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Introduction and background to the support

Somalia, though facing severe economic and development challenges, has made considerable progress in the last number of years. The nation identified poverty reduction and economic growth as priorities for its ninth National Development Plan (NDP-9), as did international financial institutions as conditions for debt relief and re-engagement with the international financial system. The completion and ratification of NDP-9 in September 2019 was an important milestone for Somalia’s efforts to reach the HIPC (Heavily Indebted Poor Countries) decision point in early 2020. The plan outlined a Poverty Reduction Strategy and provided thorough analysis of the roots of poverty in the country and strategies for poverty alleviation and overall economic and social development. Several activities to ensure that the nation’s goals were achieved were identified and an expert through UNDP agreement was assigned the task in collaboration with the MOPIED.

Activities to be implemented

The Technical Specialist working with the Ministry of Planning, Investment and Economic Development provided technical and coordination support to facilitate the design and implementation of the process for drafting the NDP II in Somalia. The assignment commenced with an inception report which identified the needs of the Government, how the work was to be carried out and the projected timelines. This inception report was delivered on 13 April 2021.

Expected Deliverables

NDP Prioritisation and work-planning**:**

o Support the prioritisation of the NDP-9 priorities

o Support the development and fine-tuning of Results Framework by Pillar by year

NDP Reporting and communication**:**

o Support the development and dissemination of quarterly reports of ODA developments,

trends, under-invested and over-invested sectors

o Support to ongoing communication efforts including speeches, briefings, and others as

required.

o Support the drafting of the annual progress report to the IMF

o Support the drafting of memo/notes/articles for dissemination.

Organisational development**:**

o Support the development of Joint Implementation Framework

o Support the optimisation and continuous improvement of clearance letter process

# Progress report

## Annual NDP Progress Report

This is a HPIC Completion Trigger as part of the requirements for debt relief, approved in March 2020. The triple threats of 2020 (floods, locusts, and COVID-19) negatively impacted the implementation of NDP-9 for Somalia. This report outlined the deleterious impacts and the pockets of progress achieved notwithstanding the challenges. Some gaps remained in the report, particularly in some Economic sub-sectors, in Monitoring and Evaluation, and in the Prime Minister’s Foreword.

These gaps were reported to MoPIED and to the IMF, who had a gap analysis as one of their suggested reporting points. The gaps were a combination of lack of Ministerial feedback (particularly for the Economic chapter); lack of available data (M&E) and the ongoing political crisis (PM Foreword).

The report was completed[[1]](#footnote-1) with gaps identified and provided to MoPIED for submission to the IMF. This report was submitted to the IMF by the MOPIED in September 2021. Some of the key issues identified in the report included the following:

* Report on how ODA was repurposed t deal with the unfolding crises exacerbated by the Covid 19 pandemic, the locusts invasion and general economic malaise in the country.
* The Government made considerable progress on areas identified as critical for Somalia to

satisfy the HIPC Completion Point requirement of at least one year’s satisfactory

implementation of NDP9, namely to i) update the plan’s underlying macroeconomic and fiscal framework; ii) contribute to the country’s macroeconomic stability through prudent

fiscal measures to strengthen the fiscal framework; and iii) present information on costing and related financing of planned NDP interventions.

* To partially offset the spike in prices observed towards the middle of the year, the Government instituted tax exemptions on basic commodities, including a 100 percent tax exemption on rice and dates, and a 50 percent exemption on wheat flour and cooking oil. Whilst small, these measures were an important, initiative-taking step by the Government to cushion citizens from the economic impact caused by the COVID-19 pandemic.

## Prioritization Methodology Guidance Note

A preliminary draft was completed by the end of April. The recommendations of the re-prioritization technical report focused on leveraging the innovations of 2020, and addressing the increased vulnerabilities exposed during the crises. New priorities were selected based within the existing priorities using additional criteria reflective of the experiences and emerging themes of 2020. The re-prioritization report outlines these in full.

