



REVISED PUNTLAND DEVELOPMENT PLAN



MINISTRY OF PLANNING & INTERNATIONAL COOPERATION



REVISED VERSION

2017-2019



PUNTLAND STATE OF SOMALIA

Revised Puntland Development Plan

2017-19

ABBREVIATIONS AND ACRONYMS

ABE	Alternative Basic Education
ADR	Alternative Dispute Resolution
CBO	Community-Based Organization
CPCU	Central Planning Coordination Unit
CPI	Consumption Price Index
CSC	Civil Service Commission
CSOs	Civil Society Organizations
DAD	Development Aid Database
DDFs	District Development Frameworks
DDG	Danish Demining Group
DDR	Disarmament, Demobilization and Rehabilitation
DEA	Drug Enforcement Agency
DMEC	District Monitoring and Evaluation Committee
EAU	East Africa University
ECE	Early Child Education
EEZ	Exclusive Economic Zone
EFA	Education for All
EMIS	Education Management Information Systems
EOD	Explosive Ordinance Disposal
EPHS	Essential Package of Health Services
FGM	Female Genital Mutilation
FGS	Federal Government of Somalia
GDP – PPP	Gross Domestic Product – Purchasing Power Parity
GDP	Gross Domestic Product
GPI	Gender Parity Index
HADMA	Humanitarian Affairs and Disaster Management Agency
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HR	Human Resource
HRC	Human Rights Commission
HRD	Human rights Defender
IBVTC	Institute-based Vocational Training Centre
ICT	Information and Communication Technology
IDPs	Internally Displaced Persons
IED	Improvised Explosive Devices
ILO	International Labour Organization
INGOs	International Non-Governmental Organizations
IOM	International Organization for Migration
IQS	Integrated Quranic Schools
ISPS	International Ship and Port Security
JPLG	Joint Programme for Local Governance
LNGOs	Local Non-Governmental Organizations

LPG	Liquefied Petroleum Gas
LQ	Location Quotient
M&E	Monitoring and Evaluation
MAP	Media Association Puntland
MCH	Mother and Child Health
MDGs	Millennium Development Goals
MICCH	Ministry of Information, Communication and Cultural Heritage
MIDA	Migration for Development in Africa
MMEC	Ministerial Monitoring and Evaluation Committee
MMTP&CP	Ministry of Maritime Transport, Ports and Counter Piracy
MoC&I	Ministry of Commerce and Industries
MoCA&A	Ministry of Civil Aviation and Airports
MoE	Ministry of Education
MoF	Ministry of Finance
MoH	Ministry of Health
MoILGRD	Ministry of Interior, Local Government and Rural Development
MoJRAR	Ministry of Justice, Religious Affairs and Rehabilitation
MoLYS	Ministry of Labour, Youth and Sports
MoPIC	Ministry of Planning and International Cooperation
MoPW&T	Ministry of Public Works and Transport
MoS& DDR	Ministry of Security and Demining, Demobilization and Rehabilitation
MoCFA	Ministry of Constitutional and federal affairs
MoU	Memorandum of Understanding
MoWFSA	Ministry of Women, Family and Social Affairs
MRE	Mine Risk Education
MTEF	Medium Term Expenditure Framework
N/A	Not Applicable
NESHA	North Eastern Somali Highway Authority
NGOs	Non-Governmental Organizations
ODA	Official Development Assistance
OPD	Office of the Public Defender
PAE	Primary alternative Education
PASWA	Puntland Agency for Social and Welfare Affairs
PCC	Puntland Custodial Corps
PDMEC	Puntland Monitoring and Evaluation Committee
PDRC	Puntland Development Research Centre
PEFA	Public Expenditure and Financial Accountability
PEPP	Puntland Education Policy Paper
PFM	Public Finance Management
PFYDP-2	Puntland Second Five-Year Development Plan
PGGACB	Puntland Good Governance and Anti-Corruption Bureau
PHA	Puntland Highway Authority
PLAC	Puntland Legal Aid Centre
PMAC	Puntland Mine Action Centre

PMAP	Puntland Mine Action Programme
PMEC	Puntland Monitoring and Evaluation Committee
PMPF	Puntland Marine Police Force
POAG	Puntland Office of the Attorney General
POAG	Puntland Office of the Auditor General
PPF	Puntland Police Force
PPP	Public Private Partnership
PSAWEN	Puntland State Agency for Water, Energy and Natural Resources
PSG	Peace building and State building Goal
PSS	Puntland Security Service
PSU	Puntland State University
PTEC	Puntland Transitional Election Commission
PTYDP	Puntland Three Year Development Plan
PUNSAA	Puntland Non-State Actors Association
PUWLA	Puntland Women Lawyers Association
QUESTS	Qualified Expatriate Somali Technical Support
RPDP	Revised Puntland Development Plan
RDMEC	Regional and District Monitoring and Evaluation Committee
SBP	State Bank of Puntland
SIDP	Somali Institutional Development
SSDF	Somali Salvation Democratic Front
SSP	Sector Strategic Plan
SWG	Sector Working Group
TFG	Transitional Federal Government
TNA	Training Needs Assessment
TPAs	Thematic Priority Areas
TPEC	Temporary Puntland Electoral Commission
TVET	Technical and Vocational Education Training
UN	United Nations
UNAIDS	United Nations Acquired Immunodeficiency Syndrome
UNCEF	United Nations Children’s Fund
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNHABITAT	United Nations Agency for Human Settlements
UNODC	United Nations Office on Drugs and Crime
USD	United States Dollar
UXO	Unexploded Ordinance
WASH	Water, Sanitation and Hygiene
WFP	World Food Programme
WHO	World Health Organization

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The Ministry of Planning and International Cooperation (MoPIC) through the Mid Term Review process reviewed progress achieved in the 2nd Puntland Five-Year Development Plan 2014-18 (PFYDP-2). As a result of that exercise a deliberate effort was made to update and produce the Development Plan into a 3 Year Development Plan (Revised Puntland Development Plan) covering the years 2017 to 2019.

The Ministry acknowledges President Abdiweli Mohamed Ali's steadfast political support and close supervision over the review of the PFYDP-2 and the development of the Revised Puntland Development Plan.

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PRESIDENT'S FOREWORD



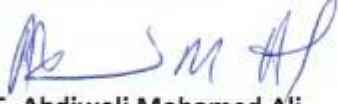
The Revised Puntland Development Plan (2017-19) marks the latest phase of development efforts in Puntland Government of Somalia. This Development Plan by the Puntland government looks towards an improved quality of life for its people by addressing socio-economic, political and technological challenges, building robust public infrastructure and responsibly utilizing natural resources for a better future. This Development Plan was prepared based on a participatory approach and consultative process. This Plan is owned by Puntland based on the needs and aspirations of its people, and will be implemented through collaboration of the Puntland Government and all relevant Stakeholders.

The plan reflects and addresses development challenges in different sectors, highlights critical priorities, and recommends necessary strategies and approaches that contribute to achieving the overall development goals of Puntland. Puntland continues to forge forward with its third phase of Development Planning. Within the various chapters of the Development Plan, there are key strategic interventions regarding good governance; strengthening security and stability; advancing free market economy; improving the quality of education and healthcare; upgrading critical public infrastructure; promoting human rights and gender equality and enhancing democracy and decentralization.

The design of this Development Plan is another milestone that Puntland is proud of. The effective implementation of the plan is even more critical and its success will be measured by the improvement that it delivers in the various sectors, to entrench good governance and to raise the quality of life for Puntland citizens. The present plan is built to address the critical priorities at the grass roots level. Through this plan, we propose to convert these priorities into feasible projects and programmes that translate into tangible improvements

The successful realization of this Plan will depend upon the pro-active participation of all stakeholders, including public, private, and civil society actors, whose visible commitment to the Plan will translate into coordinated actions that produce concrete results. The Plan is a major step in maintaining a peaceful and secure Puntland, that respects the rule of law, with effective, efficient, and decentralized administrative systems that deliver public goods and services, and develop critical facilities and public infrastructure, as well as protecting the natural environment for the benefit of all.

I express my deepest appreciation and acknowledgement to the Puntland Ministry of Planning and International Cooperation and the team of experts who contributed their time, energy, effort and expertise to produce this development document – the Revised Puntland Development Plan 2017-19 of the Puntland Government of Somalia.



H.E. Abdiweli Mohamed Ali,
President, Puntland Government of Somalia

MINISTER'S FOREWORD



It is my great pleasure and honor to take this opportunity to introduce to you The Revised Puntland Development Plan (2017-19). This Development Plan is derived from the previous Second Puntland Five-Year Development Plan (2014-18). Two and a half years have passed since the Second Five Year Development Plan was launched and it became necessary to review the PFYDP-2 to determine what has been achieved.

The review has also been necessitated by the fact that the political, social and economic circumstances of Somalia in general and particularly in Puntland are widely changing and the planning needs of Puntland to be aligned to the national and global social, political and economic realities affecting the people of Puntland. With the coming to end of the New Deal timeline at the end of 2016 and the launching of the new global Sustainable Development Goals (SGDs) it also became apparent that the PFYDP had to be realigned to be in sync with these developing trends.

