	2019	1. 10 portfolio companies 2. 200 hours 3. USD 60,000
Target	2020	2020	1. 20 portfolio companies 2. 400 hours 3. USD 120,000
Target	2021	2021	1. 30 portfolio companies 2. 600 hours 3. USD 180,000
Target	2022	2022	1. 40 portfolio companies 2. 800 hours 3. USD 240,000
Target	2023	2023	1. 50 portfolio companies 2. 1,000 hours 3. USD 300,000
<b>Engagement 6a</b>		<b>Strengthening competitive, inclusive and resilient value chains and related services through EU SDG 1, 5, 8</b>	
Outcome		Revitalised and expanded Somali economy with a focus on livelihood enhancement, job creation and broad-based inclusive growth, through strengthening a) human skills, labour markets and entrepreneurship; and b) competitive, inclusive and resilient value chains.	
Outcome indicator		<ol style="list-style-type: none"> <li>1. Number of formal and informal jobs created, and jobs placements facilitated.</li> <li>2. Number of micro and small enterprises supported.</li> <li>3. Proportion of people below poverty line with a poverty line of \$1.58 per capita (PPP)</li> <li>4. Share of private sector investment in GDP (Pct.).</li> <li>5. No of Public-Private partnership projects implemented and their total value in USD.</li> <li>6. Number of vulnerable people benefitting from graduation pathways support.</li> <li>7. Number of plans developed with active involvement of women or marginalised groups and taking care of their needs.</li> </ol>	
Baseline	Year	2018	1. 0
		2018	2. 0
		2016	3. 69Pct.
		2016	4. 8Pct.
		2018	5. 0
		2018	6. 0
		2018	7. 0
Target	Year	2022	TBD during inception phase in 2018
Output		The incomes and livelihoods of people in the targeted geographic areas are increased, including through new jobs and inclusive economic opportunities, and infrastructure rehabilitation	

Output indicator		<ol style="list-style-type: none"> <li>1. Number of people assisted to develop economic income-generating activities.</li> <li>2. Number of people benefiting from professional trainings (TVET) and / or skills development.</li> <li>3. Number of producers with sustainable access to inputs and natural resources (water, land, marine resources, etc.).</li> <li>4. Hectares of land benefitting from improved agricultural management.</li> <li>5. Number of people receiving services along selected value chains.</li> <li>6. Number of regulations and laws approved related to the productive sectors.</li> <li>7. Amount of private investments generated/mobilised.</li> </ol>	
Baseline	Year 0	2018	TBD during inception phase in 2018
Target	Year 1	2019	TBD during inception phase in 2018
Target	Year 2	2020	TBD during inception phase in 2018
Target	Year 3	2021	TBD during inception phase in 2018
Target	Year 4	2022	TBD during inception phase in 2018
Target	Year 5	2023	Programme ends in 2022
<b>Thematic Programme 3</b>			
<b>Thematic Programme 3</b>		<b>Develop protection and safety nets for enhanced resilience, enabling durable solutions and reducing forced displacement <a href="#">SDG 1, 2, 5, 8, 16</a></b>	
Thematic Programme Objective		Improved livelihoods, protection and human rights for women, children, IDPs, returnees, and host communities through support to durable solutions, establishing social protection systems and safety nets	
Impact Indicators		<ol style="list-style-type: none"> <li>1. % of women in Somalia having undergone FGM</li> <li>2. % of women in Somalia who believe FGM should be discontinued</li> <li>3. Welfare score (IIAG)</li> <li>4. % of population living on &lt; US\$ 1.9 per day (WB)</li> </ol>	
Baseline	Year	2013 2006 2016 2017	<ol style="list-style-type: none"> <li>1. 98%<sup>23</sup></li> <li>2. 33% (rural 26%, urban 43%)<sup>24</sup></li> <li>3. 2.9 of 100</li> <li>4. 51.6%<sup>25</sup></li> </ol>
Target	Year	2023	Improvements on all indicators.
<b>Engagement 6b</b>		<b>Safety Nets (EU), <a href="#">SDG 1, 2, 5</a></b>	
Outcome		A safety net system that is harmonised, predictable and with government ownership, capable of covering the chronically most vulnerable but at the same time also being be shock responsive - in case of imminent shock – able	

<sup>23</sup> United Nations Children's Fund, *Female Genital Mutilation/Cutting: A statistical overview and exploration of the dynamics of change*, UNICEF, New York, 2013 and UNFPA Female Genital Mutilation Dashboard <https://www.unfpa.org/data/fgm/SO/> / [Multiple Indicator Cluster Survey 2006](#)

<sup>24</sup> UNFPA Female Genital Mutilation Dashboard <https://www.unfpa.org/data/fgm/SO/> / [Multiple Indicator Cluster Survey 2006](#)

<sup>25</sup> WB 2017 MPF report

		to scale horizontally and vertically to take on additional transitory caseloads established and implemented.	
Outcome indicator		Proof of concept of a safety net system that is harmonised, predictable and with government ownership, capable of covering the chronically most vulnerable but at the same time also being shock responsive - in cases of imminent shock –able to scale horizontally and vertically to take on additional transitory caseloads.	
Baseline	2018	2018	Safety Net system at design phase
Target	2019	2019	Main Safety Net donors and governments agree on principles for Safety Net programme
Target	2022	2022	Safety Net system tested and found feasible
Output		Vulnerable households and groups are enrolled into a social safety net system	
Output indicators		<ol style="list-style-type: none"> <li>1. National social safety net system designed</li> <li>2. Number of people benefiting from the safety net scheme thanks to EU support</li> </ol>	
Baseline	Year 0	2018	<ol style="list-style-type: none"> <li>1. Not existing</li> <li>2. 0</li> </ol>
Target	Year 1	2019	TBD
Target	Year 2	2020	TBD
Target	Year 3	2021	TBD
Target	Year 4	2022	TBD
<b>Engagement 7</b>		<b>Protection for women, girls and boys in Somalia (UNICEF)</b> <b>SDG 5, 16</b>	
Outcome 1		Harmful social norms are reduced at intervention sites.	
Outcome indicator		Percentage change in harmful social norms across 4 data points: <ol style="list-style-type: none"> <li>1. belief that husband has the right to use violence against his wife,</li> <li>2. social norms to not report GBV to protect family honour,</li> <li>3. social norm that places blame for abuse upon survivors of sexual violence and</li> <li>4. acceptance of FGM</li> </ol>	
Baseline	Year	2018	To Be Determined (baseline at community level being collected in Q2/3 2018).
Target	Year	2023	30 pct. change in social norms across all four data points;
Outcome 2		Effective reintegration services are provided to children and their communities where rates of child recruitment into armed forces and armed groups are high.	
Outcome indicator		Percentage of UNICEF-targeted girls and boys recruited and used by armed forces and groups that have been released and reintegrated with their families/communities and provided with adequate care and services	
Baseline	Year	2018	60 pct.
Target	Year	2022	75 pct. of UNICEF-targeted girls and boys recruited and used by armed forces and groups that have been released and reintegrated with their families/communities and provided with adequate care and services.



Output 1.a		Partners implement evidence based prevention programmes that undermine harmful social norms and improve the protective environment for women and girls.	
Output indicator		Number of women, men, boys and girls who participate in UNICEF supported prevention programmes.	
Baseline	Year	2017	61,591 community members participated in prevention programmes in 2017
Target	Year 1	2019	80,000 community members participate annually
Target	Year 2	2020	96,000 community members participate annually
Target	Year 3	2021	120,000 community members participate annually
Target	Year 4	2022	144,000 community members participate annually
Target	Year 5	2023	160,000 community members participate annually
Output 1.b		Increased access to quality services for survivors of GBV.	
Output indicator		Number of GBV survivors (women, girls, boys and men) who access multi-sectoral services (clinical, legal, case management, psychosocial, safety).	
Baseline	2017	2017	2357 GBV survivors (833 girls, 76 boys, 1,348 women and 100 men)
Target	2019	2019	2500 GBV survivors
Target	2020	2020	2700 GBV survivors
Target	2021	2021	2900 GBV survivors
Target	2022	2022	3100 GBV survivors
Target	2023	2023	3300 GBV survivors
Output 1.c		Increased capacity of social welfare workforce	
Output indicator		Number of social workers graduating from qualified social work certificate, diploma or degree courses	
Baseline	2017	2017	20 social workers graduate per year (degree).
Target	2019	2019	60 social workers graduate per year (degree).
Target	2020	2020	160 social workers graduate per year (40 degree, 120 certificates).
Target	2021	2021	340 social workers graduate per year (40 degree, 240 certificates, 60 diplomas).
Target	2022	2022	400 social workers graduate per year (40 degree, 240 certificates, 120 diplomas).

Target	2023	2023	480 social workers graduate per year (120 degree, 240 certificates, 120 diplomas).
Output 2.a		Former CAFAAG are provided appropriate services and effectively reintegrated into the community	
Output indicator		Number of children provided appropriate services (clinical, psychosocial, safety, counselling, vocational or educational) and effectively reintegrated into the community	
Baseline	2017	2017	1,234 children (993 boys, 241 girls) reintegrated into community-based care.
Target	2019	2019	1000 children reintegrated into community based care.
Target	2020	2020	1000 children reintegrated into community based care.
Target	2021	2021	1000 children reintegrated into community based care.
Target	2022	2022	500 children reintegrated into community based care. <sup>26</sup>
Target	2023	2023	500 children reintegrated into community based care. <sup>27</sup>
Output 2.b		Innovative psychosocial support programmes provided to former CAFAAG.	
Output indicator		Percentage of children who have been provided reintegration services that have improved sense of well-being at completion of the programme.	
Baseline	2017	2017	Baseline unavailable.
Target	2019	2019	50Pct. of children who have been provided reintegration services that have improved sense of well-being at completion of the programme.
Target	2020	2020	60Pct. of children who have been provided reintegration services that have improved sense of well-being at completion of the programme.
Target	2021	2021	70Pct. of children who have been provided reintegration services that have improved sense of well-being at completion of the programme.
Target	2022	2022	75Pct. of children who have been provided reintegration services that have improved sense of well-being at completion of the programme.

