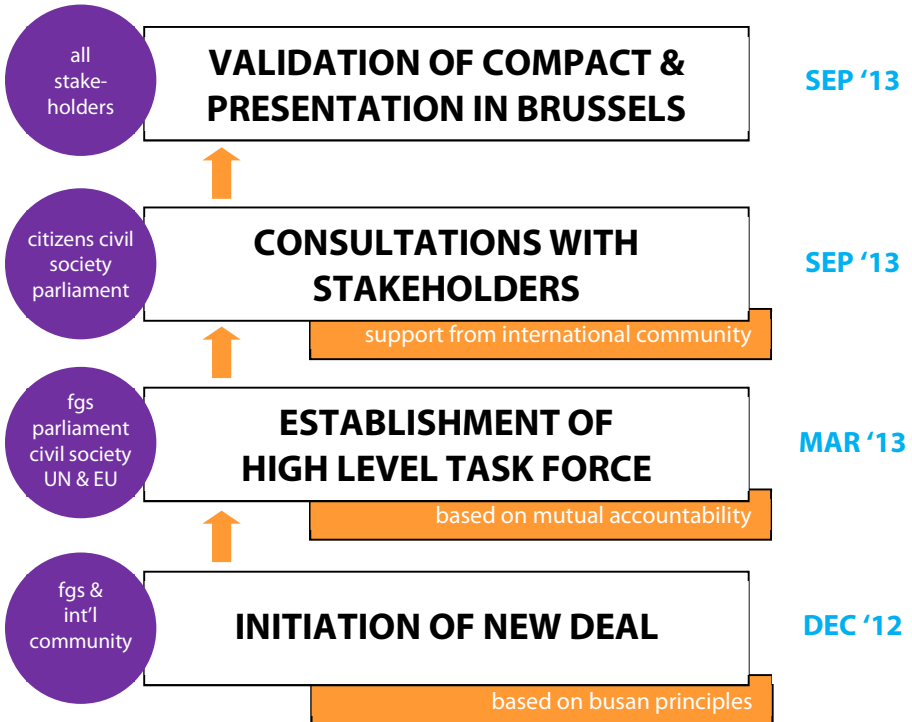

THE SOMALI
pocket
COMPACT



THE SOMALI COMPACT-

a 'living' document



THE WAY FORWARD

The **CHALLENGES** Somalia faces are complex, multifaceted and differ according to various political, social and regional contexts. The strategy to address these challenges and lead Somalia on a path of **RECOVERY**, **DEVELOPMENT** and **DURABLE PEACE** must include:



PARTNERSHIP PRINCIPLES

AID plays a critical role in the implementation of the Compact. It is therefore crucial that government and development partners work harder than ever to improve the **EFFECTIVENESS** of development assistance in Somalia and demonstrate that aid contributes to **PEACEBUILDING** and **STATEBUILDING** results. This will require a paradigm shift in the way aid is provided based on the principles of the **NEW DEAL**.

- 1 SOMALI-LED & SOMALI-OWNED**
costed and integrated plan to be finalised by FGS
- 2 ALIGNMENT WITH GOVERNMENT PRIORITIES**
guidelines on alignment to be finalized by January 2014
- 3 PARTNERSHIP**
activities to be designed in partnership with FGS institutions
- 4 STRENGTHENING OF PFM SYSTEMS**
aid to be provided in line with government budget cycles
- 5 AID IS CHANNLED THROUGH THE SDRF**
performance indicators and benchmarks to be developed jointly
- 6 CAPACITY DEVELOPMENT**
FGS to develop framework by December 2013
- 7 COHERENCE & COORDINATION**
FGS to develop aid coordination mechanisms by December 2013
- 8 TRANSPARENCY & PREDICTABILITY**
development assistance database (DAD) as premier source of information
- 9 CONFLICT SENSITIVITY**
use of regular monitoring and context analysis to avoid increasing economic and political inequalities

HUMANITARIAN PRINCIPLES

The Government and partners are fully committed to the principles of **HUMANITY, NEUTRALITY, IMPARTIALITY & OPERATIONAL INDEPENDENCE.**

SOMALIA DEVELOPMENT & RECONSTRUCTION FACILITY (SDRF)

- **CENTREPIECE** of New Deal partnership
- enhance the delivery of **EFFECTIVE ASSISTANCE** to all Somalis
- **MECHANISM** to oversee and guide activities of development partners
- Establishment will be **PRAGMATIC & GRADUAL**