After the revision of the PFYDP-2 in mid-2016, Puntland achieved 30-40% rate of achievement of the intended targets of Second Puntland Five-Year Development Plan. Indeed, significant achievements were made in all the sectors through the government reform agenda in the areas of civil service; security, justice, public finance and local government. Core government institutions were reviewed and restructured which contributed to the clarity on institutional mandates, which enhanced service delivery of government institutions to the public. In the security sector major achievements were attained in the review period, for instance, the targeted terror assassinations in Puntland's large cities have substantially disappeared and piracy activities on the Puntland coast have almost been eliminated. Major progress continues to be made on the infrastructure front. Indeed, the completion of the first phase of Bossaso Airport was another key achievement to add onto the government's key achievements. However, we are still, far from reaching our targeted destination and Puntland faces a number of challenges from security to insufficient domestic revenue, limited qualified technocrats, low living standards, and low levels of employment among other challenges.

The Puntland government has valuable development partners that have been supporting it since its establishment and they are committed to continue their support. It is therefore crucial that the Puntland Government, the Federal Government of Somalia and development partners work together to improve the effectiveness of aid management across all levels and sectors to ensure maximum benefits to the Puntland people, in a transparent and accountable manner, as well as, the entire people of Somalia. Reconstruction and rehabilitation of the Puntland economic infrastructure is very essential to accelerate the local economy to ensure that domestic and public revenues is increased,

job creation programs implemented and living standards of the Puntland people is improved in order to reach self-sufficiency.

Last but not least, I wish to express my sincere appreciation to those who dedicated their energy and resource in producing Revised Puntland Development Plan (2017-19). In particular, I wish to thank the MoPIC staff for the coordination and formulation of this plan and other government agencies that facilitated its preparation as well as UNDP for its valuable technical support for developing of this plan.



Shire Haji Farah

Minister of Planning and International Cooperation

Puntland State of Somalia

EXECUTIVE SUMMARY

Development for All

In 2005, the Ministry of Planning and International Cooperation (MoPIC) undertook the formulation exercise of the First Puntland Five-Year Development Plan (2007-11) on behalf of the Puntland Government. The main purpose of having a PFYDP-1 was the establishment of targeted development goals and the setting up of strategic plans to overcome the barriers and challenges of development in Puntland. In 2013 the Government of Puntland reviewed the results of the First Puntland Five-Year Development Plan. The overall achievement rate of the first five year development plan was estimated at about 45 percent of the set targets. These results gave a good overview of where Puntland was, what the challenges were and where Puntland needed to exert more efforts and invest resources. Thus, came the formulation of the Second Puntland Five-Year Development Plan (2014 – 2018). In mid - 2016, the government of Puntland conducted an interim review of the Second Puntland Five-Year Development Plan. Within the first two and half years of the Second Puntland Five-Year Development Plan, an achievement rate was found that was between 30-40%. The review showed that it would be ideal to develop a three year development plan for 2017-19.

With a continuously secure and stable environment, Puntland is moving steady and is in a development stage. Development means infrastructural, economic and governance growth, but it also includes space for personal and individual development. Human rights such as freedom of expression, freedom of movement, the right to vote, the right to have an opinion, and the right of defense are taking a more prominent position on the agenda of Puntland across all sectors. This is visible since the establishment of the office of the human rights defender.

For Puntland and its citizens, real development means that any development starts with oneself. Therefore, the Puntland government feels obliged to its people to create an enabling environment for the development of all. Without political will to develop human capacity and skills, economic growth, financial management and respect of law, good governance and development is unlikely to prevail in Puntland.

Puntland as a federal state in the federal republic of Somalia

Somalia adopted a federal system in August 2012, of which Puntland Government of Somalia is the most developed functioning state in the Federal Republic of Somalia. It is also of interest to note that currently Puntland is playing an active role in formulating the framework of the federal general elections as evidence of its commitment to a better Somalia.

“The Puntland State Constitution Article 4.2 calls for the harmonization of the State and Federal constitutions through bilateral negotiation to define and agree upon the rights and powers that will be devolved by the federal constitution to federal States like Puntland”.

However, the devolution of administrative responsibilities and financial resources between the federal government and federal member states is yet to be defined. In the absence of well-defined federal-state relations Puntland’s autonomy in dealing with the majority of its economic and social issues remains at stake. Puntland is committed to working alongside the Federal government and other federal member states in defining federal-state relations so that a greater and better Somalia can become a reality.

The Puntland Constitution recognizes decentralization and the responsibility of districts to implement national policies and develop local interventions. It provides a good foundation for an effective local authority system. To move forward, the current Local Government (LG) legislation (Law 7/2003) needs to be reviewed due to its contradiction with both the new Puntland Constitution and the realities on the ground.

Institution building and administrative reforms are prerequisites for good governance, around which all other activities revolve. The majority of public institutions in Puntland Government of Somalia are weak. A transparent and accountable State and local administration with adequate checks and balances is essential for effective public and economic governance. Inadequate financial and human resources as well as outdated administrative procedures and operational mechanisms are a few identifiable weaknesses that institutions currently face. Consequently, the success of Revised Puntland Development Plan (2017-19) depends on building and strengthening public institutions, as well as instituting an effective system for monitoring government revenue and expenditure.

The First Puntland Five-Year Development Plan was principally one good step forward as an attempt to initiate contemporary development. Formulation of the plan itself is an indicator of the existence of political goodwill within parts of the government. However, the implementation of the PFYDP-2 has been obscured by inherent gaps including the lack of effective Monitoring and Evaluation (M&E) and the lack of supplementary costing and budget for the planned sector-level priorities. A key component in the formulation of this current Revised Puntland Development Plan (2017-19) is that it contains a very detailed and thorough Monitoring and Evaluation Framework as well as a chapter outlining strategies for effectively implementing the Revised Puntland Development Plan

These two new additions should better help the government of Puntland attain the development goals it sets out within the Revised Puntland Development Plan (2017-19).

New Deal Somalia

In the September 2013, Brussels Conference, Puntland was an active partner in endorsing “*The Somalia New Deal Compact*” document, a testament to the new partnership with the international community based on mutual accountability. The aim of the *Compact* is to create a better future for all Somali people, by means of dialogue and a process that promotes political reconciliation and establishes peace, security, justice and sustainable development throughout the country.

The Somalia New Deal Compact is coming to an end in December 2016, and in order to attain an understanding between Puntland and the international community in how effective aid management and coordination should be carried out within the State of Puntland and how development should proceed, the Puntland Three Year Development Plan was developed.

Sector Strategic Plans (SSP)

In this document, the meso level (Puntland level) consisted of six Sector Strategic Plans (SSPs) namely: **governance, security, justice, livelihoods, social and infrastructure**.

Good governance is the fundamental pillar for any development plan because no development plan will succeed if the government institutions, entrusted to implement this plan, are not functioning properly.

Therefore, it is necessary for Puntland government to have a strong institutional building in terms of having the combination of the right institutions, policies and civil servants, who are capable of confidently carrying out the effective and efficient public services needed by the people. This requires civil servants to possess the right skills, experience and equipment. Other important reform aspects of good governance sought include:

- Establishing strong public finance management systems that improve accountability and transparency
- Decentralization of public service delivery to local-level government structures
- Strengthening the skills and capacity of civil servants and equipping them with ICT
- Respecting the rule of law and resuming the democratization process at the right time; and
- Improving the institutional and human resources capacity of all government agencies

Without security, development will not be possible. Therefore, efforts were made in this plan to bring about the required reforms to the security sector of Puntland. This includes reforming different police forces to make them fit for keeping Puntland land and sea a safe place where the State remains peaceful with itself and with its neighboring regions and countries. Human resources capacity building remains the cornerstone of the sought reforms. Therefore, the goals of the security sector include:

- Having secure borders and reducing human trafficking
- Reducing clan conflicts in the rural areas
- Fighting both terrorism and piracy
- Establishing community policing units
- Registering weapons in civilian hands; and
- Reducing the damages caused by mines

Good governance is never complete without having an independent justice system accessible to all members of society. Therefore, the main goals of the justice sector are:

- Improving access to justice in both urban and rural areas
- Reviewing and reforming of laws, legal procedures and related policies
- Strengthening alternative dispute and conflict resolution mechanisms
- Improving the alignment between Islamic Sharia, formal and customary (XEER) laws
- Strengthening legal education with emphasis on gender equality; and
- Improving the human rights and enhancing social rehabilitation of prisoners

Basic education and healthcare services are essential for providing the badly needed human capital of Puntland. Therefore, the main goals of the social sector are:

- Access and equity to education at all levels improved
- Quality of education at all levels improved, science, technology and innovation promoted.
- Public sector health services and Quality of medicine improved.
- Health care financing and information system improved.
- Gender mainstreaming policies and programmes enhanced and women's development promoted.
- Livelihoods of all vulnerable groups improved.
- Youth Employment scheme and Sports Program enhanced.

Due to civil war, environmental degradation caused by decades of neglect and recurring droughts resulted in weaker livelihoods for the population. Consequently, it's very important to come up with strategies that can enhance the people's livelihoods in general and those whose livelihoods are danger in particular. Therefore, the main goals of the livelihoods sector are:

- Animal health and productivity enhanced
- Marine resources management promoted
- Watershed management developed
- Puntland Oasis farming project, local crop production, and Dams construction improved.

- Water harvesting and conservation for environmental rehabilitation and drought resilience improved.
- Wildlife and conserved marine ecology and biodiversity protected
- Adverse impact of the climate change and land deforestation reduced.
- Private sector business enabling environment promoted.