<sup>26</sup> “This target only refers to the number of children that will be attributed to funds provided through this programme, we are building unit costs into our programmes, but the CAFAAG reintegration programme is undergoing some review and enhancements – to improve mental health outcomes. As a guide we have settled on a unit cost of approximately \$450 per child (programme is \$437,000 for reintegration – excluding operational costs) – hence approximately 1000 children in first 3 years, then target reduced to 500 in last two years, when funds are reduced to \$221,000 per donor. We will be monitoring and improving science on average unit costs for our CAFAAG reintegration programme going forward”

<sup>27</sup> As above

Target	2023	2023	80Pct. of children who have been provided reintegration services that have improved sense of well-being at completion of the programme.
<b>Engagement 8</b>		<b>Durable Solutions (DRC), SDG 1, 5, 8, 16</b>	
Outcome 1		Returnees and IDPs are better protected from violence and conflict	
Outcome indicators		<ol style="list-style-type: none"> <li>1. Number of returnees/IDPs reporting improved active protection from law enforcement and the justice system and their own community members.</li> <li>2. Number of reported incidents of discriminatory restriction of movement among returnee and IDP populations compared to the host population.</li> <li>3. Percentage reduction against baseline in SGBV incidents reported among returnee and IDP populations (compared to local rates of reporting), disaggregated by location.</li> </ol>	
Baseline	Year 1	2018	TBD during inception phase.
Target	Year 3	2020	TBD based on baseline findings.
Outcome 2		More returnees, IDPs and host communities are self-reliant, employed, and/or accessing loans and savings.	
Outcome indicators		<ol style="list-style-type: none"> <li>1. Number of IDPs/returnees (disaggregated by age and sex) who have taken up employment opportunities or financial services.</li> <li>2. Percentage of targeted returnees, IDPs and host communities with non-remittance income of USD15 per household member per month</li> <li>3. Percentage of targeted returnees, IDPs and host communities with functional business or other non-business related income-generating enterprises.</li> </ol>	
Baseline	Year 1	2018	TBD during inception phase baseline survey
Target	Year 3	2020	TBD based on baseline findings
Outcome 3		Strengthened demand for and supply of government services, including social protection mechanisms	
Outcome indicators		<ol style="list-style-type: none"> <li>1. Number of community groups taking part in effective lobbying for improved services and access to services.</li> <li>2. Pct. of IDPs and refugee returnees aware of and taking up (local) government basic services and social protection mechanisms.</li> <li>3. Number of instances of measurably increased government capacity in service delivery (against baseline).</li> <li>4. Proportion of returnees and IDPs on social protection/safety net lists (once systems are in place).</li> </ol>	
Baseline	Year 1	2018	TBD during inception phase.
Target	Year 3	2020	TBD based on baseline findings.

Output 1.a		Police, courts, leadership and communities can better protect the most vulnerable, including women and children, from conflict and violence.	
Output indicators		<ol style="list-style-type: none"> <li>1. Number of police, judges, elders and community members who have been through training and can describe the change in their own (professional) capacity and approach to violence and conflict.</li> <li>2. Number of trained judiciary officials who were involved in resolving a dispute regarding returnee rights.</li> <li>3. Number of women, minority members and returnees/IDPs included in the community leadership structures (Guurtis)</li> </ol>	
Baseline	Year 1	2018	<ol style="list-style-type: none"> <li>1. TBD during inception phase baseline survey</li> <li>2. TBD</li> <li>3. TBD</li> </ol>
Target	Year 1	2018	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> <li>3. TBD</li> </ol>
Target	Year 2	2019	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> <li>3. TBD</li> </ol>
Target	Year 3	2020	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> <li>3. TBD</li> </ol>
Output 1.b		IDPs and returnees experiencing challenges in gaining documentation and security of land tenure are referred to trained authorities for resolution.	
Output indicators		<ol style="list-style-type: none"> <li>1. Number of resolved referred land or housing dispute cases in which IDPs and returnees have been referred to trained authorities</li> <li>2. Number of people provided with legal assistance</li> </ol>	
Baseline	Year 1	2018	<ol style="list-style-type: none"> <li>1. TBD during inception phase baseline survey</li> <li>2. TBD</li> </ol>
Target	Year 1	2018	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 2	2019	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 3	2020	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Output 2.a		Interventions to support livelihoods are informed by relevant and up to date data on trade, markets and private sector.	
Output indicators		<ol style="list-style-type: none"> <li>1. Completed market assessment in targeted returnee areas.</li> <li>2. Completed value chain mapping in targeted returnee areas.</li> <li>3. Completed consumer surveys in targeted returnee areas.</li> <li>4. Opportunities for SME mapped in targeted returnee areas.</li> </ol>	
Baseline	Year 1	2018	<ol style="list-style-type: none"> <li>1. Market assessment completed</li> <li>2. 0</li> <li>3. 0</li> <li>4.</li> </ol>
Target	Year 1	2018	<ol style="list-style-type: none"> <li>1. Market assessment completed</li> <li>2. Value chain mapping completed</li> <li>3. Consumer surveys completed</li> <li>4. Opportunities for SME mapped</li> </ol>

Target	Year 2	2019	<ol style="list-style-type: none"> <li>1. Market assessment completed (in 2018)</li> <li>2. Value chain mapping completed (in 2018)</li> <li>3. Consumer surveys completed (in 2018)</li> <li>4. Opportunities for SME mapped (in 2018)</li> </ol>
Target	Year 3	2020	<ol style="list-style-type: none"> <li>1. Market assessment completed (in 2018)</li> <li>2. Value chain mapping completed (in 2018)</li> <li>3. Consumer surveys completed (in 2018)</li> <li>1. Opportunities for SME mapped (in 2018)</li> </ol>
Output 2.b		Returnees and IDPs (esp. women and young people) have access to skills training, apprenticeships, savings and loans and opportunities for employment	
Output indicators		<ol style="list-style-type: none"> <li>1. Number of young people and other individuals provided with vocation skills training.</li> <li>2. Number of individuals placed in jobs.</li> <li>3. Number of VSLAs set up and number of individuals in VSLAs.</li> <li>4. Number of women farmers supported.</li> </ol>	
Baseline	Year 1	2018	<ol style="list-style-type: none"> <li>1. TBD during inception phase baseline survey</li> <li>2. TBD</li> <li>3. TBD</li> <li>4. TBD</li> </ol>
Target	Year 1	2018	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> <li>3. TBD</li> <li>4. TBD</li> </ol>
Target	Year 2	2019	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> <li>3. TBD</li> <li>4. TBD</li> </ol>
Target	Year 3	2020	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> <li>3. TBD</li> <li>4. TBD</li> </ol>
Output 3.a		Government accountability and capacity for service delivery is measurably strengthened.	
Output indicator		<ol style="list-style-type: none"> <li>1. Number of IDPs/returnees who are making use of government and other services</li> <li>2. Number of dialogues facilitated with local government</li> </ol>	
Baseline	Year 1	2018	<ol style="list-style-type: none"> <li>1. TBD during inception phase baseline survey</li> <li>2. TBD</li> </ol>
Target	Year 1	2018	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 2	2019	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 3	2020	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Output 3.b		The relevant ministries/structures of Somali national government are working to ensure positive national policy and practice towards returnees and IDPs	

		(including in the National Development Plan), in conformity with the IGAD National Plan of Action and the CRRF	
Output indicator		<ol style="list-style-type: none"> <li>1. Number of actions/steps taken by FGS and FMS towards implementation of a policy for durable solutions for IDPs or returnees.</li> <li>2. Number of policy dialogue workshops/meetings in which evidence and recommendations from REDSS and DRC research is deployed to influence policy towards a conducive environment for return and sustainable reintegration</li> </ol>	
Baseline	Year 1	2018	<ol style="list-style-type: none"> <li>1. National Forum on Durable Solutions for IDPs and Returnees convened; and draft National Policy on Refugee Returnees and IDP exists.</li> <li>2. DRC relationship with national government positive but no specific engagement on CRRF or IGAD so far</li> </ol>
Target	Year 1	2018	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 2	2019	<ol style="list-style-type: none"> <li>1. TBD</li> <li>2. TBD</li> </ol>
Target	Year 3	2020	<ol style="list-style-type: none"> <li>1. Minimum of three actions/steps taken by the FGS and FMS? towards implementation of a policy for durable solutions for IDPs or returnees</li> <li>2. Robust and conducive legal/policy framework for returnees/ IDPs</li> </ol>
<b>Engagement 6b</b>			
<b>Engagement 6b</b>		<b>Safety Nets (EU), SDG 1, 2, 5</b>	
Outcome	A safety net system that is harmonised, predictable and with government ownership, capable of covering the chronically most vulnerable but at the same time also being be shock responsive - in case of imminent shock – able to scale horisontally and vertically to take on additional transitory caseloads established and implemented.		
Outcome indicator	Proof of concept of a safety net system that is harmonised, predictable and with government ownership, capable of covering the chronically most vulnerable but at the same time also being shock responsive - in cases of imminent shock –able to scale horisontally and vertically to take on additional transitory caseloads.		
Baseline	2018	2018	Safety Net system at design phase
Target	2019	2019	Main Safety Net donors and governments agree on principles for Safety Net programme
Target	2022	2022	Safety Net system tested and found feasible
Output	Vulnerable households and groups are enrolled into a social safety net system		
Output indicators	<ol style="list-style-type: none"> <li>3. National social safety net system designed</li> <li>4. Number of people benefiting from the safety net scheme thanks to EU support</li> </ol>		
Baseline	Year 0	2018	<ol style="list-style-type: none"> <li>3. Not existing</li> <li>4. 0</li> </ol>
Target	Year 1	2019	TBD