KEY OBJECTIVES

- **ALIGN RESOURCES** behind critical Somali priorities determined and agreed in the Compact and ensure **FOLLOW-UP & MONITORING** of their delivery;
- develop sustainable **INSTITUTIONAL CAPACITY** within Somali authorities by putting Somali institutions in the lead;
- facilitate a transition towards the full use of **COUNTRY PFM SYSTEMS** by establishing and strengthening those systems, starting with the national budget framework;
- increase the **TRANSPARENCY & ACCOUNTABILITY** of the delivery and management of international assistance in Somalia;
- reduce transaction costs by **POOLING FUNDS** and adopting harmonized **RESULTS REPORTING**.

WINDOWS	<p>several funds (“windows”) under a common governance framework</p> <ul style="list-style-type: none"> a) coordination across activities b) wide coverage of PSGs c) combination of instruments to lay foundations for longer-term institutional development
GOVERNANCE	<p>sharing of governing bodies with wider aid coordination architecture (see below)</p>
MONITORING	<p>robust mechanism for reporting and monitoring of performances against PSG priorities</p> <p>risk management</p> <p>common reporting standards for implementation and results</p> <p>periodic progress reports</p>

COMPACT ARCHITECTURE

1

HIGH LEVEL PARTNERSHIP FORUM

main platform for dialogue and policy discussions

central mechanism for strategic coordination and information-sharing
meets quarterly and at least once a year at ministerial or senior officials level with development partner participation from headquarters

2

SDRF STEERING COMMITTEE

strategic oversight and guidance for the SDRF and the implementation of the New Deal Compact, including commitments related to policy, financing and aid delivery

3

FGS & DEVELOPMENT PARTNER GROUPS

technical forum for sectoral policy formulation, planning and programmatic coordination

MONITORING ARRANGEMENTS

PEACEBUILDING AND STATEBUILDING OUTCOMES

assess achievement of development outcomes using the PSGs and related priorities as a framework
specific indicators to be developed by december 2013, disaggregated by area, age, sex and social groups

1

KEY PSG MILESTONES

set out for each priority
based on qualitative progress reports to be prepared by the FGS & Development Partners Groups

2

FGS & DEVELOPMENT PARTNER PERFORMANCE

indicators to be developed by december 2013
baseline assessment to be conducted by March 2014
specific attention to be paid to women and girls' equal participation

3

ANNUAL REVIEW OF PROGRESS

will take place at a high-level meeting to be held by December 2014, and subsequently every year. The meeting will review progress in overall Compact implementation, update PSG milestones, assess resource requirements and renew national and international commitments.

“ **ACHIEVE A STABLE AND PEACEFUL FEDERAL SOMALIA THROUGH INCLUSIVE POLITICAL PROCESSES** ”



INCLUSIVE POLITICS

- 1 DIALOGUE**
between FGS & administrations
RECONCILIATION
to restore trust between communities
- 2 FEDERAL CONSTITUTION**
by December 2015
- 3 CREDIBLE ELECTIONS**
by 2016

PRIORITIES

“ **ESTABLISH UNIFIED, CAPABLE, ACCOUNTABLE AND RIGHTS-BASED SOMALI FEDERAL SECURITY INSTITUTIONS PROVIDING BASIC SAFETY AND SECURITY FOR ITS CITIZENS** ”



SECURITY

- 1 CAPACITY AND ACCOUNTABILITY**
of state security institutions
stabilize and provide
BASIC SAFETY AND SECURITY
- 2** integrate security forces into
FEDERAL INSTITUTIONS
- 3** national programme for
DISENGAGED COMBATANTS
- 4** **MARITIME SECURITY STRATEGY**

PRIORITIES

“ ESTABLISH INDEPENDENT AND ACCOUNTABLE JUSTICE INSTITUTIONS CAPABLE OF ADDRESSING THE NEEDS OF THE PEOPLE BY DELIVERING JUSTICE FOR ALL ”

PSG
3
JUSTICE

- 1 **LAWS ARE ALIGNED**
with Constitution & int'l standards
- 2 **JUSTICE INSTITUTIONS**
address key grievances and injustice
- 3 **ACCESS TO** fair and affordable **JUSTICE**

PRIORITIES

“ REVITALIZE AND EXPAND THE SOMALI ECONOMY WITH A FOCUS ON LIVELIHOOD ENHANCEMENT, EMPLOYMENT GENERATION, AND BROAD-BASED INCLUSIVE GROWTH ”