Every effort was put by Puntland authorities in providing the needed maintenance of basic Infrastructure, such as roads and ports. However, Puntland alone cannot afford the large-scale infrastructure projects needed for spearheading its economic growth. Therefore, the main goals of the infrastructure sector are:

- Air and Road Transportation service enhanced
- Port infrastructure and shipping services promoted
- Water shortage reduced
- Availability of essential heavy duty equipment increased
- Alternative Source of Energy promoted
- Human resource capacity enhanced
- Establishing Institutional Policies & Regulations

In this plan, monitoring and evaluation techniques were used including the results chain such as outcomes, outputs, baseline, target, and year on year activities. Furthermore, measurable targets, milestones, means of verification and assumptions were intensively used by all different sector plans in accordance with the SSP guidelines set from the beginning. The main purpose of that exercise was to ensure that all the sector results were SMART based.

Macroeconomic Projections

There are three macroeconomic scenarios: a baseline, a pessimistic growth rate of 2.5% and an optimistic rate of 5%. The total cost envisaged for the plan period is US \$509,044,748.

CHAPTER 1: INTRODUCTION

Background of Puntland Government of Somalia

Following the outbreak of the Somali Civil War in 1991, a homegrown constitutional conference was held in Garowe in 1998 over a period of three months. The conference was attended by the area's political elite, traditional elders (*Isimo*), members of the business community, intellectuals and other civil society representatives. The Semi-autonomous Puntland Government of Somalia was established to deliver services to the population, offer security, facilitate trade, and interact with domestic and international partners. Puntland, which consists of nine administrative regions, is located in the North Eastern part of Somalia with the Gulf of Aden in the North and the Indian Ocean in the Southeast. A third of Somalia's population lives in Puntland, which contains about a third of the nation's geographical area.

As stipulated in Article 2.4 of the Puntland Constitution, *Puntland is an independent integral part of Somalia and has the obligation to restore and maintain the unity of Somalia on the basis of a Federal System*. As such, the state of Puntland seeks the unity of the Somalis and adheres to a federal system of government. Puntland bases its support upon clan elders and their organizational structure along lines based on clan relationships and kinship.

The legal structure of Puntland consists of the judiciary, legislative (House of Representatives) and the executive (the President and his nominated council of Ministries) branches of government. Puntland has enjoyed a democratic system where presidents were voted in and out of office and it has been relatively peaceful since then. President Abdullahi Yusuf Ahmed, one of the founding fathers of the Puntland State and its first president, served 1998 -2001 and then in 2004, he was elected President of Somalia. He was succeeded in office by Mohamed Abdi Hashi, who served until January 2005 when he lost a re-election bid in parliament to General Mohamud Muse Hersi "Adde" who served office until January 2009. Mr Hersi also lost a re-election bid in January 2009 in parliament to Abdirahman Sh. Mohamud Mohamed "Farole," who also lost a re-election bid in January 2014 in parliament to Dr. Abdiwali Mohamed Ali "Gas," the current president of Puntland.

The Second Puntland Five-Year Development Plan 2014-18

In 2005, the Ministry of Planning and International Cooperation (MoPIC) undertook the exercise of formulating the First Puntland Five-Year Development Plan (2007-11) on behalf of the Puntland government. The main purpose of having a PFYDP-1 was the establishment of target development goals and the creation of strategic plans to overcome the barriers and challenges of development. In 2013 the government of Puntland looked back to the results of the first Puntland Five-Year Development Plan and looked forward by planning the development of Puntland for the coming five years. The overall achievement rate of the first five year development plan was estimated at about 45 percent of the target. These results gave a good overview of where Puntland was, what the challenges were and where Puntland needed to put its efforts and invest.

Thus, the formulation of the Second Puntland Five-Year Development Plan was developed. In mid- 2016, the government of Puntland conducted an interim review of the Second Puntland Five-Year Development plan. Out of that research results emerged that were of significant value in developing a three-year development plan for 2017-19. Within the first two and half years of the Second Puntland Five-Year Development Plan, an achievement rate was found that was between 30-40%.

In a mature state as Puntland, sectors differences in their achievements and service delivery and should be considered accordingly, bearing in mind that a health care and an education system cannot function properly without infrastructure, which can in turn only be developed in a safe and secure environment. There are some significant achievement points for the last two years as well as equal attention for the coming three years. With a continuously secure and stable environment, Puntland is moving steady and is in a development stage. Development means infrastructural, economic and governance growth, but it also includes space for personal and individual development. Human rights such as freedom of expression, freedom of movement, the right to vote, the right to have an opinion, and their right to defense counsel are taking a more prominent position on the agenda of Puntland across all sectors. This is visible since the establishment of the office of the Human Rights Defender.

For Puntland and Puntlanders, real development means that any development starts with oneself. Therefore, the Puntland government feels obliged to its people to create an environment enabling development for all. Without political will to develop human capacity and skills, economic growth, financial management and respect of the law, good governance and development is unlikely to prevail in Puntland.

The Ministry of Planning and International Cooperation is the lead government ministry for formulating the Revised Puntland Development Plan (2017-19), which would guide government development efforts for the three years of January 2017-December 2019.

The plan consists of programs that were designed to improve the quality of life of the people of Puntland in all aspects of human development by raising living standards. Achieving good governance by enhancing the capacity of government institutions; enabling for a flourishing free enterprise economy, strengthening security, improving health conditions, developing human resources, strengthening statistical data collection, and decentralization of power were key policy objectives of this plan.

Somalia adopted a federal system in August 2012, of which Puntland Government of Somalia is the most developed and functioning state in the Federal Republic of Somalia. It is also of interest to note that currently Puntland is playing an active role in formulating the framework of the federal general elections as evidence of its commitment to a better Somalia.

The devolution of administrative responsibilities and financial resources between the federal government and federal member states is yet to be defined. Puntland, an example of a mature state, has found itself in a situation where it may be reduced to merely enforcing countrywide federal policies in the future in the absence of well-defined federal-state relations. Currently Puntland's autonomy in dealing with the majority of its economic and social issues is at stake due to the ambiguous federal-state relations. However, if you refer to the Puntland State Constitution Article 4.2, Puntland is committed to working alongside the Federal government and other federal member states in defining federal-state relations so that a better Somalia can be a reality.

The Puntland Constitution recognizes local autonomy and the responsibility of districts to implement national policies and develop local plans/policies/programs/projects, and it provides a good foundation for an effective local authority system. To move forward, the current Local Government (LG) legislation (Law 7/2003) needs to be reviewed due to its contradiction with both the new Puntland Constitution and the realities on the ground.

The Revised Puntland Development Plan (2017-19) takes into account and responds to the results from the interim review of the Puntland Second Five Year Development Plan. One of the most significant findings was that basic service sectors particularly education and health have shown a remarkable improvement, while the institutions under the governance sector have shown less improvement and the Security and Justice sectors have shown a reasonable improvement. Puntland has been committed to developing a three year development plan for 2017-19 with the sole focus of achieving development for all.

The Rationale for a Three Year Development Plan: 2017-19

In mid-2016, an interim review on the Second Puntland Five-Year Development Plan was undertaken whose methodology included a deep study of the PFYDP-2, design and use of questionnaires, visits to the government ministries and agencies to collect data, particularly their achievements in 2014 to mid-2016, and holding focus group discussions with key informants in the public institutions.

On 10 and 17 December 2015 and 10 January 2016, MOPIC convened a meeting for key government sector workgroups including DGs and directors of the planning departments from Ministries/Agencies whose sector priorities were reflected in the PFYDP-2.

The meetings were chaired by the MoPIC Director General, who highlighted the purpose and the importance of the PFYDP-2 interim review and urged all sector workgroups to get actively involved, participate and contribute the information required from their respective sectors and subsectors. Questionnaire forms were distributed to participants to fill in with the information required for the review. Thereafter in the analysis phase, if new information and/or data were needed the review consultants were responsible for reaching out to all ministries and agencies to collect after the outstanding information. Due to the development of Puntland governments systems, all institutions had their plans and achievements of 2014 to mid-2016 in time for the government retreats. That information was collated by the consultants who translated it into English and assessed its alignment with the PFYDP-2.

As stated above, in mid-2016 an interim review on the Second Puntland Five-Year Development Plan was undertaken. It produced significant findings that called for a new three year development plan. Having studied the strength and weaknesses of the PFYDP-2, the government of Puntland was in a better position to develop a new three year development plan that better responded to the realities on the ground in 2016. In order for this initiative to be fruitful, the Ministry of Planning and International Cooperation approached UNDP's Capacity Development Strengthening Institutions Project to provide both technical and financial support for formulating the new Revised Puntland Development Plan 2017-19.

The Planning Process

The plan has been formulated through an all-inclusive and participatory consultative process involving all Puntland institutions, with technical assistance from local and international experts. The specific objective of the participatory approach is to provide an in-depth understanding of the Puntland State development problems, related priorities and the necessary strategies to contribute to the overall development goals of the State.