Target	Year 2	2020	TBD
Target	Year 3	2021	TBD
Target	Year 4	2022	TBD

## Annex 4: Budget

<b>BUDGET - SOMALIA COUNTRY PROGRAMME 2019-2023</b>							
<b>Thematic programme 1: Strengthen resilient, responsive and inclusive governance and service delivery, and fundamental human rights</b>							
<b>No.</b>	<b>Engagement</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
<b>Engagement 1a</b>	Strengthening local governance (UNMP/TF/JPLG)	40	30	30	20	10	130
<b>Engagement 1b</b>	Human rights reforms and monitoring (UNMP/TF/JPHR)*	2	2	2	2	2	10
<b>Engagement 1c</b>	CSO human rights monitoring, awareness and advocacy (UNMP/TF/UNSOM)**	1	1	1	1	1	5
<b>Engagement 1d</b>	Constitutional review (UNMP/TF)	6	0	0	0	0	6
<b>Engagement 2</b>	Capacity development and service delivery in Somaliland through the SDF***	30	30	30	20	20	130
<b>Total TP 1:</b>		79	63	63	43	33	281
<b>TP2 : Develop core economic institutions and strengthen inclusive private sector driven growth and economic development to diversify livelihoods</b>							
<b>Engagement 3</b>	Economic institutions for growth and PFM (World Bank)****	50	40	30	10	10	140
<b>Engagement 4</b>	Investment climate & financial deepening (IFC)****	10	10	10	5	5	40
<b>Engagement 5</b>	The Nordic Fund Project (IFU)	22	4	3	3	3	35
<b>Engagement 6a</b>	Value chains (EU)	25	20	15	10	0	70
<b>Total TP 2:</b>		107	74	58	28	18	285
<b>TP 3: Develop protection and safety nets for enhanced resilience, enabling durable solutions and reducing forced displacement</b>							
<b>Engagement 1d</b>	FGM/children (UNICEF)	15	15	15	10	10	65
<b>Engagement 6b</b>	Safety Nets (EU)	15	15	0	0	0	30
<b>Engagement 7</b>	Durable Solutions (DRC) *****	85	15	0	0	0	100
<b>Total TP 3:</b>		115	45	15	10	10	195
<b>TP 4: Programme management</b>							
	Unallocated funds	3	3	70	43	10	129
	Advisors and DPO Hargeisa and Mogadishu	15	15	15	15	15	75
	External monitoring support, reviews, studies, communications, extraordinary audits	3	3	3	3	3	15
<b>Total TP4:</b>		18	18	18	18	18	219
<b>Total Somalia Country Programme</b>		<b>322</b>	<b>203</b>	<b>224</b>	<b>142</b>	<b>89</b>	<b>980</b>



- \* Programme documents end in 2020 but RDE is interested to support the follow-up phase (approval to be based on MTR recommendations and approval of new programme documents)
- \*\* Programme documents end in 2021 but RDE is interested to support the follow-up phase (approval to be based on MTR recommendations and approval of new programme documents)
- \*\*\* The current SDF business case ends in 2022. The RDE is interested to support SDF III depending on MTR recommendations and approval of new business case
- \*\*\*\* Country Partnership Framework and MPF ends in 2022. RDE interested to continue to support the MPF beyond 2022 but support will depend on the CPF and WB's access to financing
- \*\*\*\*\* Commitment of DKK 100 million made in 2017 of which DKK 85 will have been disbursed in 2017-2019

## Annex 5: Risk Management Matrix

Likelihood: Very unlikely, unlikely, likely, almost certain

Impact: Insignificant, minor, major, significant

### CONTEXTUAL RISKS:

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
The security situation deteriorates significantly hampering implementation of some of the engagements.	Likely	Significant	Focus on engagements that are still implementable and ensure that partners apply appropriate duty of care for beneficiaries and staff	Major	The security situation across Somalia, but in particular in the southern and central regions remains unstable with frequent clashes between al-Shabaab, AMISOM and national or local security forces. This trend is expected to continue in the programme period. However, the situation in Somaliland is considered relatively stable.
Insufficient focus on inclusion of marginalised groups that may provoke increased conflict dynamics at local and regional level.	Likely	Major	Ensure in dialogue with partners that marginalised groups receive specific attention and that results are monitored to ensure accountability of partners in this area.	Major	The present (and past) political economy of Somalia provides major access to resources, political power as well as militia force to the four major clans of Somalia. Consequently, there is limited attention to the issue at federal and FMS level in Somalia and thus none of the programme partners in Somalia has strong sentiments towards changing the status quo. Consequently, most projects have limited to no attention to marginalised groups.
Setbacks in the state formation process at federal, regional and local level	Likely	Minor	Continue emphasis on programmes, which enhances dialogue on state building and capacity development of member states.	Minor	
Reduction of AMISON troops	Unlikely/	Major	Focus on engagements that are still	Major	There are currently no plans to extend the AMISOM mandate nor funds for the same, however, the transition is

<b>Risk Factor</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk response</b>	<b>Residual risk</b>	<b>Background to assessment</b>
during the programme period will result in a deterioration of the overall security situation if not done in respect of SNA capacity	Likely		implementable and ensure that partners apply appropriate duty of care for beneficiaries and staff.		defined as conditional and there are continuous discussions among international partners and the with the FGS how to tackle the situation.
The relationship between Somalia-FGS and the Somaliland Government deteriorates.	Likely	Medium	Continue support to capacity development to federal level as well as Somaliland and use policy dialogue with like-minded development partners to improve situation	Medium	Somaliland's strive for recognition as an independent state remains and limits dialogue with the federal level on political or development cooperation
The conflict between Puntland and Somaliland in border areas continuous or increases	Likely	Medium	Ensure partners apply needed duty of care in relation to travel to the Sool and Sanaag region. Use policy dialogue with like-minded development partners to move towards a peaceful settlement.	Medium	Armed conflict has escalated several times in the last decade, with the last battle fought June 2018.
Recurrent serious drought and floods and humanitarian crisis throughout the programme period.	Almost Certain	Minor	The SCP is designed to enhance the level of resilience at all levels and will contribute to counter the effects of droughts and floods	Minor	Somalia has seen recurrent droughts and floods for decades and the impact of the same is still greater increasing the level of displacement and humanitarian needs

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Debt relief is not granted and the FGS economy deteriorates	Likely	Minor	Continue support to improve financial management, revenue generation and improved economic institutions at federal, regional and local level	Minor	
Push-back from traditional and religious authorities towards interventions aimed at influencing regulation, traditions and cultural norms related to FGM, GBV and women's rights more generally	Likely	Medium	Sensitive and dialogue based approach. Potential use of diplomatic dialogue with relevant authorities	Medium	There are several recent (successful) examples of religious and traditional authorities trying to influence and counter progressive initiatives related to FGM and GBV.  Yet, there is no evidence to suggest that al-Shabab engages in third degree FGM nor endorse GBV as a principle. There is also no religious substantiation of this claim. Imams in general seek to reduce the level of GBV through family counselling and encourage moving from third to first degree of FGM

#### PROGRAMMATIC RISKS:

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
<b>Thematic Programme 1: Strengthen responsive inclusive and resilient governance, service delivery and human rights</b>					
Constitutional Review process delayed	Likely	Medium	Continue support to the constitutional review process and engage in policy dialogue with like-minded development partners to advocate	Medium	The constitutional review process includes politically sensitive elements related to sharing of power and resources between FGS and FMS which is likely to prove difficult to settle

			FGS and FMS to move process forward		
District Councils are not established according to plan limiting options for JPLG	Likely	Major	Support district council formation through Somalia Stability Fund and push for their formation in the political dialogue	Medium	Representative district councils are a precondition for JPLG to engage with local administrations and this is not supported by JPLG itself (it's a political process). District council formation has generally been slow but is taking place with support from Finnish Church Aid and SSF among others
Limited progress on implementation of human rights reforms in Somalia and Somaliland	Likely	Major	Monitor situation closely and engage in joint policy dialogue together with like-minded development partners to motivate the governments to move process forward	Medium	The human rights situation has historically seen improvements and setback aligned with the level of armed conflict and political developments across Somalia. At FGS level, there is currently new willingness to reform, but also rights violations committed by security forces. In Somaliland, there is currently a crackdown on the freedom of speech. And in all of Somalia there is a continued discrimination of marginalised groups
Space for civil society and political parties to operate in Somalia and Somaliland is shrinking limiting ability to perform demand-side activities	Likely	Major	Monitor situation closely and engage in joint policy dialogue together with like-minded development partners to motivate the governments to move process forward	Medium	Civil society, which oppose lead government positions in Somaliland or advocate for a joint Somalia have faced clamp down on activities. At other FMS as well as FGS level civil society organisations have also faced different levels of intimidations
The Government of Somaliland does not have the capacity to take over additional functions from the Somaliland Development Fund	Likely	Medium	The Embassy will use its position as a key development partner to the SDF to emphasise the capacity development aspects of the SDF support to the	Medium	The next levels of transfer of authority to the Government from the implementing partner are more sensitive and require additional financial capacity with the Government as well as risk willingness among the development partners