PSG
4
ECONOMIC FOUNDATIONS

- 1 **ENHANCE PRODUCTIVITY**
through rehabilitation and expansion of infrastructure
- 2 **YOUTH EMPLOYMENT**
- 3 sustainable development and management of **NATURAL RESOURCES** through regulatory frameworks

PRIORITIES

“ **EQUITABLE, AFFORDABLE & SUSTAINABLE SERVICES AND
TRANSPARENT & ACCOUNTABLE REVENUE GENERATION,
DISTRIBUTION AND SHARING OF PUBLIC RESOURCES** ”



**REVENUE AND
SERVICES**

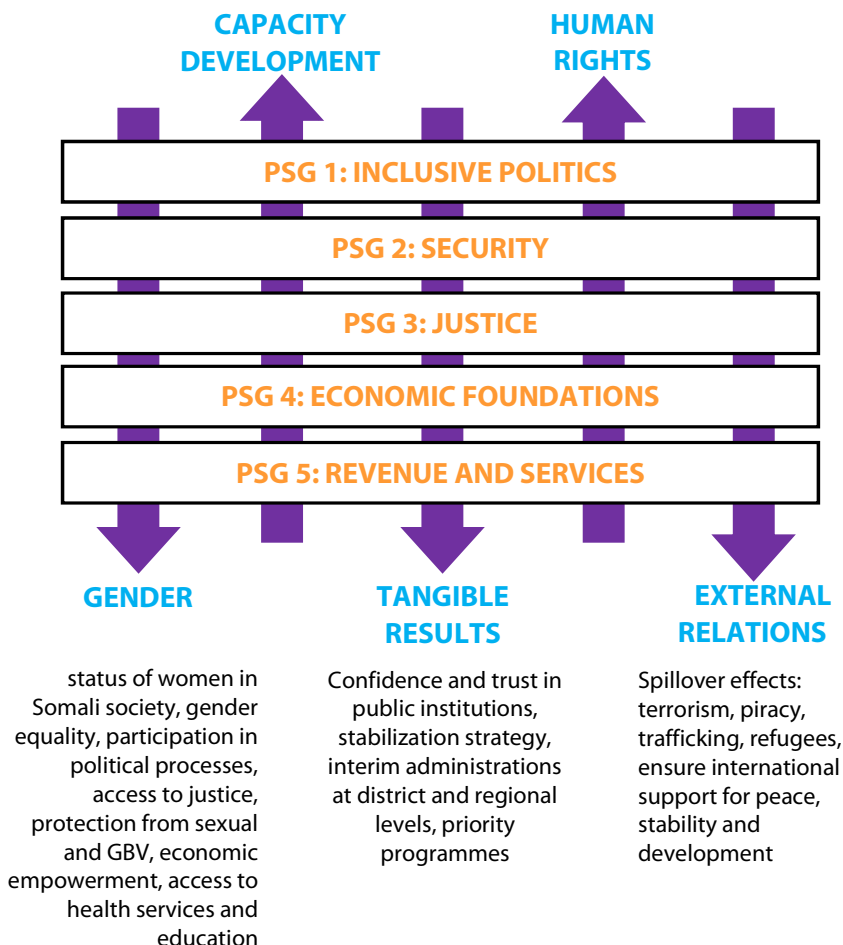
- 1 REGULATORY ENVIRONMENT**
for accessible & affordable social services
- 2 transparent & accountable
REVENUE GENERATION**
- 3 STRENGTHEN PFM**
to manage financial resources in a
transparent & accountable manner