Given the challenges of the First Five-year Plan and emerging priorities as a reflection of the New Deal by the Federal Government, The Revised Puntland Development Plan (2017-19) is centered around seven levels of the strategic State Thematic Priority Areas (TPAs) that is utilized as a guide for bottom-up planning approach. These TPAs will serve as policy guidelines and may be further revised to ensure a strategic fit between national and decentralized priorities. These broader priorities, in no particular order are,

- a) State Security and Stability
- b) Governance and Institutions
- c) Public Finance Management
- d) Provision of Social Services
- e) Promotion of leading productive sectors
- f) Infrastructure development
- g) Natural Resource Management

Revised Puntland Development Plan has four guiding principles:

- **Strong focus on emerging priorities:** The Revised Puntland Development Plan recognizes the achievements that Puntland has made in its development during PFYDP-2 implementation. It will place an increasingly concentrated and coordinated effort on new emerging priorities and challenges to ensure Puntland is on track to achieve the overall targets captured through the seven proposed Thematic Priority Areas;
- **Inclusiveness and engagement:** The Revised Puntland Development Plan (2017-19) elaboration process has been designed to promote ownership at all levels of government (i.e. State and decentralized levels) and intentionally creates multiple feedback mechanisms between different levels of Government and civil society organizations, as well as the Private Sector;
- **District-led Development:** The Revised Puntland Development Plan (2017-19) recognizes the need for differentiated development strategies at the district level. High emphasis will therefore be placed on ensuring strong linkages between the Revised Puntland Development Plan (2017-19), Sector Strategic Plans (SSPs) and District Development Frameworks (DDFs).
- **Sustainability:** The Revised Puntland Development Plan (2017-19) interventions aim at sustainability and all Sectors and Districts will be asked to ensure that programs/projects and targets achieved from Puntland Second Five Year Development Plan are long-lasting.

The whole planning process started with the preparation of a mid-term report, which outlined the detailed roadmap of what the planning process would involve including the institutional arrangements at different levels of planning. All of the institutions that had a stake in the sector/district concerned were identified beforehand and the role of each stakeholder was determined. Furthermore, the financial and human resources needed for the plan's success was prepared with the financial and technical support of UNDP Somali Strengthening Institutional Performance (SIP) Project.

After the mid-term report was completed, it was presented by the international consultant at the sector working group sessions. The members of each sector working group with the collaboration of MoPIC discussed the findings in the mid-term report thoroughly and unanimously endorsed it. This meant that Revised Puntland Development Plan (2017-19) received the ownership seal of the government of Puntland and its full commitment.

In order for Revised Puntland Development Plan (2017-19) to be comprehensive, the planning process was divided into three distinct but related levels: the micro, meso and macro levels. As stated in the above district-led principle, the bottom-up planning approach (or the micro level planning) was followed by PFYDP-2 which started from local and district level communities. After all institutional arrangements were made ready, the first step of the PFYDP-2 was to send teams to all districts of Puntland (39 in total) and collect data. All the districts of Puntland were given the full opportunity to come up with their own priorities. MoPIC, Ministry of Interior, Local Government and Rural Development (MoILGRD) collaborated in this challenging work.

This process was facilitated by experienced individuals, who were specifically trained to collect the views of the grassroots communities both in rural and urban areas. The end result was the priorities of all districts made available for the meso or sector level strategic plans. The Revised Puntland Development Plan (2017-19) is a continuation and improvement of the PFYDP-2, which collected data from the micro level. Given the fact that Revised Puntland Development Plan (2017-19) is building from the PFYDP-2, it is also a comprehensive plan which takes into account the issues at the micro level.

The meso or sectoral level planning involved State-level government line ministries and other institutions mandated to provide specific public services such as veterinary services, business regulations, health or education. All of these institutions were given the opportunity to join the sector working groups. This process involved recurring consultations with all the relevant stakeholders in the sector concerned. This made the whole planning process truly consultative and inclusive instead of being imposed from outside public institutions.

At the macro level, the macroeconomic framework of Puntland was prepared. This involved lots of sophisticated calculations of macroeconomic variables related to GDP, employment, and major sources of the overall resource envelope. Other issues covered included different GDP growth scenarios, the current constraints about monetary and fiscal policies, and poverty reduction while making explicit the assumptions used for coming up with these figures (see Puntland Macroeconomic Projections Chapter).

Based on the three levels of planning mentioned above, there were six meso-level sectors which prepared its Sector Strategic Plans (SSPs): Governance, Infrastructure, Justice, Livelihoods, Security, and Social. Six Sector Working Groups (SWGs) were established for each of these sectors which had members from all relevant stakeholders and headed by its chair of lead Ministry and the relevant UN Agencies as co-chairs since most donors are not based in Puntland (for example, Ministry of Security & DDR was the lead ministry for the Security SWG).

One of the unique features of Revised Puntland Development Plan (2017-19) is the intensive use of log-frames in all sector strategic plans. This included the results chain impacts, outcomes, outputs, indicators, baseline, target, means of verification, and assumptions of the plan as well as a year on year timeline and budgeting.

The Potential for Puntland

Puntland as a State of Somalia with a land area of 212,500 km² (more than one third of the size of Somalia) and approximately 1600 km of coastline has managed to maintain reliable peace and security in recent years, which has enabled it to establish political and administrative institutions, basic social services, an active civil society and a growing private enterprise community.

Out of a population of approximately 4 million, many are nomadic. The main sources of livelihood are livestock, agriculture (especially the production of frankincense), and fishery. It is estimated that livestock exports contribute to around 80 per cent of foreign exchange earnings, 40 per cent of the gross domestic product (GDP), and 60 per cent of employment opportunities. Puntland is thus heavily dependent on the livestock sector; however, it is fragile even at the best of times, due to the semi-arid and arid climatic conditions. The carrying capacity of land is low, especially in the context of recurrent droughts.

Remittances from the Diaspora contribute significantly to household incomes and provide substantial funding for small businesses and basic service provision in and around towns. Although there is no precise and clear-cut data, it is estimated that 1 to 5 per cent of the rural

households receive remittances, while this figure could be as high as 20 per cent in some towns.

When the secure environment can be maintained, Puntland has all potential to grow and to develop. The opportunities are numerous:

- Geographical location – the strategic position (Horn of Africa), with access to international sea routes, offers great potential for growth.
- An extensive coastline, rich marine resources, and a large Exclusive Economic Zone (EEZ) – these provide a potentially rich resource base, if developed and managed in a sustainable way.
- A significant livestock economy and potential mineral resources (oil and natural gas).
- Reliable stability and security in the region.
- Deepening democratization and decentralization.
- Free trade (low trade barriers).
- Vibrant private sector – particularly conducive to growth.
- A population -including Diaspora- that is known for its trade skills and entrepreneurship

Cross-Cutting Issues

There are eight cross-cutting issues that have been identified as important in all Sector Strategic Plans: human rights, capacity building, gender equality, HIV/AIDS, Khat, environment, climate change and disaster management, and disability and social inclusion. Some of these issues are integral parts of certain sectors. A very good example is the inclusion of the environment in the Livelihoods Sector. However, environmental issues must be taken seriously in all other sector plans as well. For example, when road transportation infrastructure is being planned, many environmental aspects must be taken into account. Consequently, every effort was made to mainstream these cross-cutting issues in respective sector plans.

GENDER: Gender equality is a human right. The ultimate goal of this plan is to uphold the rights of women, children, and men equally and work towards eliminating violence against women in the longer term so that all people in Puntland can have an equal opportunity to lead free and worthwhile lives. The broader problem of gender inequality is a significant constraint on development as it negates every area of development activity and is an abuse of human rights. Ending gender disparity of any form is crucial, therefore, to achieving gender equality and delivering positive development outcomes.

The integration of gender parity reflects the fact that Somali communities have a high number of women-headed households. Women also predominate in small-enterprise activity, running most small businesses. The nomadic division of labor is heavily weighted towards women, who are generally responsible for small stock, milking and processing, and marketing dairy products; collecting firewood and water; cleaning and cooking for the family; and dismantling and reconstructing homes. With their dual burden in the private and public places, women as a group require specific attention. It is important to pay attention for gender equity at the various levels of authority to improve women's decision making powers.

In the security sector, gender equality and the promotion of equal rights and responsibilities between women and men in creating and maintaining secure environments for all is a paramount goal to achieve. The effective inclusion of gender-based equality is important when developing new standard and procedures for police, military, border services, and intelligence service personnel, and for civilians who oversee them.

In the justice sector, women's employment lags behind that of men. Gender composition of the judiciary is skewed in favor of men as most active legal practitioners are also men; however, this trend is slowly changing. Among the positive examples are that there is now a growing gender balance in law faculty admissions and the establishment of Puntland Women Lawyers Association is a positive improvement. Empowering women is not only crucial for the sector but to achieving gender equality and delivering positive development outcomes as well. Thus, recognizing the importance of women participation in the justice system, the justice sector must aim at reform priorities that promote women's legal education, recruitment into the legal profession, and women's equal access to justice. In this way, consistent efforts should be made to increase female representation in the sector.

HIV/AIDS: The exact number of people living with HIV/AIDS in Somalia is not known. According to most reports, less than 1% of the country's population is HIV positive. In 2015, UNAIDS estimated the number of people living with HIV in Somalia to be 30,000. Being HIV positive in Somalia means doing everything in one's power to stay invisible because of the stigma attached to the disease. People infected with HIV/AIDS usually face discrimination from society at large due to the stigma associated with HIV/AIDs.

Somali people are afraid to be known as HIV positive and prefer to remain unknown to other people. Instead of sympathizing with them, they meet harassment when their neighbors move out or their children are removed from their schools. People with HIV/AIDS want to live better lives and raise their children without fear and persecution. A greater number of people also prefer not to associate with HIV carriers within the same premises. These difficulties

faced by persons infected with the virus can be minimized through awareness-raising about the spread of the disease using different methods such as religious sermons, increasing the legal protection for vulnerable groups including HIV/AIDS-positive patients, and most importantly access to free and quality treatment. All the sectors including the security sector have to commit to the prevention, treatment, care and support, and non-discrimination in workplace programmes for those who live with HIV/AIDS.