(SDF) limiting longer-term sustainability			Government of Somaliland		
<b>Thematic Programme 2: Develop core economic institutions and strengthen inclusive private sector driven growth and economic development to diversify livelihoods</b>					
Initiatives aiming at reforming Somalia's economic and public financial regulations, develop government capacity to manage the economy and to direct and provide oversight in public investment delayed.	Likely	Major	In cooperation with the World Bank and the IFC ensuring continuous dialogue with relevant governmental partners to push the process forward. Provide adequate incentives for maintaining reform momentum (e.g. HIPC, more use of domestic systems).	Medium	The reforms planned are extensive and the capacity to absorb new regulations and capacity development efforts are limited. In addition, reform success will require significant political support across FGS and FMS
The macro-economic risks remain high due to limited ability of the government to react to external shocks on the nascent formal economy undermining private sector growth	Likely	Major	The programme will support development of the resilience capacity of both public institutions of economic importance and diversify the private sector, while also improving climatic resilience of traditional driver of inclusive growth (e.g. agriculture).	Medium	The Somalia economy is heavily dependent on external support and susceptible to misuse or mismanagement. However, the state provides very limited service delivery and the programme will thus still be able to deliver against most engagements
Absorptive capacity reduced of the institutions supported under envisaged	Unlikely	Major	The SCP have engaged with partners that have previously managed to scale successfully, but	Medium	Some institutions (e.g. Shuraako) will see the portfolio multiple within a few years, which has not been tested before in this context

increased financial inflow			close monitoring will also be needed and possible redirection of resources		
Enterprise level investments may entrench monopolies reducing competition and raising prices	Unlikely	Major	Pre-investment screening and due diligence will form part of the risk mitigation, macro-economic reforms aim at creating an enabling environment and level playing field.	Major	There are already monopolies in several sectors from telecom to electricity service providers. While reforms are being promoted there are powerful sub-clans with limited interests in such change
Related, with substantial overlap between the economic and political elites there is a risk of increased capture by these, reducing inclusiveness	Unlikely	Major	There will be strong programme incentives to have reduce this risk in e.g. public private dialogues, PFM and expenditure management.	Medium	There is already considerable concentration of economic and political power, but with more diverse and widespread economic growth (as promoted by the SCP) there should be several entry points for dissipating economic and political power more widely.
The economy becomes further vulnerable to declines from external sources of funds	Unlikely	Major	Remittances and donors have proven resilient, but the SCP will also aim at generating internal sources of finance through leveraging the domestic private sector and diversify the export base (both in terms of destination and product portfolio	Minor	Financing of the private sector is mainly external (e.g. foreign remittances, development partners' flows, and exports revenue)

**Thematic Programme 3: Develop protection and safety nets for enhanced resilience, enabling durable solutions and reducing forced displacement**

<p>The development partners, NGOs and FGS are not able to find a common framework for the Safety nets initiative and there is thus not a poverty floor mechanism in place</p>	<p>Unlikely</p>	<p>Major</p>	<p>Support the ongoing Safety Nets dialogue led by the EU and advocate other development partners to join. Consider allocating more funding to move process forward.</p> <p>As a second-best fall back option is to support the World Bank efforts in this space under the MPF in TP2</p>	<p>Medium</p>	<p>There are currently an extensive number of cash grant systems and related humanitarian initiatives. Furthermore, there are several initiatives promoting a Safety Net approach (EU, World Bank and US). There is thus a risk that these initiatives will not be aligned.</p>
<p>Possibility that safety nets and support in the area of resilience may be politicised with regard to distribution of assistance.</p>	<p>Unlikely</p>	<p>Major</p>	<p>Regular dialogue with partners on measures to counteract such possibilities.</p>	<p>Minor</p>	<p>As the clan and sub-clan structures is pre-dominant in Somalia, there are attempts to favour some sub-clans and clans over others and particularly exclude minority groups and hence this is an issue that needs constant supervision and counteraction.</p>
<p>Support to durable solutions provide animosities between IDPs and host communities risking enhanced levels of local conflict</p>	<p>Likely</p>	<p>Major</p>	<p>The durable solutions support is provided as area-based support targeting IDPs as well host communities limiting the opportunity for creating animosities</p>	<p>Minor</p>	<p>Humanitarian support in the past have created local level tension when only provided to certain groups in the otherwise collective culture of Somalia emphasising the need for supporting IDPs as well as host communities</p>
<p>Insufficient attention to women, youth, children and minority</p>	<p>Likely</p>	<p>Major</p>	<p>The Programme management will pro-actively pursue</p>	<p>Medium</p>	<p>The present (and past) political economy of Somalia provides major access to resources, political power as well as militia force to the four major clans of Somalia.</p>



groups by implementing partners limiting progress on gender equality and non-discrimination			continuous and direct dialogue with partners on these matters to ensure that women, youth, children and minority groups are included in the implementation of all engagements and raise such issues in the policy dialogue with FGS and FMS and in the Somalia Partnership Forums.		Consequently, there is limited attention to the issue at federal and FMS level in Somalia and thus none of the programme partners in Somalia has strong sentiments towards changing the status quo. As a consequence, most projects have limited to no attention to marginalised groups
<b>Monitoring and evaluation</b>					
Partner institutions may not be reporting on agreed indicators, inducing uncertainty on outcome achievements	Likely	Minor	Some partners (e.g. World Bank) have historically had challenges in furnish Denmark with timely and accurate information. Close dialogue and continuous robust monitoring will be needed to extract agreed information and will be connected to disbursements of funds.	Minor	Past experience from reporting from partners show a high degree of activity and output reporting and limited attention to outcomes

**INSTITUTIONAL RISKS:**

<b>Risk Factor</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk response</b>	<b>Residual risk</b>	<b>Background to assessment</b>
General high fiduciary and reputational risk level implying a risk for corruption cases within one or more of development engagements also as Somalia remains one of the most corrupt countries in the world	Likely	Major	Relying on joint arrangement and UN and World Bank trust funds to ensure strong financial management. Ensuring strong financial management systems in place together with implementing partners and continuous monitoring of the risks together with the CFO at the Embassy. The Embassy will furthermore rely on joint third party monitoring where feasible	Medium	Somalia is ranked as one of the most corrupt countries in the world. While most partners have long term experience from working in the region, fiduciary risks remain high
Continued challenges with regard to physical access to implementation sites for policy and programme dialogue and monitoring purposes.	Likely	Minor	Strong security set up for programme management related to field visits and partners' use of Third Party Monitoring will be instituted and followed up on a continuous basis by the RDE.	Minor	The security situation across Somalia, but in particular in the southern and central regions remains unstable with frequent clashes between al-Shabaab, AMISOM and national or local security forces. This trend is expected to continue in the programme period
Somaliland's call for autonomy and the FGS	Likely	Minor	Continue dialogue with both parties in	Minor	The political turmoil between Somaliland and FGS has continued for the last decades with differing levels of

stance on the issue poses a political risk as Denmark's engagement with both parties may occasionally block implementation/cooperation with the respective partner			partnership with link-minded donors. And pursue Somaliland arrangement to align with Somalia NDP		intensity. This is expected to continue during the course of the SCP
The use of large trust funds is contingent on other donors remaining engaged to ensure sustainability in the short to medium term	Unlikely	Minor	Continued commitment to the multilateral system in the political dialogue and financially	Minor	Most major donors remain engaged in the different trust funds as do mid-level donors such as Denmark. Even in cases where major donors where e.g. DFID redraws from the JPLG the remaining mid-level donors provide sufficient funding to enable the fund to be sustainable
Possibility that partners on the ground may be pressured to pay security money particularly at local level to carry out their engagements.	Likely	Significant	Partners are conscious of this risk and have put measures in place to counter act such situations.	Major	There is recent historical evidence that such practices have been enforced on particularly civil society organisations working in local communities. Hence this is a situation that the same organisations and Denmark's partner organisations are actively putting in measures to counter act.