PRIORITIES

CROSS CUTTING ISSUES

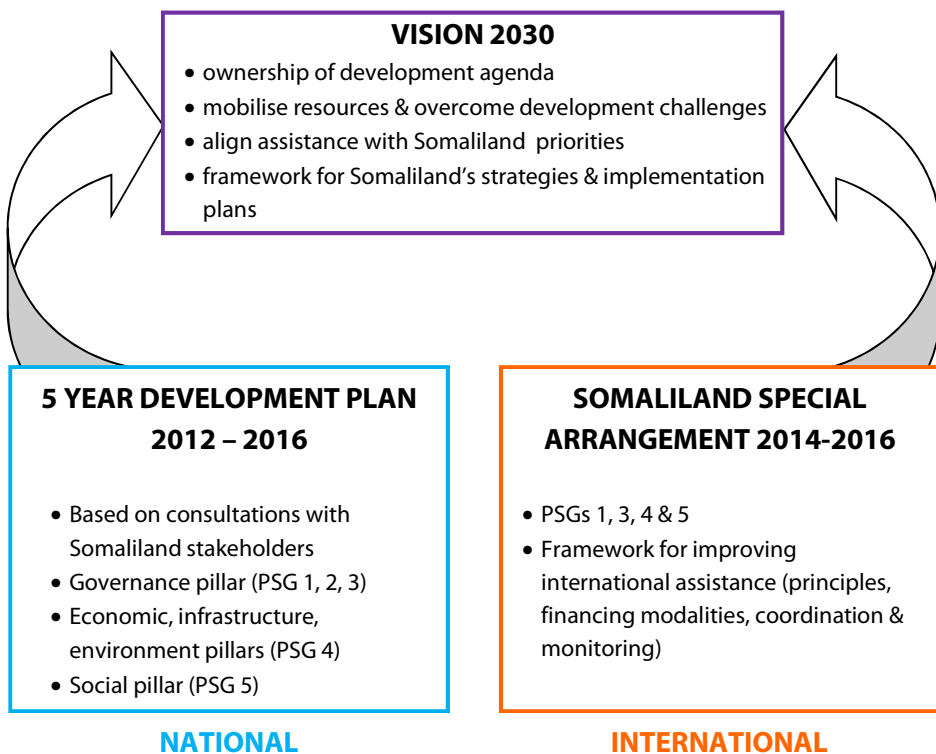
Building core public sector capacities

Access to justice, human-rights sensitive legislation, security sector reform, protection of the rights of the most vulnerable: IDPs, women, children, elderly, human rights commission, post-transition Human Rights roadmap 2013-2015



THE SOMALILAND SPECIAL ARRANGEMENT-

a 'living' document



“ A POLITICALLY STABLE & DEMOCRATIC SOMALILAND THAT ADHERES TO THE PRINCIPLES OF GOOD GOVERNANCE ”



INCLUSIVE POLITICS

- 1 reform of the **ELECTORAL SYSTEM**
representation of **WOMEN & MARGINALIZED COMMUNITIES**
- 2 parliamentary **ACCOUNTABILITY & RESPONSIVENESS TO THE PUBLIC**
through strategic communications, transparency, constituent outreach, coalition development & accountability to party platforms

PRIORITIES

“ IMPROVE ACCESS TO AN EFFICIENT & EFFECTIVE JUSTICE SYSTEM FOR ALL ”



JUSTICE

- 1 strengthen the **CAPACITY OF COURTS**
through training & provision of equipment
- 2 **CLARIFY ROLES & RESPONSIBILITIES**
of law making bodies
- 3 **RESPONSIVE & ACCESSIBLE JUSTICE SYSTEMS**

PRIORITIES

“ STRENGTHEN MANAGEMENT OF NATURAL, PRODUCTIVE & HUMAN RESOURCES & CREATE ENABLING ECONOMIC & FINANCIAL ENVIRONMENT ”

PSG
4
ECONOMIC FOUNDATIONS

- 1 INVESTMENT STRATEGY for public & productive **INFRASTRUCTURE**
- 2 strengthen investment in **PRODUCTIVE SECTORS**
- 3 efficient **CREDIT, INVESTMENT AND INSURANCE INSTITUTIONS**
- 4 generate **(YOUTH) EMPLOYMENT**
- 5 **ENVIRONMENTAL MANAGEMENT STRATEGY**
- 6 affordable **ENERGY PLAN & POLICY**

PRIORITIES

“ PUBLIC SERVICE CAPACITY TO RAISE REVENUES, MANAGE RESOURCES & ENSURE PROVISION OF QUALITY SERVICES ”

