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**Minutes**

<b>EVENT:</b>	<b>Seventh High Level Aid Coordination Forum</b>
<b>VENUE:</b>	Ambassador Hotel, Hargeisa, Somaliland
<b>DATE:</b>	03-04, 2014

**Overall objective:** Report on the overall progress against the Somaliland Special Arrangement milestones for 2014.

**Day 1.**

**Objective:** In the spirit of One Vision-One Plan and Mutual Accountability, the Government of Somaliland will provide an overview of progress made in PSGs since Brussels, partnership principles, the Monitoring & Evaluation framework

**Session 1: Delivering the New Deal in Somaliland**

- 1. President of the Republic of Somaliland, H.E. Ahmed Mohamed Mohamoud Silanyo,** expressed his gratitude to the international development partners for their support to Somaliland over the years. The president emphasized the importance of evaluating performance against plans as a good practice in principles of aid effectiveness. He underscored that decades of successful peace consolidation, democratization process and institution building, Somaliland has created an environment where development programs can be implemented successfully and effectively with government institutions and civil society hand-in-hand.

The president mentioned that 18 million USD had been set aside in the 2015 national budget for infrastructure and equipment. ‘This shows that the joint effort to strengthen institutions is starting to have an impact’, he said.

The president has referred to the Somaliland Development Fund (SDF) (a government preferred financing mechanism for Somaliland special arrangement) as an “innovative fund” that is growing, and stressed Somaliland’s commitment to make this a success story and put Somaliland in the global spotlight.

The president indicated that the High Level Aid Coordination forum is Somaliland’s platform for dialogue with international donors and monitoring. ‘Hence, financing arrangements should be equally separate from those with the Federal Government of Somalia’ he said. The president invited other international partners to join the Somaliland Development fund or establish other mechanisms that follow the Somaliland Development fund modality.

The president revealed that he had received an invitation from his counterpart of Somalia to attend the Copenhagen conference in December 2014. However, he declined the invitation but wished them well and accentuated that the conference is for Somalia and not for Somaliland. Somaliland he said is a separate country, and the federal agenda to be discussed at the Copenhagen conference is no concern of Somaliland.

The president reiterated Somaliland’s commitment to reform peace, security and democratic values. He asked the international community to support the dialogue which

has been generously supported by Turkey. 'Somaliland would like these talks to deliver results and seeks the international community's support to ensure that parties are held accountable to what is agreed at the talks', he said.

The president also made clear his willingness to hold free and fair elections next year, despite challenges. President Silanyo has asked the international community to further strengthen their partnership, so that Somaliland realizes its vision of building a country that is peaceful, democratic and prosperous.

- **Minister of Foreign Affairs, Mohamed Bihi Yonis** acknowledged the international development partners and international community for their support and generosity to the people of Somaliland. 'The Somaliland Special Arrangement is fully aligned with the national development plan', he said. He expressed his gratitude to UK, Danish, Norwegian and the Dutch for their support to Somaliland through Somaliland development fund and urged others to channel their support through SDF.

He said that although Somaliland had made an impressive development in its post conflict recovery, the country's future development could not be ignored. 'For security and stability to be maintained at home and spread throughout more volatile areas of the horn of Africa, the international community must reward and empower the people of Somaliland who have committed the shared values of peaceful coexistence and legitimate politics' he said.

The foreign minister urged international partners to ensure that Somaliland is consulted as the stakeholder in peace and stability in the Horn of African. He expressed that Somaliland has the experience and the knowhow to help the international community in addressing the problems of the neighbouring Somalia.

### ***Development Partners Statement***

- **Ambassador Geert A Andersen Royal Danish embassy**, highlighted the importance to ensure the development of shared values to guide the mutual accountability of working with the partnership principles in the New Deal Compact. 'These shared values means, more aid alignment with plans, and putting proper systems in place to manage public funds', he said.

The ambassador emphasized the commitment to using aid and other resources in the interest of the Somaliland people. 'Transparent and accountable governance, the protection of human rights, further democratization and do-no-harm are very key', he said.

The ambassador pointed out that the Somaliland Special Arrangement is a way of holding both parties to account for their commitments. Ambassador Andersen referred the High Level Aid Coordination Forum as an opportunity to collectively improve chances for success.

The Danish ambassador expressed happiness about the Somaliland Development Fund and multi partner funds for being operational and starting to fund pipeline projects, such as replacing the main water pipe in Hargeisa and rehabilitating the road between Lafaruk – Berbera – Shiekh, and implementing Somaliland government's public financial management system.

The ambassador stressed the need to consolidate the governance architecture and bring multi donor trust funds together around the Somaliland Special Arrangement. Ambassador Andersen also endorsed the second female commissioner in the national electoral commission.