## Annex 6: List of supplementary materials

### Publications

- DANIDA. (2016). Somalia Funding Mechanism (SFM) Programme Closure Report.
- DANIDA. (2017). Quarterly M&E Report Oct-Dec 2017: Third Party Monitoring and External M&E Support for Somalia Country Programme.
- DANIDA. (2013). The World 2030 Denmark's strategy for development cooperation and humanitarian action.
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- Danish Ministry of Foreign Affairs. (2013). Denmark's integrated stabilisation engagement in fragile and conflict-affected areas of the world.
- DRC. (2017). Promoting Durable Solutions through Integrated Return, Reintegration and Resilience Support to Somali Displacement-Affected Populations.
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- Fair Fishing. (2018). Income, livelihood and nutrition through a fishery-based economy in the Horn of Africa.
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- FGS. (2017). Roadmap of the Constitutional Review.
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- OECD DAC. (2016). Good Development Support in Fragile, at-Risk and Crisis Affected Contexts.
- Republic of Somaliland. (2017). The National Development Plan II, 2017-2021.
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- Shurakoo. (2018) Nordic Horn of Africa Opportunities Fund: Creating sustainable financing solutions to Somali SMEs.
- Shurakoo. (2018). The Nordic Fund Business Support Facility, Grant Proposal.
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- Terra Nuova. (2018). Livestock Investment and Vocational Education (LIVE) Programme in Somalia, Second Annual Narrative Report.
- Terra Nuova. (2018). Proposed Focus Areas for 2019-2022.
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- UNICEF. (2018). UNICEF in Somalia – Child Protection: Current Situation
- UNMPTF. (2017). Somalia 2017 Annual Report.
- UNMPTF. (2018). Quarterly Donor Briefing.
- UNSOM. (2018). Somalia Joint Programme on Human Rights.
- Women in Peacebuilding in Somalia & Beyond Principles – the Inclusion of Somali Women in Peacemaking (2018) in Portfolio of Expert Briefing Papers on Peace and Reconciliation in Somalia.
- World Bank. (2017). Somali Poverty Profile – June 2017

- World Bank. (2018). Country Economic Memorandum – Rebuilding Resilient and Sustainable Agriculture in Somalia
- World Bank. (2017). Restructuring paper on a proposed project. Restructuring of second Public Financial Management capacity strengthening project approved on July, 2015 to the Federal Government of Somalia
- World Bank Multi-Partner Fund. (2017). Progress Report, 1st July 2017 – 31st December 2017.
- World Bank. (2017). Country Overview.
- World Bank. (2017). Somalia Economic Update.
- World Bank. (2017). Somalia Poverty Profile – June 2017
- World Bank. (2018). Country Partnership Framework, 2019-2022.
- World Bank. (2018). Progress, Priorities and Next Steps. Spring Meetings Roundtable.
- World Bank. (2018). Somalia Drought Impact & Needs Assessment Volume I – Synthesis Report
- World Bank. (2018). Update on Somalia: Background Information to the Board for a Technical Briefing.

### General databases & websites

- Agenda for humanity <http://www.agendaforhumanity.org>
- DAC International Network on Conflict and Fragility (INCAF): <http://www.oecd.org/dac/governance-peace/conflictfragilityandresilience/>
- DCAF Security Sector Governance/Reform <http://www.dcaf.ch>
- EU. Crisis and fragility management: [http://ec.europa.eu/europeaid/policies/fragility-and-crisis-management\\_en](http://ec.europa.eu/europeaid/policies/fragility-and-crisis-management_en)
- Failed State Index [www.fundforpeace.org](http://www.fundforpeace.org)
- Freedom House <https://freedomhouse.org/report/freedom-world/2017/somalia>
- Global Initiative Against Transnational Organised Crime: <http://globalinitiative.net/>
- Global Peace Index (www.economicsandpeace.org)
- Global Witness: <https://www.globalwitness.org/en-gb/>
- <http://data.worldbank.org>
- <http://reliefweb.int/countries>
- Human Rights Watch
- International and regional human rights and HRBA principles and HRBA Guidance Note of 2013
- International Crisis Group country reports (www.crisisgroup.org)
- International humanitarian law, humanitarian principles and Good Humanitarian Donorship
- International Dialogue for Peace and State Building – New Deal: <https://www.pbsbdialogue.org/en/>
- Solution Alliance (humanitarian-development nexus) : <http://www.solutionsalliance.org/>
- The solution alliance (a network to tackle protracted displacement - <http://www.solutionsalliance.org/library>)
- Transparency International “Corruption Perception Index”.
- UK-Stabilisation Unit: <https://www.gov.uk/government/organisations/stabilisation-unit>
- UN Peace Building; UN Peace Building Commission: <http://www.un.org/en/peacebuilding/>
- UN Peace Building Fund <http://www.unpbf.org/>
- UNOCHA sitrep’s
- UNSCR 1325
- World Bank - Fragility, Conflict and Violence: <http://www.worldbank.org/en/topic/fragilityconflictviolence>
- World Bank national accounts data, and OECD National Accounts data files.

## Annex 7: Plan for communication of results

As stated in Denmark’s strategy for development cooperation and humanitarian action, *The World 2030*, it is an aim to increase the awareness, understanding and perceived value of Denmark’s development cooperation – and to communicate Denmark’s contribution to development results. A dedicated budget has been set aside for communication activities in the SCP. As part of the on-going management of the SCP, a detailed annual communication plan will be developed leveraging specific events or activities in that period.

The plan outlined below provides a realistic approach to what is feasible with a focus of reaching the target groups of 1) the Somali audience within Somalia and among the Diaspora; 2) the Danish public and 3) international development partners:

<b>What?</b> (the message)	<b>When?</b> (the timing)	<b>How?</b> (the mechanism)	<b>Audience(s)</b>	<b>Responsible</b>
The size, value added and needs responsiveness of the Danish Country Programme	On an on-going basis (monthly) particularly in relation to events or activities	Social media including Facebook and Twitter as well as events (openings, anniversaries, brown bags, lectures etc.) taking into account security and conflict sensitive considerations.  Launch event in Mogadishu, Hargeisa, Copenhagen and possible Nairobi	Key Somali decision-makers and stakeholders in country and in the Diaspora and international development partners	RDE Nairobi Somalia Team
The strategic importance of Denmark’s engagement in Somalia	Once a year	Op-Ed in newspaper or appearance in mass media (Deadline, Orientering, 360° etc.)	The Danish public and decision-makers	RDE, KOM and AFR
The strategic importance of Denmark’s engagement in Somalia	Once during the Country Programme	Ministerial-level visit and associated press coverage	The Danish public and decision-makers	RDE

The strategic importance of Denmark's engagement in Somalia and developments in Somalia more broadly	Once a year	Invitation to journalists	The Danish public and decision-makers	RDE, KOM and AFR
The size, value added and needs responsiveness of the Danish Country Programme – and The strategic importance of Denmark's engagement in Somalia	Ongoing	Events, campaigns etc. with implementing partners	Somali (and Danish) audience	Partners and RDE

Technical assistance might be needed to assist with strategic thinking, reaching the Somali target groups and production of materials (infographic, videos etc.). The technical assistance may also provide inputs and advise to SCP implementing partners. In addition to the plan above, each partner has been asked to reflect specifically on communication in their programme documentation and the RDE will use this in the communication work as well. Some partners are advanced in their communication work and will produce stories and blog inputs, which Denmark can refer to or use on social media (retweet). Other partners are still to develop their communication plan and Denmark will stress the need for improved communication in the dialogue with the partners.

## Annex 8: Process Action Plan for implementation

Time line	Activity/Product	Documentation	Responsible
November 2018 – March 2019	Programme documentation from partners to be finalised	Program Document incl. Development Engagement Documents and associated partner documentation	Nairobi
November – 2018 – January 2019	Recruitment of two new long term advisors	Job descriptions and recruitment process plan together with Mercuri Urval and MFA/KFU	Nairobi/KFU
Dec 2018 Decision re division of labour in the Somalia team regarding participation in steering committees etc	Discussion and decision in the team	Decision regarding labour division reflected in the job description of the Somalia team members.	
Dec.2018	SCP work-plan for 2019	SCP Work Plan 2019	Nairobi
Dec. 2018	RDE SCP Programme Committee schedule determined	RDE SCP Programme Committee schedule	Nairobi
January – March 2019	Dialogue with partners and DEDs and agreements to be signed	Partner agreements	Nairobi
January to March 2019	The first commitments (tilsagn) made.	Commitments formalised	Nairobi
January to April 2019	Dialogue with partners regarding indicators and result frameworks	Results frameworks produced	Nairobi and partners
January 2019	Contract M&E expert	M&E expert contracted	Nairobi
May – June 2019	Decision regarding possible technical reviews to be conducted in 2019	TOR for possible technical reviews	Nairobi



## Annex 9: Timeframe of the individual development engagements

		2019	2020	2021	2022	2023
1a	Strengthening Local Governance UNMPTF / JPLG					
1b	Human rights reform and monitoring (UNPPTF/JPHR)					
1c	CSO human rights monitoring, awareness and advocacy (UNMPTF/UNSOM)					
1d	Constitutional Review (UNMPTF/					
2	Capacity development and service delivery in Somaliland (SDF)					
3	Economic institutions for growth and PFM (WB)					
4	Investment climate & financial deepening (IFC)					
5	The Nordic Fund Project (IFU)					
6a	Value chains (EU)					
1e	FGM / Children (UNICEF)					
6b	Safety Nets (EU)					
7	Durable Solutions (DRC) <sup>28</sup>					

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<sup>28</sup> Support to programme started December 2017 and will run until December 2020 with the possibility of a no-cost extension pending findings of MTR

## **Annex 10: Signed table of appraisal recommendations and follow-up actions taken**

\*\*\*To be inserted by RDE\*\*\*

## Summary of recommendations of the appraisal of Somalia Country Programme 2019-23

The final appraisal report<sup>1</sup> must include this table summarising the recommendations regarding the further preparation of the Country programme. Only major recommendations of the appraisal report requiring action from the Danish Mission must be specified in the left column below, and the table must be signed by the appraisal team leader/KFU representative and received by the Danish Mission no later than 14 days after the end of the appraisal process. "N.a." is indicated in case there are no recommendations regarding the issue concerned.

The right column is filled in by the Danish Mission, when the final country programme document and development engagement documentation have been prepared, and the table must be forwarded to the Under-Secretary for Global Development and Cooperation and KFU as soon as possible, and no later than six weeks before the planned presentation of the Country programme to the External Grant Committee, i.e. two weeks before the request for inclusion of the country programme on the External Grant Committee's agenda is forwarded to KFU.