HUMAN RIGHTS: Building strong, efficient, and effective defense and security forces fit to take responsibility for Puntland Security, with professional standards and practices consistent with the requirements of social and economic development based on human rights.

Mainstreaming concepts of human rights, especially for the protection of vulnerable groups such as IDPs and returnees, refugees, women, children, the elderly, those who are living with HIV/AIDS, the disabled, and minorities will improve relations between the host communities and incoming communities and will build a spirit of cooperation and mutual assistance.

The key interventions for human rights include development of legislation to outlaw exploitative child labor. It is also vital to implement human rights awareness campaigns among the returnees and IDPs and the local communities to ensure equity and respect for human rights for all groups. It is necessary to engage with the vulnerable populations to help them advocate for their own rights to identify and address protection needs and appropriate responses.

IDPS: Most of the IDPs (Internally Displaced Persons) are citizens of Somalia who moved to Puntland after the civil war erupted in Somalia in 1991 and are found in all nine regions of Puntland. These IDPs often live in slums on the outskirts of urban centers where basic social services such as health and education are missing. Although there are some organizations (both local and international) as well as local authorities that target IDPs, the challenges are far greater than what can be achieved with the limited means of intervention.

In order to ensure appropriate identification of needs of Internally Displaced Persons (IDPs) and ensure nondiscrimination in access to services or assistance, and most effective and comprehensive responses, all relevant actors in Puntland should be involved in the protection strategy. There should be a clear reference to the law applicable in Puntland including international human rights law, international humanitarian law, as relevant local law.

In the justice sector, there is a growing need for delivering justice services to IDPs and commitment to reintegration of IDPs into society. Apart from the fact that living conditions for the IDPs must be improved, challenges mainly are found in the lack of resources to resettle IDPs

and re-integrate them, the absence of accurate information on their number, training staff to build their skills, and promotion of legal protection for IDPs.

Environment, Climate Change and Disaster Management

The indigenous plants and animals, on the verge of extinction, are very common in Puntland. Many animals are in danger of extinction, including native animals such as the Somali wild ass, antelope, gazelle, ostriches, deer, lions, leopards and cheetah. Numerous species of birds and different types of fish found in and around Puntland are also fading away in large numbers. Grass, box trees, acacia, gum, myrrh, and frankincense are no longer found in abundance.

There is an increasing acknowledgement that charcoal production is the main environmental challenge confronting Somalia today. It is a major cause of deforestation and environmental degradation across Puntland as everyday rangelands and forests are burned for charcoal production. More than 97% of families rely on charcoal as a source of energy for cooking. Charcoal production is both a supply- and demand-driven phenomenon. Being an important provider of employment and income, which does not need much of an initial investment, demand is very high, and prices are rising all the time.

Because of the immediate threat posed to the environment and because of Puntland economy's reliance on natural resources, development goals can be neither achieved nor sustained without effective legal framework for environmental protection. It is essential to enhance environmental public awareness, introduce alternative sources of energy for charcoal, prevent plastic bag pollution, mobilize resources (both domestic and international), and above all the environment must be protected through creating legislations and promoting agriculture-based livelihoods and alternative energy.

Vulnerability to disasters is predominantly influenced by variations in climatic pattern. These can be in the form of delayed rain, floods, droughts, epidemics etc. The cost of disasters in Puntland can clearly be enormous both financially and in terms of lives and livelihoods lost and development prospects curtailed. This was witnessed in 2004 when a tsunami hit the Puntland shores with a devastating force. The cyclone which hit the eastern coastal areas of Puntland in November 2013 is still vivid in people's memories. Key challenges can be summarized as: shortage of staff with knowledge and experience on disaster preparedness, inadequate infrastructure, lack of information systems such as Early Warning systems, and lack of resources earmarked for disasters. To be able to mitigate the effects of disasters, Puntland needs to have a disaster management plan and credible and timely information systems.

Puntland is mainly composed of arid land with poor rainfall distribution pattern ranging from 100 – 200 mm per year. Population vulnerability to disaster is predominantly influenced by variations in climate patterns (e.g. delayed rains or partial failure of rains, floods, droughts, etc.). The structural causes of the high degree of vulnerability of the population (especially pastoral communities) to disasters and the factors affecting them are long complex and varied. However, focusing on pastoralist, which is backbone of Puntland society and economy, one finds that pastoralist livelihoods are being made increasingly vulnerable to disasters by the environmental degradation and poorly managed droughts.

Puntland faces multiple hazards that include droughts, floods and civil conflict. Even under normal conditions, nomads and agro-pastoralists spend most of their time searching for the basic essentials of life: food and water for themselves and their animals. Indeed, the entire country suffers from perpetual but unpredictable water shortage due to failure of seasonal rains. Epidemics are not as common as droughts, but they do occur from time to time. In the security sector, raising the awareness of the security staff is needed on the adverse effects on the environment by ammunition, weapons and the importance of clearing mines for peoples' safety.

KHAT: Khat (or Qaad) is a flowering plant native to the Horn of Africa and the Arabian Peninsula. Among communities from these areas, khat chewing has a long history as social custom dating back thousands of years. Khat contains a monoamine alkaloid called cathinone, an amphetamine-like stimulant, which is said to cause excitement, loss of appetite and euphoria. In 1980, the World Health Organization (WHO) classified it as a drug of abuse that can produce mild to moderate psychological dependence (less than tobacco or alcohol), although the WHO does not consider khat to be seriously addictive. The plant has been targeted by anti-drug organizations such as the Drugs Enforcement Agency (DEA). It is a controlled substance in some countries, such as the United States, United Kingdom, Canada and Germany, while its production, sale and consumption are legal in other nations, including Djibouti, Ethiopia, Somalia and Yemen.

Khat consumption is a social evil and plays an adverse role in the economy of Puntland as it exports hard currency out of the economy by importing Khat from the neighboring countries. It destroys the family structure of the addicted population, brings down productivity and health and diverts scarce family resources from essential economic and social consumption. The evidence on the association of khat with family breakdown and income diversion is widely confessed by both the people using it and their close relatives. One hopeful instance is that the majority of addicts responded that they had thought seriously about it and have

attempted to quit khat. It is necessary for the State to discourage this malady through continuous awareness campaigns, education, counseling, and tax increase, while also ensuring access to rehabilitation services for users.

The main psychoactive ingredients in khat are cathinone and cathine. These chemicals are structurally similar to amphetamine and result in similar stimulant effects in the brain and body, although they are less potent. Like other stimulants, cathinone and cathine stimulates the release of the stress hormone and neurotransmitter norepinephrine and raise the level of the neurotransmitter dopamine in brain circuits regulating pleasure and movement.

Khat is a socially destructive factor in both financial and family unity inside the Somali households. In Puntland, a higher number of men chew Khat every day while their families do not even have a meal to eat at home. As a result, the biggest victims of such business are the women and the children of the family whose head (father) of the household buys Khat instead of food for the family. It is important to raise awareness of the negative effects of Khat to those who chew and sell it. Many Somali intellectuals have suggested that Khat must be stopped altogether because it has numerous negative impacts on Somali households.

In the security sector, it is necessary to collect data on those who consume Khat and commit crimes. To rehabilitate the security staff who perform their duty poorly, or come to work late, or not come at all because of Khat-related problems.

DISABILITY AND SOCIAL INCLUSION: Social inclusion is about prevailing over the obstacles that cause someone to feel excluded. It takes place when people are able to participate in key activities in their community and no one is subjected to the feeling of being 'left out'. There is no government run social welfare system in place to help those disadvantaged groups such as disabled people, but Somali communities have traditionally shown a great deal of generosity and have cared for the poor and disabled people through use of religious community and clan based coping strategies and systems.

However, with an increasing urban poor population, these coping mechanisms have been overwhelmed. What is needed is a national system in which the government, the private sector, the community, and nongovernmental organizations work together to come up with mechanisms to assist the disabled and disadvantaged groups and to mainstream them into society in order to increase access to education and employment. With regard to welfare, it aims to provide services that promote personal and the socio-economic wellbeing of the vulnerable and the disadvantaged within society including the very poor, the disabled and handicapped people, the mentally ill, victims of violence, addicts, the homeless, abandoned

and orphaned and orphaned children, elderly people without family support, and troubled youth that need rehabilitation among others.

The government of Puntland including the security sector must give protection to people with disability and fully implement all the disability policies and endorse the UN Convention on the rights of Persons with Disability. This convention stresses that people with disability should be fully integrated in the community and be able to work and live with optimum independence and functionality.

In terms of access to justice, free legal aid is a fundamental service that bridges the gap between the disabled people as well as anyone who experiences exclusion from justice delivery institutions. It's all about having equal rights and access to affordable justice services when needed. Hence, the justice sector has to ensure that disadvantaged groups, such as people with disabilities, are able to contribute actively to the sector's development and be able to benefit from it. The legal framework must ensure that it does not discriminate against disabled people and go along with the Islamic law in which the rights of all people are upheld. Article 34 in the Puntland Constitution already has provisions for the protection of these types of rights.