PSG
5
REVENUE & SERVICES

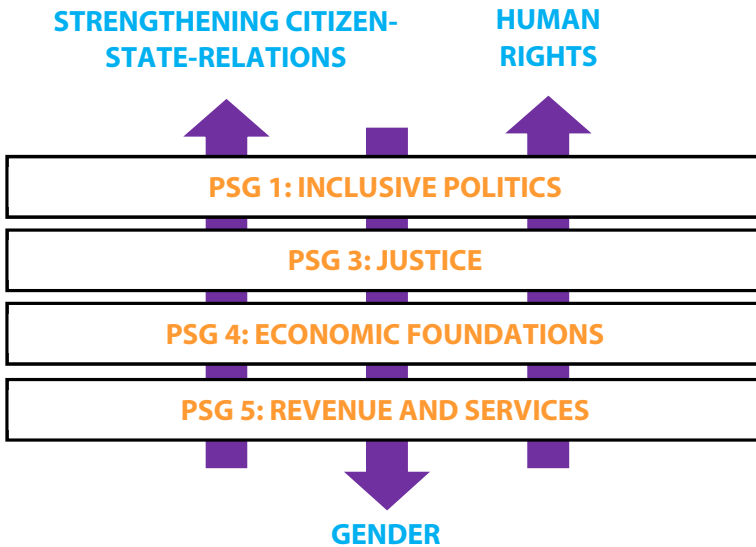
- 1 appropriate & effective system of **PUBLIC FINANCIAL MANAGEMENT**
- 2 equitable distribution & access to **BASIC SERVICES**
- 3 merit based and equitably distributed **CIVIL SERVICE**

PRIORITIES

CROSS CUTTING ISSUES

formal participation and inclusion within democratic processes, promotion of civil society engagement, freedom of ideas and assembly, proactive advocacy, community-led development activities, effective participation, accountability, transparency and responsiveness by all citizens

Somaliland National Human Rights Commission Law, Human Rights Commission and non-state human rights organizations encouraged to provide reports and assessments



Positive & inclusive role for women, fight power imbalances, gender inequality, inadequate role of women within political sphere

PARTNERSHIP PRINCIPLES

The Somaliland government and development partners re-commit to the principles agreed at the High Level Fora on Aid Effectiveness in **PARIS** (2005), **ACCRA** (2008) and **BUSAN** (2011), including the **NEW DEAL TRUST PRINCIPLES**. Based on these global commitments, all development partners pledge to respect the following principles:

- 1 OWNERSHIP BY SOMALILAND GOVERNMENT & PEOPLE**
over design, delivery & monitoring of development-partner financed activities
- 2 CONFLICT SENSITIVITY**
adherence to 'do not harm' principles
- 3 WILLINGNESS TO ACCEPT & MANAGE RISKS**
including risk of non-engagement
- 4 ALIGNMENT OF INTERNATIONAL ASSISTANCE**
with the government's strategic priorities
- 5 HORIZONTAL COORDINATION & DIVISION OF LABOUR**
between international agencies
- 6 CAPACITY DEVELOPMENT**
in line with Somaliland's public sector reform strategy & PFM road map
- 7 STRENGTHENING SOMALILAND'S PFM SYSTEMS**
and support in adopting an open budget initiative
- 8 CHANNELING ASSISTANCE THROUGH NAT'L SYSTEMS**
based on the achievement of jointly agreed benchmarks
- 9 TRANSPARENCY & PREDICTABILITY**
of international assistance including through the use of DAD
- 10 BUILDING STATISTICAL & M&E CAPACITY**
to ensure that outcomes are tracked

On the basis of these principles, the Somaliland government and development partners will develop a set of more specific commitments & benchmarks, and monitor progress towards the achievement of these.

FINANCING ARRANGEMENTS

- 1 SOMALILAND DEVELOPMENT FUND (SDF)**
to ensure alignment with Somaliland priorities, lower transaction costs, better value for money for partners & sustainable results.
- 2 MULTI-PARTNER TRUST FUNDS (limited in number)**
have to be multi-sector or sector-based, aligned with the development plan's priorities & use government systems
- 3 JOINT EVALUATION OF FUNDING MECHANISMS**
to determine how scarce resources can be provide better value for money, ensure processes are harmonized & tangible results are delivered.
- 4 BUDGET SUPPORT MODALITIES**
are the government's preferred mode of external financing in the longer term
- 5 STAND-ALONE PROJECTS**
based on Somaliland priorities, coordinated with government programmes, follow the partnership principles.

AID MANAGEMENT

- 1 NATIONAL PLANNING COMMISSION (NPC)**
15 ministers, governor of the central bank, representatives from parliament, academia, civil society
leads prioritization and monitoring efforts
inter-ministerial coordination & risk management
- 2 HIGH LEVEL AID COORDINATION FORUM (HLACF)**
co-chaired by government & donor
platform to review and discuss priorities & budgets
assesses progress against priorities
discusses assessments on aid effectiveness
- 3 INTER-SECTORAL FORUM**
sector chairs & co-chairs
provides updates and exchanges information on cross-cutting issues
- 4 SECTOR COORDINATION FORUMS**
co-chaired by minister & development partner
coordination of work-plans, joint assessments, monitoring and reporting at sector level