<b>Title of Programme:</b>	<b>Somalia Country Programme 2019-2023</b>
<b>File number/F2 reference</b>	<b>2018-25527</b>
<b>Appraisal report date</b>	<b>20.8 – 31.8. 2018</b>
<b>Grant Committee meeting date</b>	
<b>Summary of possible recommendations not followed (to be filled in by the Mission)</b>	

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<sup>1</sup> This table is only mandatory for programme support appropriations when KFU is involved in the appraisal, but may also be useful in smaller instances of programme support, when the appraisal is undertaken by external consultants.

**Overall conclusion of the Desk Appraisal**

Overall, the appraisal finds that the programme is highly relevant. It builds on more than 15 years of Danish Engagement in Somalia and follows relevant Danish policies and strategies as well as National Development Plans for Somalia and Somaliland. The decision to work mainly through multi-donor trust funds is justified, as it helps to mitigate and share risk, and is in line with the Somali aid architecture. However, it is also noted that many of the development engagements are not fully developed (results frameworks), risks and assumptions also need to be reconsidered. Furthermore, the appraisal team found a number of opportunities for strengthening the main document as well as the DEDs and more relevant detailed recommendations have been outlined in the appraisal report (annexes).

The overall assessment of the appraisal is that the project can proceed to approval stage, provided that the following recommendations of the appraisal are addressed.

<b>Recommendations by the Appraisal</b>	<b>Follow up by the Unit</b>
<p><b>Recommendation 1:</b> Where engagements cannot be finalized in time, the programme document and the associated DEDs shall outline the process including the timeframe for finalisation of the documentation.</p>	<p><b>Recommendation adopted.</b> The timelines are explicitly included in the individual DEDs, continuous dialogue was initiated with the partners as the different engagements were identified and all engagements will be finalised within the first three months of initiation of the programme.</p> <p>For those engagements where the programme-documentation is not yet fully finalised, only minor issues are remaining. Most engagements represent continuation of cooperation agreements from the ongoing country programme. And the reason to why they are not yet formalised is because their programme cycle do not coincide with the cycle of the Danish Country Programme.</p>
<p><b>Recommendation 2:</b> Increase the focus on and explain scalability of all proposed development engagements in terms of duration, budget and activities.</p>	<p><b>Recommendation adopted.</b> Scalability at activity level, such as for instance with regard to safety nets, and not only budget and timeframes as suggested in the appraisal report are being incorporated in the individual engagement documentation where relevant.</p>
<p><b>Recommendation 3:</b> Include further explanation on the inclusion of gender and youth in all thematic programmes, DEDs and results framework.</p>	<p><b>Recommendation adopted</b></p> <p>The embassy has worked extensively to strengthen the focus on gender and youth in indicators and text both in the overall programme document and the individual engagement documents. However, as we want the engagement documents to be fully based on the project/programme documentation from our partners these are issues that we continuously raise in our dialogue with them as some of their project/programme documentation still need to better highlight, articulate and operationalise these perspectives and issues.</p>

<p><b>Recommendation 4:</b> As resilience is a cross-cutting theme it would be useful to explain under each TPs/and in DEDs how resilience is integrated.</p>	<p><b>Recommendation adopted:</b> The text of the programme documentation has been adjusted to better reflect the resilience and hum-dev considerations. However, the team has struggled with these concepts and approaches and the RDE therefore suggests that more guidance on these matters from MFA be developed and shared with relevant embassies as this pinpointed as the core concepts of the current Danish development policy and humanitarian action – the world 2030.</p>
<p><b>Recommendation 5:</b> The justification of the programme should be strengthened.</p>	<p><b>Recommendation adopted:</b> The justification has been reformulated to more clearly describe particularly the relationship between the SCP and the vision of the Country Policy paper and how the programme uses resilience as an approach to the development engagements of the three thematic programmes.</p>
<p><b>Recommendation 6:</b> The Thematic Programme (TP) impact indicators should be reviewed and the use of SDG, National Development Plan/National Development Plan II indicators considered while at the same time ensuring that individual engagement indicators are not lifted to TP impact level indicators. There should be an explicit link to the chapter concerning technical reviews/mid-term review dealt with below.</p>	<p><b>Recommendation partly adopted:</b>  Programme document reformulated and engagement indicators (only relevant for TP3) have been removed from TP impact level.</p> <p>During the formulation process we explored NDP/NDP2 indicators, but these had no baseline values or targets and we feared that the two governments and the UN would not provide sufficient reporting against these indicators making them not operational for the SCP to monitor and report against.</p> <p>SDG indicators are still under development and many will be adjusted at country level. UNSTATS are still far from collecting, processing and publishing data against these indicators. Hence, using SDG indicators at this point in time, we risk not being able to monitor and report on these for a number of years - if ever.</p> <p>Mo Ibrahim (IIAG) uses many of the same data sources as UNSTATS and have a stable system from which it is reported on an annual basis.</p> <p>We therefore suggest that we keep the IIAG indicators but note we have noted in the programme document that that we will follow the development of the SDG indicators and reporting on these and if possible we will incorporate the relevant SDG indicators during the programme implementation period if possible.</p>

<p><b>Recommendation 7:</b> The PD should include a paragraph clearly stating that the engagement results framework will be developed and refined in the beginning of the SCP and that the thematic programme indicators as well as engagement indicators are likely to change over the lifetime of the SCP.</p>	<p><b>Recommendation adopted:</b> This is now included in the text of the PD.</p>
<p><b>Recommendation 8:</b> The assumptions in the SCP should be expanded to fully reflect the presence of key enablers: the FGS and Government of Somaliland’s increasing willingness to comply with the rule of law and commitment to legislative reform processes to implement constitutional reforms and create an enabling environment for private sector development; and the assumption that Development Partners will continue to coordinate activities through joint funding, reporting and M&amp;E mechanisms.</p>	<p><b>Recommendation partly adopted.</b> The importance of government and partner ownership has been further strengthened in the text of the PD where relevant and key aspects regarding coordination between international development partners has been more clearly articulated. The RDE assesses that there is a high degree of government ownership to the ongoing legislative processes such as with regard to the constitutional review process, legislation related to private sector development and the introduction of an agreed new justice model for the country to mention some. Yet, political extra-governmental dynamics may prove challenging despite the high degree of government commitment both during drafting processes and with regard to the actual enforcement of new pieces of legislation.</p> <p>While rule-of-law is an enabling factor, it is not considered an assumption or pre-condition for programme success. Adherence to the principles of rule of law is weak and volatile in Somalia. It is the assessment of the RDE that this is the factual reality all engagements are implemented under and it is not believed that this will change significantly within the lifespan of the SCP. It should be noted that this is also one of the motivating factor for DK to engage with Somalia particularly reflected by the support to the constitutional review process and support to specific areas that aim at improving the human rights situation in Somalia.</p>

<p><b>Recommendation 9:</b> The role and responsibilities of all advisors should be carefully considered and specifically addressed in their ToR in due recognition of their tasks and possibilities of contributing to SCP management and/or providing inputs in relation to the Embassy's engagement in engagement management committees etc.</p>	<p><b>Recommendation adopted</b> with the following comments: Job profiles for two new advisers have been drafted and they will be publicised shortly to speed up the recruitment process in order to contract the advisers at the commencement of the implementation of the new programme. The current advisers that will continue when the new programme starts already have clear and detailed job descriptions that have been followed up with further detailing of the content of their tasks. Regarding all advisers/programme coordinators participation in Pillar Working Groups and in steering committees and similar, the intention is that the advisers will be expected to give technical input as part of the preparation to meetings where RDE will participate and represent DK particularly in overall decision making bodies. The advisers will be expected to participate in coordination at the technical level.</p>
<p><b>Recommendation 10:</b> The PD should include an overview of the duration of the various development engagements.</p>	<p><b>Recommendation adopted:</b> This is included in the PD and in the individual engagements.</p>
<p><b>Recommendation 11:</b> The PD should be updated with a paragraph considering the possibility of carrying out joint third-party monitoring, thematic reviews, assessments, VFM etc. together with other DPs.</p>	<p><b>Recommendation adopted:</b> This is a practise that will be continued and strengthened.</p>
<p><b>Recommendation 12:</b> Conduct a TQS mid-term-review (MTR) in mid-2021, which will assess the overall traction of the SCP in due recognition of the context, but with a special mandate to assess new engagements in the pipeline at that stage that require the use of unallocated funds. The MTR should also be required to assess progress and results and reallocate the budget towards various DEs as required.</p>	<p><b>Recommendation adopted</b> and PD text revised accordingly.</p>
<p><b>Recommendation 13:</b> The PD should be revised to make it clearer where the budget provided to a particular issue covers only the 'life' of the relevant programme, or whether it is expected to cover the entire period of the SCP.</p>	<p>The RDE is assessing options for adoption of this recommendation which will be included together with the follow up to recommendation 10.</p>