CAPACITY BUILDING: The capacity building and institutional development issue is a major obstacle to all institutions of the Puntland Government of Somalia. Capacity building and institutional strengthening in all sectors of society will provide a strong foundation for implementing sustainable development programmes. The Goal is to develop local institutional capacity to manage and to implement employment projects. Individual agencies such as nongovernmental organizations, community based organizations, and professional associations, have been conducting activities to strengthen the skills and aptitude of public servants across all agencies.

Achieving and sustaining a permanent peace and reasonable living standards will require the building of strong security institutions and developing the competence of qualified cadres of staff at all levels. This will enable the creation and adoption of better policies and strategies through:

- Establishing and strengthening of the systems and processes of strong security institutions;
- Developing of national capacity, skills, knowledge and aptitudes-institutionally, vocationally, and administratively;
- Review of the laws, mandates, and regulations that regulate work, and simplification of legal and administrative procedures;

- Strengthening partnerships with private sector, NGOs, and civil society organizations;
- Review of pay and rank policies and systems and terms of service to achieve a better balance between the rights and duties of security staff, and to reward and encourage merit and productivity.
- Reviewing structures and legislative frameworks of the security sector and regularly updating these through the development of programmes and procedures; to better human development resources.
- Optimal use of new technology and cultivation of appropriate working methods and working environments to improve performance.
- Fairness and equity in the distribution of security services.
- Support of scientific research activities in the security field, and enhancement of the capabilities of institutions working in this field.
- Establishment of an Early Warning system, and improving the efficiency of response to natural disasters and emergency situations.
- Paying more attention to the needs and welfare of vulnerable groups in society and enabling them to play a full and productive role.
- Increasing the participation of civil society organizations, and all potential NGO partners, in the provision of security services

CHAPTER 2: PUNTLAND MACRO-ECONOMIC PROJECTIONS



Introduction

The macroeconomic framework is a national policy document that reviews past and present economic developments and provides an outlook for the domestic, regional and world economies upon which recommendations for the future course of fiscal and monetary policy are made. Macroeconomic developments and projections are one of the key considerations for fiscal policy formulation and as such, the Macroeconomic Framework constitutes the primary basis for the fiscal and monetary policy analysis.

The macroeconomic framework constitutes the foundation used for the Revised Puntland Development Plan (2017-19), which was based on a 2016 revision and update of the Puntland 2nd Five Year Development Plan (2014-18). This medium term plan Revised Puntland Development Plan (2017-19) took its premises from the projections of the Puntland economy for a ten year period spanning from 2012 (MoPIC, 2011).

A stable macroeconomic environment is commonly considered to be conducive to long-term growth. Economists disagree, however, about whether price stability should be the central objective of macroeconomic policies or whether these policies should serve broader development goals. Furthermore, the concept of macroeconomic stability is itself subject to dispute, as reflected in the evolution of macroeconomic thinking and practice over the past quarter century.

In Puntland's case, due to the uncertainty of the federal structure, the state government faces limitations in macroeconomic policy. On the fiscal policy side, Puntland cannot exercise options to tap sovereign debt from foreign savings in international capital markets (official or private) to promote economic development until the Government of Somalia is fully established and stabilized. On the monetary policy side, it has options to utilize only the crudest instruments, such as treasury services. Overall liquidity, inflation, reserves, exchange rates, or the interest rate are mainly outside state control.

The main contours of the macroeconomic framework for the Revised Puntland Development Plan (2017-19) will be accelerating in GDP growth with stability, through rapid productivity increase and industrialization of all activities whether agriculture, livestock, construction or services (better practices, inputs and research, diversification, quality management, improvement in productivity), through appropriate policies. It will also focus on increasing investment and national saving rates so as to attain higher growth with lessened dependence on foreign resources and ways and means to keep inflation within a reasonable range.

Macroeconomic Assumptions

The key assumptions underlying macroeconomic projections and policy targets in the medium term 2017-19 are as follows:

- I. Political stability will be maintained.
- II. Macroeconomic stability and social economic gains will continue to be sustained and improved.
- III. Domestic revenue collection will be expanded to enable implementation of priority programs.
- IV. Strengthened monitoring and evaluation to ensure effective management of public funds.
- V. Priority projects as stipulated under Revised Puntland Development Plan (2017-19).
- VI. Sustained supportive monetary and fiscal policies to dampen inflationary pressures.

- VII. Improved business environment including addressing constraints in the implementation of Public Private Partnership law to attract private investment especially in infrastructure.

Medium Term Strategic Focus

In order to have sustainable economic growth under the framework of the proposed Revised Puntland Development Plan (2017-19), there is a need to prioritize and sequence interventions which depend on each other. The Government will focus on selected national priority areas of high impact which will bring quick results and accelerate economic growth. The priority areas are divided into three pillars as follows:

- I. Sustaining macroeconomic stability: Need to improve macroeconomic fundamentals including inflation, GDP growth, and money supply all of which will bring peace and harmony. Further, good governance will be emphasized in all sectors in order to speed-up and sustain the economy at large. While sustaining macroeconomic stability, the achievements recorded in the social sector will be sustained. In this regards, more emphasis will be put on quality of education, health, and water services as well as social welfare at all levels.
- II. Geographical advantage in the region.
- III. Employment expansion

GDP Growth Options

The first PFYDP has indicated a growth rate of the economy of 3% or 4%:

“Annual GDP growth should exceed 3 or 4 percent, in line with estimated population growth, in order to maintain the per capita development.” PFYDP 2007: 39”

We have estimated an annual GDP growth, under different scenarios, well below that target:

GDP GROWTH

3.2m Scenario	Population Indirect Scenario	Estimation 3.9m Scenario	Population 2.5m Scenario
1.68%	-14.12%	1.35%	2.24%

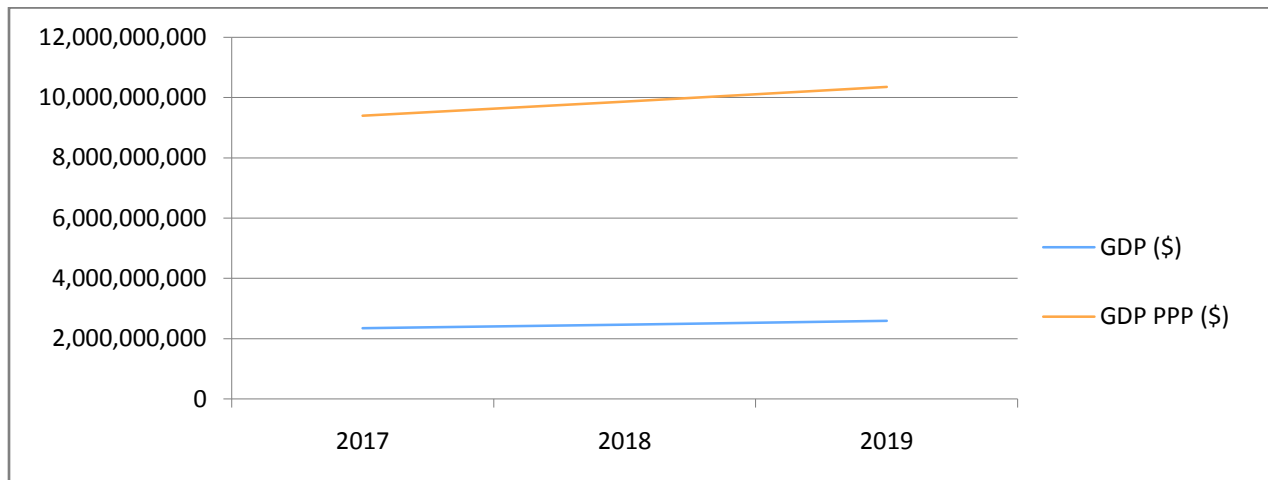
Source: MoPIC, 2011b, PFDP-2

Projecting the GDP Growth at a population of 3.9 million to an optimistic scenario of 5% to the plan period we obtain:

Table 1 GDP Growth

Year	GDP (\$)	GDP PPP (\$)
2017	2,347,592,229	9,390,368,917
2018	2,464,971,841	9,859,887,362
2019	2,588,220,433	10,352,881,730

Source: MoPIC, 2011b

**Figure 1 GDP 2017-19*****GDP Per-Capita***

The per capita income per year of citizens in Puntland in 2010 ranged from US\$428 to US\$1,711 (PPP). General poverty level in 2010 ranged from US\$1.18 to US\$4.73 PPP per day. The GDP (PPP) per capita is an indicator of the Extent of poverty.