MONITORING ARRANGEMENTS

PEACEBUILDING AND STATEBUILDING OUTCOMES

based on mutually-acceptable indicators to be developed by government & international partners
builds on ongoing data collection efforts
aims to build Somaliland's statistical system

1

JOINT M&E OF PROGRAMMES & PROJECTS

at agreed times, against agreed milestones
reports to be prepared jointly by MoNPD & Sector Coordination Forums

2

GOVERNMENT & DEVELOPMENT PARTNER'S PERFORMANCE

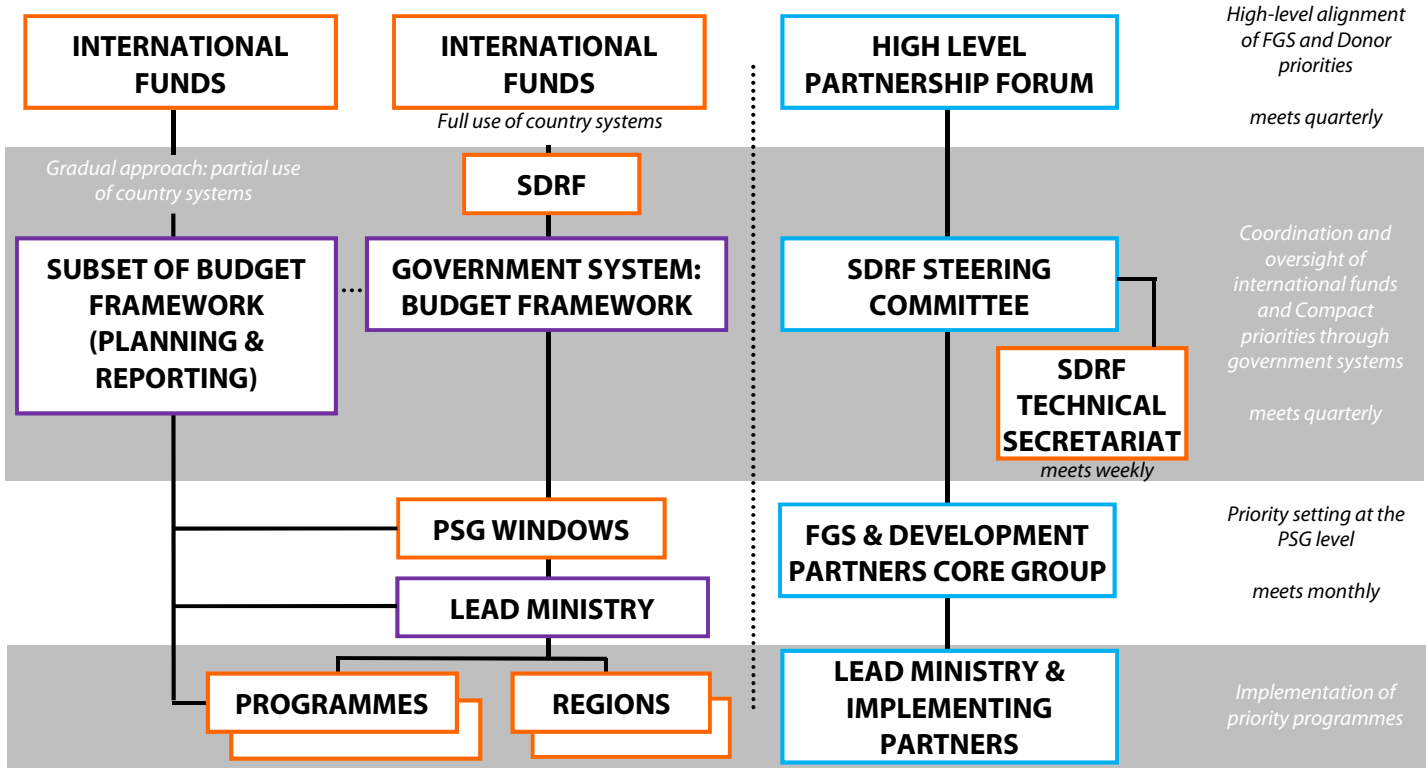
indicators to be developed by december 2013

3

ANNUAL REVIEW OF PROGRESS

will be conducted by High Level Aid Coordination Forum to be held annually in October to review overall Somaliland Special Arrangement implementation, update PSG milestones, assess resource requirements & renew international commitments.

SDRF GOVERNANCE STRUCTURE



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