<p><b>Recommendation 14:</b> The RDE should consider strengthening the financial management and budget aspects of the SCP as follows:</p> <ul style="list-style-type: none"> <li>-The PD’s contextual chapter should include text on the corruption levels and the way the SCP mitigates the risks through various trust funds and joint arrangements with established TPM structures.</li> <li>- Include a paragraph that explicitly mentions that the SCP uses country systems through the engagement with multi-donor trust funds.</li> <li>- Include a paragraph about the nature of the support to the WB MPF, including that Denmark does not preference funds but funds the entirety of the project portfolio with a special emphasis on selected projects, which will change during the duration of SCP.</li> <li>-Include considerations about the level of operational costs being linked to the context, which makes it difficult to determine the exact levels of operational costs and efficiency of the respective engagements. Joint studies, mentioned earlier, may serve as an avenue to address this issue.</li> </ul>	<p><b>Recommendation adopted:</b> The description of corruption as a contextual factor that impacts on programme implementation is strengthened in the context section. Mitigating measures have been further elaborated in the financial management section of the PD.</p> <p><b>Recommendation adopted:</b> This will be further detailed under the sections relating to the aid efficiency and the cooperation arrangements between the FGS and international partners as part of the Somalia Partnership Framework – a sequel to the Somalia New Deal Compact structure.</p> <p><b>Recommendation adopted:</b> This is in accordance with the suggestion by the RDE during the appraisal mission.</p> <p><b>Recommendation adopted.</b> But it is, as also stated in the recommendation, difficult to be absolutely precise regarding these matters particularly due to strained physical access to many areas in Somalia. RDE will assess cautiously the value of putting a lot of emphasis on conducting the suggested studies if there is no reason to be believe that the costs are bypassing what is considered reasonable based on known experience with the working conditions in Somalia.</p>
<p><b>Recommendation 15:</b> The scope of the RDE’s financial monitoring should be spelt out so it becomes explicit that the Embassy will not bilaterally carry out financial monitoring of the UNMPTF, the WB MPF, IFC, EU, and possibly the SDF and the IFU.</p>	<p><b>Recommendation adopted,</b> and this is already common practise also for DK with regard to contributions to such organisations.</p>
<p><b>Recommendation 16:</b> The RDE should consider revising/expanding the risk matrix to include following (i) risks at engagement levels, risks at not meeting their outcomes; (ii) the risks related to multi-donor trust funds (if one of the donors decide to withdraw their financial support); and (iii) the political risks operating in Somaliland – both from the view of FGS and from the Government of Somaliland.</p>	<p><b>Recommendation adopted –</b> the PD text altered to respond to the recommendation.</p>



<p><b>Recommendation 17:</b> It should be explicitly mentioned that the engagement specific risk matrixes will be developed as an integrated part of developing and refining the respective results frameworks – for example, the results framework for the SDF and the IFU has not been developed yet while the risks that are involved in delivering the results of these engagements should be reflected in the risk matrix.</p>	<p><b>Recommendation adopted.</b> This is now clearly articulated in the PD.</p>
<p><b>TP 1: (specific comments on each DED is provided in Annex 7 in the Appraisal Report)</b></p>	
<p><b>Recommendation 18:</b> To increase value for money (since Danish funds will support the various baselines studies contemplated by the UN) and to avoid duplication of effort, the RDE should consider discussing with UN partners the extent to which one, more or all of the various baseline studies in DE 1, and subsequent annual follow up surveys, can be combined and encourage the UN to begin the processes as soon as possible. Should it appear that no such surveys might be held, the indicators in TP 1 should all be revised to remove those that require baseline and annual follow-up surveys to be conducted.</p>	<p><b>Recommendation adopted.</b> This is already part of the ongoing dialogue with the UN-MPTF as part of an effort to improve the strategic direction of the fund and reporting at aggregated fund level based on reports at UN joint programme level such as the JPLG, UN-Human Rights Programme, etc. Particularly Norway, Sweden and DK have joined to push these matters with the UN. On their side the UN has already made important steps to meet these expectations as already demonstrated in the most recent UN-MPTF semi-annual report.</p>
<p><b>Recommendation 19:</b> The RDE should consider separating out the programmes in TP 1 falling under DE 1 into a series of distinct DEDs.</p>	<p><b>Recommendation not adopted.</b> The RDE has already considered this option. We have concluded that we will continue with one legally binding agreement with the UN-MPTF that includes annexes earmarking support to specific UN joint programmes under the UN-MPTF. This is also in line with what our likeminded development partners are doing. This approach will also contribute to facilitate what is explained as a response to recommendation 18.</p>
<p><b>TP 2:</b></p>	
<p><b>Recommendation 20:</b> The theory of Change for TP 2 should be revised as follows; Work in strategic value chains to be connected to strong national and international markets, rather than a general reference to the livestock and agriculture sectors.</p>	<p><b>Recommendation adopted,</b> although there are concerns that this will be less precise and also potentially not reflect support to (poorer) farmers/pastoralist who cannot penetrate national and international markets, but mainly only engage in local markets. These groups constitute important target groups of the programme.</p>
<p><b>Recommendation 21:</b> Include a reference to improving dialogue between government and the private sector.</p>	<p><b>Recommendation adopted</b> and now added to the Theory of Change in the PD.</p>
<p><b>Recommendation 22:</b> While the assumption that the security situation will remain stable or improve should remain: the magnitude of TP 2’s contribution to stabilisation is overstated and should be revised to reflect that the SCP can only aim to contribute to stabilisation through job creation and the creation of new role models for men and women, along with a more diverse range of private firms investing in the national economy.</p>	<p><b>Recommendation adopted</b> and PD text modified.</p>

<p><b>Recommendation 23:</b> Realigning short-term personal and clan-based (e.g., monopolistic) interests will require programme-driven incentives, which need to be clearly articulated in the programme document and DEDs.</p>	<p><b>Recommendation partly adopted</b> as RDE believes that if we fully follow the recommendation that would result in overstating the level of potential influence of our (and the WB's) programme with regard to the programmes ability to alter the incentive structure, but the wording in the PD has been modified.</p>
<p><b>Recommendation 24:</b> Private sector actors and governmental entities will only pursue the interests of women, youth and minority groups if there are programme-driven incentives. This needs to be clearly articulated in the programme document and DEDs with text that highlights the benefits of inclusion, anticipating and responding to the resistance that is likely from current incumbents, both public and private.</p>	<p><b>Recommendation adopted</b> but again, this process is mostly driven and inhibited by domestic processes outside the control of the SCP, but text has now been added to include this aspect in the assumptions.</p>
<p><b>Recommendation 25:</b> The use of World Bank Doing Business indicators should be reconsidered, and the results framework should clearly define its age-based target group.</p>	<p><b>Recommendation partly adopted.</b> While we fully agree that the DB index does not provide an accurate and full picture and it only covers a small part of the country and it is generally criticized in many corners, the FGS has emphasised that it will measure its efforts and development process using the DB index. This together with the fact the DB index is widely used (even Denmark for promotional purposes) have made us maintain the use of the DB index. However, the focus will be on the score rather than ranking but since the FGS is also keen to improve its ranking (currently at the very bottom) the ranking will also be followed.</p>
<p><b>Recommendation 26:</b> The RDE should consider including a risk for TP2 specifically related to the risk of elite capture.</p>	<p><b>Recommendation adopted.</b> However, it should be noted that this is relevant for the entire programme and not and not only to TP2.</p>

<p><b>Recommendation 27:</b> A full revision of DED (support to IFU) to accurately reflect the proposed engagement, including thorough revision of results framework to ensure more meaningful indicators and targets.</p>	<p><b>Recommendation partly adopted.</b> RDE is in dialogue with IFU on these matters as IFU has been closely involved in the drafting of the documentation and the DED.</p> <p>Regarding meaningful indicators while there is clear scope for further refinements of the indicators, it is nevertheless proposed to retain most of them, not least the ones relating to the job creation, including number of women in those jobs as this is a key performance metric that also helps evidence perhaps the most crucial outcome; that of creating job opportunities. However, going forward, efforts will be made to update the results framework to reflect the concerns of the AT on e.g. sector and age distribution while at the same time avoiding imposing rigid indicators that potentially could undermine business integrity and financial viability. Recent discussions in the Nordic Horn of African Opportunity Fund (with IFU, Norfund and Finfund) have further progressed the development of indicators that will deliver on these matters. Once this conversation has been concluded the results framework will be updated. In this context, it will be important that the results framework reflect realistic indicators that are appropriate to the nature of the engagement and that they are owned by the implementing partners.</p>
<p><b>TP 3:</b></p>	
<p><b>Recommendation 28:</b> If TP 3 stays as it is, it is recommended to revise the objective and the theory of change to make clear how the two broad areas of support are interlinked and what results can be expected for all the “groups” included in the TP, particularly women and children.</p>	<p><b>Recommendation adopted.</b> Text in PD revised.</p>
<p><b>Recommendation 29:</b> It should be considered to include an assumption that targeted communities will be receptive to activities aimed at attitude and behavioural change.</p>	<p><b>Recommendation adopted and PD text revised.</b></p>
<p><b>Recommendation 30:</b> Revising indicators for TP 3 at outcome level. Suggestions are provided in the appraisal report at page 29.</p>	<p><b>Recommendation adopted and PD text revised.</b></p>
<p><b>Recommendation 31:</b> Support to safety nets under TP 2 should be mentioned as a mitigating measure for risks related to safety nets in TP 3 – noting that even if the EU fails to establish an approach to safety nets that is accepted by other DPs, including RDE, RDE will nonetheless support safety nets through its support to the World Bank programme.</p>	<p><b>Recommendation partly adopted</b> as we do not see the social protection scheme under TP2 as a mitigating measure to the proposed safety nets in TP3 as the two concepts differ.</p>

<b>Recommendation 32:</b> Any risks associated with support to durable solutions for IDPs, such as potential conflicts related to competition for scarce resources that such support may create (noting that the SCP is currently silent on any risks in this regard).	<b>Recommendation adopted and text revised.</b>
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I hereby confirm that the above-mentioned issues have been addressed properly as part of the appraisal and that the appraisal team has provided the recommendations stated above.