Table 2 GDP Per-Capita

Population	GDP 2010	GDP 2010 per Capita	GDP PPP 2010	GDP PPP 2010 per capita
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3.2 m population	1,340,789,968	418.996865	5,363.159,872	1,675.98746
3.9 m population	1,668,389,968	427.792299	6,673,559,872	1,711.16920
2.5 m population	1,013,189,968	405.275987	4,052,759,872	1,621.10395
3.9 m Residual method	1,568,100,320	402.077005	6,272,401,280	1,608.30802

Source: MoPIC, 2011b

For the next plan period it is projected as follows:

Table 3 GDP Per-Capita

Year	GDP per capita (\$)	GDP PPP per capita (\$)
2017	601.95	2,407.79
2018	632.04	2,528.18
2019	663.64	2,654.59

Source: MoPIC 2011b

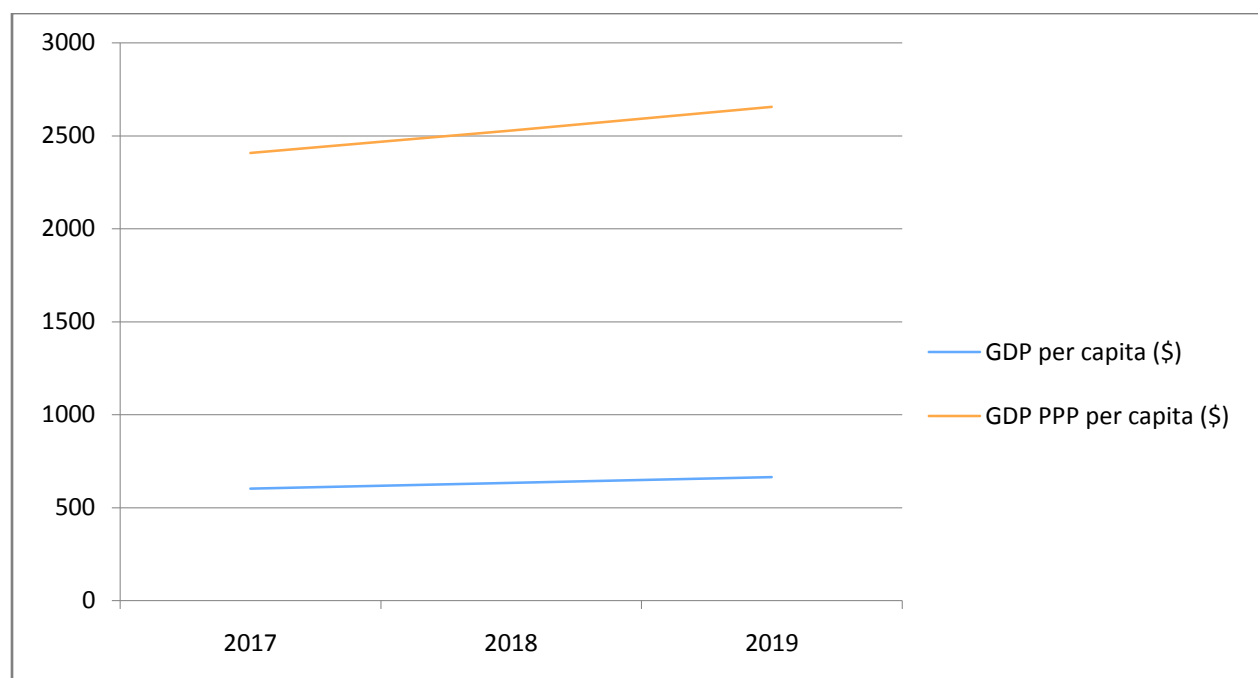


Figure 2 GDP Per-Capita

GDP Composition

The GDP composition shows how household expenditure dominates by far aggregate demand with respect to rest of the Puntland expenditures as shown below:

Table 4 GDP Composition

Year	H.H expenditure	Investment	Government spending	Net export
2017	2,568,239,691	152,192,404	41,640,122	-414,479,988
2018	2,696,651,676	159,802,024	43,722,128	-435,203,987
2019	2,831,484,260	167,792,125	45,908,234	-456,964,186

Sources: MoPIC 2011b

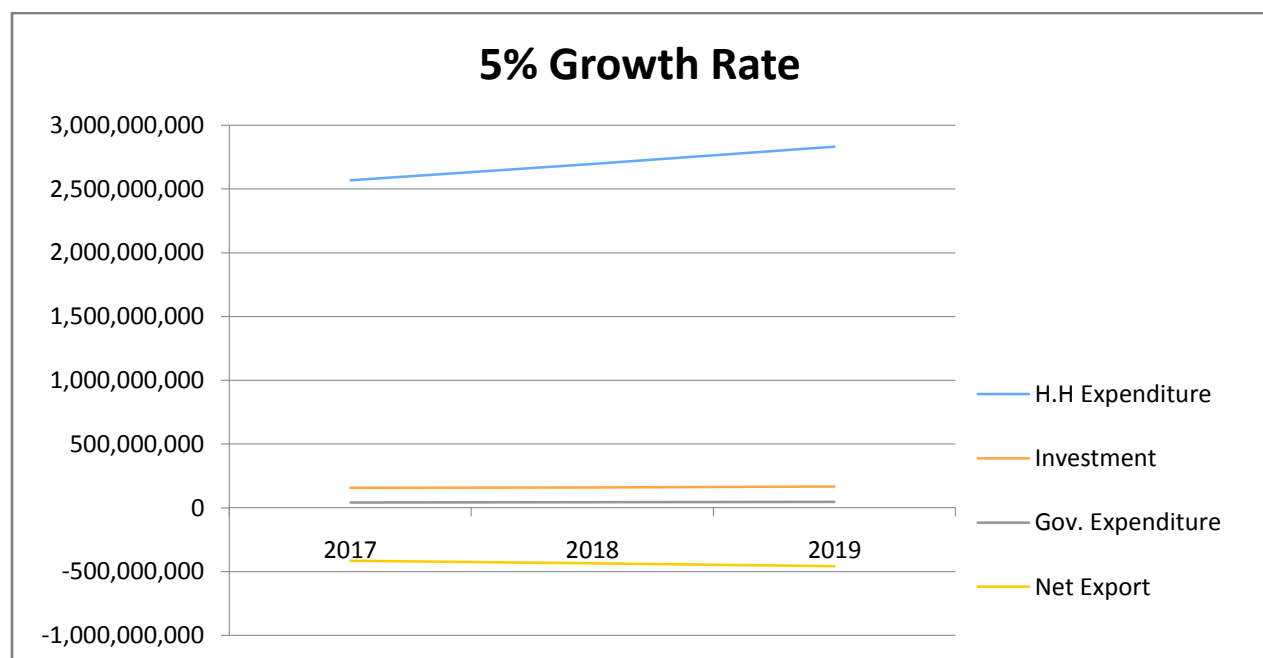


Figure 3 Growth Rate

Government Finance

The majority of public institutions struggle with inadequate financial and human resources and outdated administrative and operational mechanisms. In fact, the highest scenario for Puntland Government budget shows for 2009 only 1.4% and for 2014 at 1.94% of the respective GDPs.

Government Expenditure & Revenue as % of GDP

The total expenditure for the period under review exceeds the Government Revenue. That is why the Government will experience budget deficit in the coming future.

Table 5 Government Expenditure and Revenue

Year	GDP	Government Expenditure	% of GDP/G. Expenditure	Government Revenue	% of GDP / G. Revenue
2017	2,347,592,229	45,540,085.34	1.94	45,493,854.99	1.94
2018	2,464,971,841	47,817,089.61	1.94	47,768,547.74	1.94
2019	2,588,220,433	50,207,944.09	1.94	50,156,975.12	1.94

Source: MoPIC 2011b, MoF 2015

External Sector Development

There is a potential for channeling human and financial resources into the productive sectors.

The current account is the sum of the balance of trade(exports minus imports of goods and services), net factor income(such as interest and dividends) and net transfer payments(such as foreign aid). The current account balance is one of two major measures of the nature of a country's foreign trade (the other being the net capital outflow). A current account surplus increases a country's net foreign assets by the corresponding amount, and a current account deficit does the reverse. Both government and private payments are included in the calculation. It is called the current account because goods and services are generally consumed in the current period.

The balance of trade is the difference between a nation's exports of goods and services and its imports of goods and services, if all financial transfers, investments and other components are ignored. Puntland has a trade deficit as it is importing more than it exports. The negative net sale abroad contributes to a *current account deficit*. This is mitigated by the inflow of remittances and foreign assistance. Because exports generate positive net sales, and because the trade balance is typically the largest component of the current account, a current account *deficit* is usually associated with negative net exports.

Table 6 Net Export In US\$ (2009 - 2010)

Year	Exports (EX)	Imports (IM)	Net Export (EX - IM)
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2009	122,619,162	428,754,950	-306,135,788
2010	163,169,101	457,732,290	-294,563,189

Source: MoPIC, 2011a, PFYDP-2

The net export data will continue to be negative for the entire plan period as shown below under different options due to the economy of Puntland has always relied and depended strongly on traditional and informal pillars. It mainly depends on the items exported to and imported from the rest of the world, especially the Gulf countries, Saudi Arabia, Yemen and the Emirates.

Table 7 Net Export

Year	Baseline 1.35%	Medium 2.5%	Optimistic 5%
2017	-323,552,488	-350,143,066	-414,479,988
2018	-327,920,447	-358,896,643	-435,203,987
2019	-332,347,373	-367,869,059	-456,964,186

Source: MoPIC, 2011b

Resource Envelopes

The net factor income or income account, a sub-account of the current account, is usually presented under the headings *income payments* as outflows, and *income receipts* as inflows (see *Puntland Aid* and *Remittances* below). Income refers not only to the money received from investments made abroad (note: investments are recorded in the account but income from investments is recorded in the current account) but also to the money sent by individuals working abroad, known as remittances (see *Resource Envelope* below), to their families back home. If the income account is negative, the country is paying more than it is taking in interest, dividends, etc.

The funding of Puntland Second Five Year Development Plan, Revised Version (2017-19) is envisaged to come from three major sources:

- (i) Remittances (estimated at very modest 23% of the total household income and based on a population of 3.9 m)

Remittances play an important role in the survival of many households in Puntland. Remittances not only comprise the largest contributor to the household budget of migrant-sending households; in several cases they are actually the only source of income for households. Indeed, without remittances, a large proportion of the households would have fallen deeper into poverty.