***Increased household and community vulnerabilities included:***

* *• Disproportionate harm to women and children, particularly in the rural areas*
* *• Economic harm and credit crunch to micro, small, and medium sized enterprises*
* *• Lagging health indicators for maternal health, child vaccination programs and access to health providers*
* *• Decrease in school attendance after school reopenings*
* *• Increase in food and income insecurity*
* *• Increase in displacement*
* *• Likely increase in unemployment and poverty levels*

***Innovations to leverage included:***

* *• Household income through the scaling up of Baxnaano*
* *• Credit access for small businesses through Gargaara facility*
* *• Investment in health clinics and infrastructure as COVID-19 vaccines rolled out*
	+ - 1. *• Successful locust mitigation programme, along with other crisis management measures (flooding, crop damage, livestock, water management)*
* *• Strengthened fiscal relations between FGS and FMS through fiscal transfers*
* *• Ratification of Women’s Charter*

## *G*uidance note on MoPIED clearance process of ODA financed development programmes/projects

In early 2020 the Donor Engagement Office (DEO) of the Ministry of Planning, Investment and Economic Development (MoPIED) developed a project compliance process for donors to register their interventions in the Aid Management System. It was an effort to ensure that projects aligned to the priorities of the NDP within the four strategic Pillars: Inclusive and Accountable Politics; Improved Security and the Rule of Law; Improved Economic Development and Improved Social and Human Development.

This guidance note was intended to review the current compliance process and to suggest a review process given the changed circumstances of 2020/21, the costing and realignment of NDP-9 priorities, and feedback from stakeholders after a year of operation.

This product was delivered to the Government and in turn utilised in other Government meetings with international funders. A review of the implementation of NDP-8 revealed weaknesses in the coordination, alignment, and monitoring of development interventions. This process was introduced to address those weaknesses and to provide national oversight on the alignment of donor efforts. The process, one of several viable options, was reviewed and approved by MoPIED in 2020. Donors’ feedback has been mixed with many expressing their concerns over the additional approval requirements and the pass/fail hurdle administered by one office.

### 2021 NDP Priorities/Pillar Priorities

An outline was submitted with preliminary additional criteria discussed and agreed. This report was highly dependent on the costing of the NDP being completed.

|  |  |  |
| --- | --- | --- |
| **NDP-9 Pillar**  | **Priority Strategies**  | **Re-prioritization Criteria**  |
| **Inclusive Politics**  | Deepening Federalism  | Does it strengthen the social contract? (Both in terms of citizens, and across governments) Is it responsive to the vulnerabilities of women and children? Is it an investment in resiliency? Will it require a critical mass of funding to have an impact? Will it leverage existing innovations?  |
| Strengthening Local Government  |
| Cross-Cutting interventions  |
| **Economic Development**  | Improving Productivity and Resilience  |
| Enabling Business Environment  |
| Diversifying Economy  |
| **Social Development**  | Social Protection and Disaster Management  |
| Improving Health  |
| Improving Education  |

## Joint Implementation Framework Guidance Note

This product was delivered on 31 August 2021. This guidance note outlined a recommended framework for the joint implementation of the re-prioritized NDP-9. The re-prioritization process used NDP-9 as its basis and thus reflects the strategic direction and priorities established in the plan, focusing on narrowed choices to better suit the constrained economic and development circumstances of 2020 and 2021. The implementation framework, therefore, will also reflect the current implementation arrangements, and the principles and approach outlined in NDP-9.

Key issues identified:

* Implementation Principles for the NDP9
* Institutional arrangements
* Implications for reprioritisation of NDP- 9
* Implementation strategy
* Relationship international partners
* Coordination of humanitarian and development partners
* Relationship with the private sector

## Risks identified in the assignment

Four significant risks were identified in the assignment:

1. Continued external shocks which delay development in favour of escalated humanitarian responses, including the ongoing global pandemic
2. Timely cooperation and input from government counterparts
3. The proposed schedule was tight. Any slippage in timely inputs would delay the deliverable deadlines
4. Most deliverables were dependent on the parallel costing exercise. Receiving responses from each line Ministry and from donor partners was critical.

## Mitigation measures:

To ensure that the assignment and support proceeded unhindered, the consultant consulted with the MOPIED team constantly through meetings facilitated by UNDP. There was a deliberate push from UNDP for the Government to provide support for this activity including the gathering of data for the expert to utilise.

The UNDP turnaround readiness strategy was critical in ensuring that the assignment went ahead without challenges. This was credited to the smooth recruitment and onboarding process as well as support to the expert by UNDP staff.

The close cooperation between UNDP, the Government as well as other UNDP experts working with the Government also made it possible for the work to proceed successfully.

Financial Report:

1. The report was delivered on 31 August 2021 [↑](#footnote-ref-1)