Signed in Cph. on the 12/10-2018 Susanne Werdth  
 Appraisal Team leader/KFU representative

I hereby confirm that the Danish Mission has undertaken the follow-up activities stated above. In cases where recommendations have not been accepted, reasons for this are given either in the table or in the notes enclosed.

Signed in Nbo on the 12/10 '18 [Signature]  
 Ambassador/Head of Unit

**Summary of recommendations of the Inception Review**

<b>Title of Programme</b>	<b>Durable Solutions Programme 2018-2020</b>
<b>File number/F2 reference</b>	<b>2018-28762</b>
<b>Inception report date</b>	<b>September 19, 2018</b>
<b>Council for Development Policy meeting date</b>	
<b>Summary of possible recommendations not followed</b>	
<p><b>Overall conclusion of the appraisal</b></p> <p>Overall the RT finds that the DSP is relevant and comprehensive with most activities well thought through and justified. It is the RT's belief that the implementation of the DSP will contribute to finding durable solutions for some of the most marginalised groups in Somalia. DRC/DDG have long term and rich experiences working on the ground in Somalia.</p>	
<b>Recommendations by the appraisal team</b>	<b>Follow up by the responsible unit</b>
<p><b>Recommendation A</b></p> <p>The DSP should ensure that implementation of activities is done in accordance with the revised work plan, taking into consideration unforeseen events caused by the dynamic context.</p>	<p><b>Recommendation adopted.</b></p> <p>RDE will follow the implementation of the programme closely through participation in the Steering Committee, which will meet quarterly. Work-plan will be a fixed item on the agenda of these meetings.</p>

<p><b>Recommendation B</b> The RDE should approve a no-cost one-year extension of the programme to ensure high-quality and effective implementation of the DSP.</p>	<p><b>Recommendation Adopted.</b> DRC is of the opinion that a no cost extension is not possible. A solution will have to be worked out by using savings from the inception face of the project, use of un-allocated funds from the Somalia Country Programme, or budget cuts or by rearranging activities.</p>
<p><b>Recommendation C</b> If the DSP is extended with one year, the RT recommend that RDE conduct an in-depth mid-term review together with the mid-term review of the SCP; and recommends that an in-depth end-of-programme review with a focus on lessons learned is conducted towards the end of the DSP.</p>	<p><b>Recommendation Adopted.</b> Reviews will follow the overall Somalia Country Programme if the DSP is extended. An in-depth end-of-program – lesson learned review is already budgeted for in the DSP.</p>
<p><b>Recommendation D</b> The ToC in the PD should be updated to clarify and argue better for the rationale behind the links between outputs, outcomes and goal and the results framework updated accordingly.</p>	<p><b>Recommendation Adopted.</b> The text of the PD is in the process of being modified in order to better present the rationale behind the project in accordance with the recommendation.</p>
<p><b>Recommendation E</b> The RT recommends that the PD is updated to reflect more clearly why and how the DSP is innovative.</p>	<p><b>Recommendation Adopted.</b> Text has been added to PD.</p>
<p><b>Recommendation F</b> The RT recommends that the description of social cohesion in the PD is expanded in more detail, including what it means, what and how activities will lead to more social cohesion, and on the basis hereof that social cohesion is included in the results framework for measuring if the DSP indeed has an impact on social cohesion.</p>	<p><b>Recommendation Adopted.</b> The issue of social cohesion is primarily focusing on the relationship between IDP/returnees and host communities. Text has been added to the PD to better reflect this and describe how activities are addressing this. RDE and DRC are still working on how to measure this in the results framework.</p>

<p>Recommendation G DRC/DDG should ensure that a comprehensive high-quality programme document is ready by September 30, 2018.</p>	<p><b>Recommendation Adopted.</b> As the inception process has been delayed, DRC is now working on incorporating the recommendations. The process is still ongoing and a first draft has been submitted to the RDE and the dialogue has commenced and will be finalised within the next two weeks.</p>
<p>Recommendation G1: Include a clearer description of the linkage between the different components of the DSP.</p>	<p><b>Recommendation Adopted.</b> The text of the PD has been adjusted to better reflect the linkages.</p>
<p>Recommendation G2: Include information on the demographic composition of the beneficiaries, including age and gender.</p>	<p><b>Recommendation Adopted.</b> Available information has been included in the PD</p>
<p>Recommendation G3: Provide clarity on the intention of the displaced population as to not create a pull-factor.</p>	<p><b>Recommendation Adopted.</b> Available information has been included in the PD. DRC will conduct further surveys as the programme progresses.</p>
<p>Recommendation G4: Include data on the risk of UXOs and mines.</p>	<p><b>Recommendation Adopted.</b> The text of the PD has been adjusted.</p>
<p>Recommendation G5: The corruption risk should be described in the context analysis.</p>	<p><b>Recommendation Adopted.</b> Text has been included in the analysis.</p>
<p>Recommendation G6: The risk matrix should be updated</p>	<p><b>Recommendation Adopted.</b> Risk matrix has been updated.</p>
<p>Recommendation G7: Include a feedback/complaint mechanism</p>	<p><b>Recommendation Adopted.</b> DRC will implement the mechanism developed by the organization. A description is now attached as an annex to the PD.</p>
<p>Recommendation G8: Explain in more detail why only WASH is selected as part of the service delivery component.</p>	<p><b>Recommendation Adopted.</b> Text has been added to the PD.</p>

Commented [AE1]: DRC approach can be annexed

<p>Recommendation G9: Exclude the nutrition messages from the DSP.</p>	<p><b>Recommendation Adopted.</b></p>
<p>Recommendation G10: Clarify the description of the Livelihood component in the PD, including a description of how impact of the business development centres will be ensured.</p>	<p><b>Recommendation Adopted.</b> The text on livelihood in the PD has been extended and now includes a more thorough presentation of the business development centres and how they will contribute to economic development.</p>
<p>Recommendation G11: Review as soon as possible the description in the PD of the planned development of a spatial plan for Kismayo to ensure that it does not overlap or duplicate the Urban Profile that has already been developed by UN HABITAT, and that it does add value to the DSP, possible for advocacy purposes.</p>	<p><b>Recommendation Adopted.</b> Coordination with related and similar work being conducted by other agencies is being implemented. A more accurate description of the particularities and added value of the spatial plan and the process will be used with regard to the cooperation with the Kismayo authorities and these aspects have been included in the PD.</p>
<p>Recommendation H1: Selected relevant indicators should be gender disaggregated and include baselines.</p>	<p><b>Recommendation Adopted.</b> Disaggregation will be done to the extent data is available.</p>
<p>Recommendation H2: Selected relevant indicators should be specific on geographic areas and include baselines.</p>	<p><b>Recommendation Adopted.</b> Work is still being done on the result frame. To the extent possible data will be based on geographical areas and will include baselines.</p>
<p>Recommendation H3: The relevant outcome indicators should be explicitly linked to ReDSS through e.g. a note in the logic framework.</p>	<p><b>Recommendation Adopted.</b> A note will be included on how the present logic framework is linked to ReDSS format.</p>
<p>Recommendation H4: DRC/DDG and MFA should agree on the outcome and output indicators to be included in the DED and consequently highlighted for reporting, including baseline and annual targets.</p>	<p><b>Recommendation Adopted.</b> Dialogue has been initiated.</p>



<p>Recommendation H5: The risk management framework should be further elaborated and harmonised across key documents and relate to the ToC and its assumptions.</p>	<p><b>Recommendation Adopted.</b> RDE and DRC are working on an improved risk management framework.</p>
<p>Recommendation I The RT recommends that DRC/DDG illustrate how the various participants in the governance/management entities relate to the mainstream DRC/DDG structure and the cost consequences of the set-up, including a justification of the same.</p>	<p><b>Recommendation Adopted.</b> Text has been added to the PD.</p>
<p>Recommendation J The RT recommends that RDE investigate the options for ensuring closer donor coordination with regard to durable solutions programming in Somalia.</p>	<p><b>Recommendation Adopted.</b> Dialogue initiated with other partner countries (SUI, DE, EU and UK) in the IHDG. First meetings scheduled.</p>
<p>Recommendation K1: The financial management setup is included in the PD, including issues pertaining to the flow of funds, procurement, use of DRC/DDG systems, level of operational costs and staffing being a consequence of operating in Somalia (efficiency concerns).</p>	<p><b>Recommendation Adopted.</b> Text is now included in the PD.</p>
<p>Recommendation K2: The budget is reviewed, revised, and included in the PD with a budget per year.</p>	<p><b>Recommendation Adopted.</b> The PD now includes a budget for each year</p>
<p>Recommendation K3: The financial management risks of operating in Somalia, in particular in relation to corruption, is included in the PD as a contextual risk.</p>	<p><b>Recommendation Adopted.</b> This will be included as part of the ongoing work on the risk management framework.</p>

I hereby confirm that the above-mentioned issues have been addressed properly as part of the inception review and that the inception team has provided the recommendations stated above.

Signed in..... on the .....  
Appraisal Team leader/TQS representative

I hereby confirm that the responsible unit has undertaken the follow-up activities stated above. In cases where recommendations have not been accepted, reasons for this are given either in the table or in the notes enclosed.

Signed in N60 on the 12/10 '18   
Head of Unit/Mission