- **Executive Director of IGAD Engineer Mahboub Maalim** acknowledged the fact that Somaliland is part of the 5.2 Million square land mass of the IGAD and that IGAD is aware and cognoscente of the fact that the people of Somaliland are part and parcel of the 240 million people which forms the population of the the Horn of Africa region. ‘Because of all these, the people of Somaliland deserve the attention and support of IGAD’, he said.

Eng Mahboub admitted Somaliland’s immense contribution in peace and security architecture in the region and encouraged the country’s leadership to continue the good work. ‘IGAD applauds Somaliland for its governance and democratization model, and calls upon its people to stay on this path’ he said. He also highlighted that IGAD has worked with Somaliland in formulating its 2030 vision and strategy and that Somaliland is a beneficiary and a stakeholder to four of the major regional programs including the Berbera corridor, the resilience agenda and Sheikh Veterinary School.

- **Fatiha Serour from the UN** said that, she was inspired by the determination of the people of Somaliland, and encouraged the people of Somaliland to protect their independence, and pledged to continue advocating for Somaliland. ‘The international community should support that determination to build a peaceful, stable and developed country’, she said.

‘The Somaliland special Arrangement under the Compact is all about supporting Somaliland to further transform politically socially and economically,, Fatiha Said.

- **Somaliland Minister of finance Abdiaziz Mohamed Samaale highlighted** that the financial policy of Somaliland government is based on supporting national development policies, programs and to ensure the provision of quality services to Somaliland citizens.

Mr. Samaale highlighted the ministry’s role in mobilizing domestic resources to support investment programs and promotion of efficient delivery of services to Somaliland citizens. The minister said that the budget of the central government increased by 283% (from 47 million USD to 180 million USD from 2010 – 2015)

The minister also mentioned increased subsidies to local governments by the ministry of finance to enable them to efficiently deliver services to Somaliland citizens.

## *Session 2: Somaliland Special Arrangement: progress in PSGs since Brussels*

1. **Somaliland Minister of National Planning & Development Dr. Saad Ali Shire** opened the session by presenting the draft report of the Somaliland Special Arrangement in regard to priorities, progress and the way forward.
2. **Minister of Environment and Rural Development, Mss. Shukri Ismail** presented partnership principles as mutual commitments made by the government of Somaliland and the development partners. The principles outline the commitments on how the government and the development partners should work together to achieve results.

### **ACTION**

The Government and development partners should cooperate in ensuring that their interventions are designed in a conflict-sensitive manner, adhering to ‘Do no harm’ principle.

### Session 3 – Delivery mechanism

1. **UN Resident coordinator Office Cheikkh Sisse Tidane and the World Bank** made a joint presentation on Somaliland Special Arrangement and donor Multi Trust Fund. Issues discussed included though not limited to:
  - Transparency of international assistance
  - Coordination and coherence of development activities
  - Increased use of Somaliland systems as PFM reforms proceed
  - Leadership of the HLACF
  - Ensuring Somaliland receives its “fair share” of the New Deal
  - Coherence and alignment of existing UN programmes
  - Supporting newly identified priority interventions

#### **ACTION**

- To harmonize Multi partner Trust Funds (MPTFs) and enhance coordination of MPTFs to avoid duplication of work.
- To make ensure that development assistance is compliant with the partnership principles

### Reform programs, government budget and aid flows

2. **Osman Sahardid, State Minister of Finance and Dr. Samater, PFM Coordinator** presented the Public Financial Reform. The presentation highlights that Somaliland PFM Reform Strategy & PFM Action Plan are guided by the SSA/New Deal principles and aim at both creating and working Somaliland Country Systems to ensure efficient, effective and accountable use of public resources as a basis for economic development and poverty eradication.
3. **Weli Daud, Director of Planning and Statistics, Ministry of Finance** presented Somaliland government budget in 2014 and estimated budget for 2015. The presentation highlighted government budget for investment and government budget for operations. Government budget allocation against PSGs has also been explained.
4. **Hussein Ahmed Aideed, Minister of Justice** presented the country’s justice reform progress, challenges and the way forward. The minister said that the priorities were to:
  1. Strengthen the capacity of the courts through extensive training and the provision of required equipment to ensure that they can carry out their core functions
  2. Clarify the roles and responsibilities of law-making bodies and strengthen their institutional capacity, including the capacity to prioritize and draft legislations that are harmonized with the existing laws
  3. Promote a more responsive and accessible justice system that promotes human rights for all
  4. Improve the infrastructure to access to justice and the protection of human rights
  5. Guarantee the protection of all citizens, in particular women, against sexual and gender-based violence (SGBV), including rape, domestic violence and security force misconduct
5. **Mohamed Mihille Boqorre, Director of Civil Service Institute** Presented Civil Service Reform progress, challenges and the way forward. He said that the country’s civil servant is characterised by:
  - Overstaffing,
  - Over aged staff,
  - Unskilled work force,
  - Inexperienced staff,
  - poorly equipped work place,

- poor resources,
- poor remuneration and terms and conditions of service

6. **Mubarik Abdulahi Ibrahim, Head of Somaliland Special Arrangement Secretariat unit, Ministry of National Planning & Development** presented aid flows into Somaliland. The presentation covered:

- Aid disbursement (by PSG/Pillar) 2013
- Aid planed (by PSG/pilar) 2014 and 2015
- The gap between aid plan and aid disbursement and the expected aid disbursement for financing the national development plan

## Day 2

**Objective: Joint working session on crosscutting issues of priority and endorsement of the Somaliland Special Arrangement Report.**

1. **John Randa, World Bank**, leads a panel discussion on Drivers of Economic Growth in Somaliland. The panellists underscored the below items

- 1) Somaliland socio-economic outcomes are lagging behind the region
- 2) Improving these outcomes require multi- prong approach (as outlined mostly in the NDP)
- 3) The main drivers of economic growth will create jobs and have a dent on poverty
- 4) At this stage of its development discourse, Somaliland cannot do it alone, it will need more FDI and ODA
- 5) Poverty and inequality are main challenges facing the economy.
- 6) More than 1 in 3 households in rural (1 in 4 in Urban) do not have enough to meet their daily basic needs.
- 7) Provision of basic services are lagging
- 8) Unemployment is high for both the youth and women

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2. **Mahboub Maalim, Executive Director, IGAD and Herb madina Gauf consultant** made a joint presentation on Berbera corridor funding status and noted the below items

- The project's feasibility and detailed design study has been completed.
- The total cost of the road project for all sections is determined at US \$275.3 million.
- Shortlisted for the 11<sup>th</sup> EDF Grant
- Grants from other donors will be pursued.
- Donors meeting for Berbera Corridor early next year.

Design Study

- Appropriate solution for rehabilitation
- Widening of existing road
- Raises alignment and provides bridges
- Provides parking lanes in Hargeisa Town Center
- Provides bypass for Hargeisa Town
- Improves Safety

## Session 4

3. **Mohamed Ahmed Mohamed, SONSAF Executive Director** presented the role of Civil Society on development issues and democratization process.

4. Shukri Harir, Deputy Minister of Labor and Social Affairs, presented gender policies and issues

5. **Ayan Hassan, NAGAAD (women organizations umbrella)**, presented the role of women in Somaliland development

6. **Ali Saed Raygal, Minister of Youth, Sports and Tourism and Saed M. Ahmed of SONYO** made a joint presentation on youth issues, targets and priorities in relation to the PSGs in the SSA
7. Dr. Saad Ali Shire, Minister of National Planning & Development presented summary of
  - PSGs
  - Priorities
  - Milestones
  - Funding modalities
  - Next steps

### **Closing Remarks**

1. **Head of DFID Phil Evans** acknowledges Somaliland's rapid growth and openness for business as found out in recent London conference, and reiterates the need to keep the focus on the challenges ahead if the potential of the SSA is to be fulfilled.
2. **Ambassador Geert A Andersen of the royal Danish embassy** appreciated the efforts put together in organizing the HLACF and mentioned to need to focus on the challenges in regard to limited funds available and to show results.

### **ACTION POINTS:**

3. **Dr Saad Ali Shire, The Minister of National Planning and Development**, summed up the achievements, priorities, gaps and implementation expectations that were on display over the two-day event, and called for the following:

### **FOR GOVERNMENT**

- Create a conducive environment for economic growth
- Carry out necessary reforms in all sectors
- Increase allocation for investment and development
- Establish secretariat office for SSA coordination

### **FOR DEVELOPMENT PARTNERS**

- Endorse SSA report
- Appoint a focal point for SSA
- Appoint a lead donor for each PSG
- Establish a coordination committee for the multi trust funds and programs
- Commit the necessary resources for SSA programs

### **JOINT WORK**

- Agree on concrete road map for SSA implementation
- Monitor and evaluate progress
- HLACF as the committee for the SSA steering committee to meet quarterly to discuss progress
- 1<sup>st</sup> meeting on January 2015

### **OTHER ACTION ITEMS**

- Establish a simple and clear monitoring framework for Somaliland Special Arrangement
- Finalize and submit legislation on commercial banking, a new roads commission, an amendment to voter registration law, a new electoral law including a new quota for women only for parliamentary seats
- Revisiting the objective and functions the role of the top of the aid architecture (this High Level Aid Coordination Forum )

- Clarity on how Somaliland Development fund governance structure can work with the new multi donor trust funds to ensure technical coordination and prioritization
- Somaliland government and its partners to move forward to develop the right enabling environment for investment including a one stop shop for investors and improved access to finance with passage of commercial Banking Act
- Tier of the New Deal aid architecture needs to be consolidated
- A clear government led process to refresh the technical working groups and in some cases establishing new peace and state building goal working groups