- (ii) Puntland Aid (The source of Puntland Aid is based on DAD's expended (leaving aside committed and disbursed aid) flow of development aid and projected for the plan period 2017-19)

Development aid is aid given by developed countries to support development in general which can be economic development or social development in developing countries. It is distinguished from humanitarian aid as being aimed at alleviating poverty in the long term, rather than alleviating suffering in the short term. Official Development Assistance (ODA), mentioned above, is a commonly used measure of developmental aid.

Table 8 Puntland Aid

Year	GDP	Expend (2.58%) (\$)	% Aid/GDP	Expend (82.3%) (\$)	% Aid/GDP
2017	2,347,592,229	130,568,909	5.56	2,315,822,441	98.65
2018	2,464,971,841	133,937,939	5.43	4,222,232,948	171.29
2019	2,588,220,433	137,393,537	5.31	7,697,130,664	297.39

Source: DAD Somalia, 2013

III. Government Development Budget

The amount devoted of the government development Budget has been negligible so far with respect to remittances and development aid (see *Resource envelope* below)

Table 9 Resource Envelope

Year	Remittances (\$)	AID (\$)	Dev. Expenditure (\$)	Total (\$)	Total Envelope PPP (\$)
2017	461,110,028	130,568,909	1,243,920	592,922,857	2,371,691,428
2018	467,335,014	133,937,939	1,260,713	602,533,666	2,410,134,660
2019	473,644,036	137,393,537	1,277,733	612,315,306	2,448,937,828

Total	1,807,771,829	7,230,763,916
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Source: MoPIC 2007, FSNAU-Somalia 2013

Price Movements

Monetary policy conducted in recent years by the Ministry of Finance with the State Bank of Puntland state is directed towards maintaining an appropriate level of liquidity in the economy to contain inflation and deal with foreign exchange regimes to provide enough room for adjustments to the private sector situations (MoPIC, 2016).

Currency Exchange have moved from fixed to floating regimes in Somalia since the introduction of liberalization of economic system in early 1980s. In that regimes the beneficiaries were strictly those privileged individuals who withdrew from the Somali National Bank cheap foreign currency to sell into the parallel market with the official permits provided from the then administration.

To see the effects of an exchange rate on the market prices we need to distinguish between nominal and real exchange rates. Puntland publishes only the nominal exchange rates due to the availability of data from the financial markets (MoPIC 2016). This gives us the nominal exchange rates. In order to obtain the real exchange rates in Puntland it is needed to be introduced the concept of Purchasing Power Parity known as PPP, instead of relying on the market exchange rate. PPP is the amount of a certain basket of basic goods which can be bought in the given country with the money it produces. This is not so easy to calculate given the little information available from the imported items in Puntland. Besides, SBP does not have money of its own as the So. Sh used in Puntland is also produced outside its borders. Therefore, it can hardly be controlled by SBP and fulfill its mandate as a price stabilization institution.

However, in practice a signal to the real exchange rate can be given locally by the CPI published quarterly by MoPIC to have an intuitively close idea of a possible effect of the exchange rate on market price changes.

Inflationary Pressures and Exchange Rates:

Inflation rate

Exchange rate

Table 10 Inflationary Pressures and Exchange Rates:

Year	Baseline 15%	Optimistic 10%	Pessimistic 20%	Baseline 3%	Optimistic 1%
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2017	124.36	99.58	153.85	191.16	288.29
2018	143.02	109.54	184.62	197.67	291.17
2019	164.47	120.49	221.54	203.60	294.08

Source: MoPIC 2013

Employment Projections

The projection of the Puntland outlook for the medium term is conducted utilizing the constant share technique. It is assumed that the core sector used in the analysis will grow nationally by 5 per cent per annum to 2019 (MoPIC, 2011c). Using this coarse assumption, the first task is to ask and calculate how the Puntland economy will grow in the core sector. Estimates show that we should expect about 575,721 additional jobs to be created by 2019 under the 5 per cent growth scenario.

Table 11 Puntland Economic Base Model

Year	Basic (Exports)	Non-Basic	Total Employment (NB+B)
2017	123,333.16	398,862.62	522,195.78
2018	129,499.82	418,805.75	548,305.57
2019	135,974.81	439,746.04	575,720.85

Source: MoPIC, 2011c

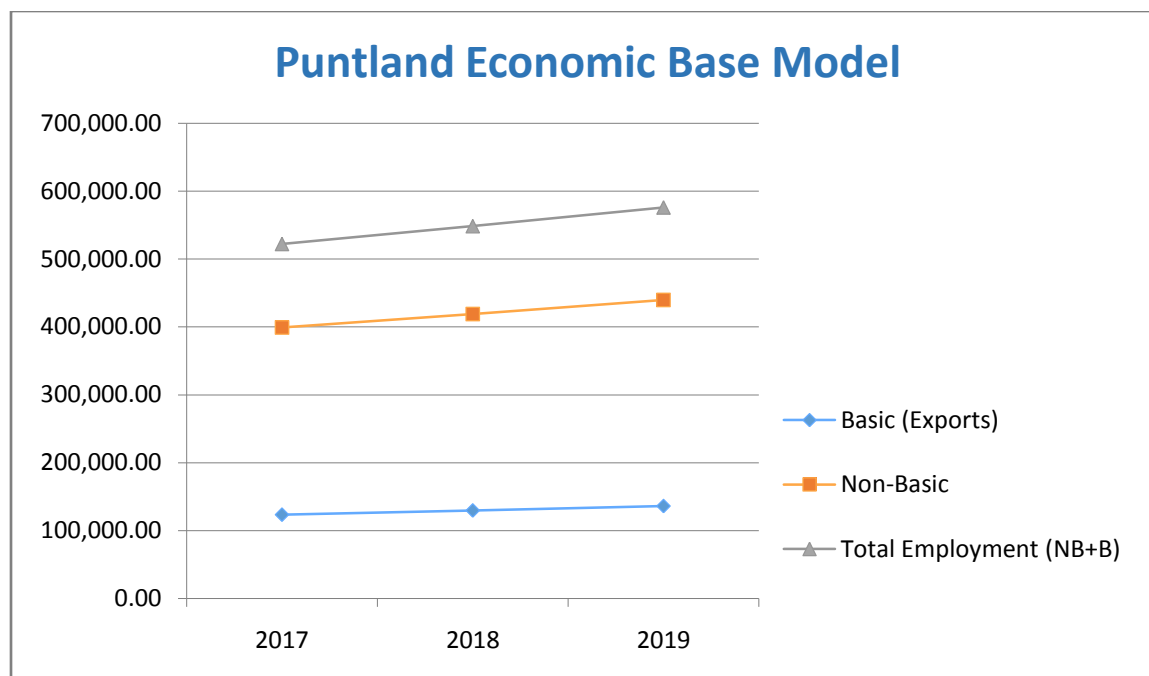


Figure 4 Puntland Economic Base Model Source: MoPIC, 2011c

Fiscal Policy

Tax policy refers to the choice of tax instruments, the rates at which taxes are set, the nature of exemptions and the assignment of taxes to different levels of government. A good tax system should be defined so as to meet the requirements of equity in burden distribution, efficiency in resource use, the goals of macro policy and ease of administration. It should also allow the country's authorities to implement tax policy in the most efficient way. The main objective of this study was to review and analyze the current taxation policy and its implications for poverty reduction and economic growth in Puntland.

The Customs Department in the Ministry of Finance is responsible for taxes levied from ports, airports and border check points, uses a tariff list, although modified many times, assign taxes on the basis of units imported or exported rather than their values. This is seen as improper systems because items with high value are charged on minimum tax rates, while those of low value are excessively taxed.

However, it has been working since October 2008 to introduce an Ad Valorem system. The importance of the tax system as an instrument of resource mobilization as well as an instrument of stabilization is contingent on its responsiveness to fluctuations in prices and economic activity. The predominance of specific rates of import tariffs makes no sense.

All import duties are applied to the prices taken directly from the Bossaso market due to the fact that there is no Letter of Credit issued from the Puntland State Bank as well as a credible shipping manifesto of imported items. There is also confusion in classification between direct and indirect taxes in the tax system in Puntland, for example, customs duties, which constitute the most important source of revenue, are not classified as indirect taxes. This classification is based according to the departmental mandates and functions as Customs and Inland Revenue departments.

The Inland taxes currently constitute a much smaller percentage, in government budget, than customs taxes. There are uncollected taxes that could be tapped with increased enforcement and training of tax officers and fiscal police on taxation laws and procedures. An inland tax is a promising source of revenue that can broaden the current small government tax base. There are whole areas in the taxation structure that has not been implemented like property taxes and income taxes which will generate tax revenues that could increase the current collections.

Fiscal policy focuses on stimulating economic growth, strengthening tax administration and raising tax revenue. A flexible fiscal regime has to be maintained to respond to the volatile movements in the foreign exchange, unrealized revenue performance and shortfalls in the external budgetary support. The emerging fiscal situation is marked by weak revenue sources and an overall imbalance in available policy options for both available revenues and expenditures. Fiscal deficits have been an important aspect of fiscal policy as a result of the tax system not being revenue-productive. The Government also has to mention that the central aim of the tax policy is to simplify the tax system, lower rates and equity considerations.

The Revised Puntland Development Plan (2017-19) which is to reduce poverty is contained in the Poverty Reduction Strategy aimed at reducing the population living in absolute poverty (MoPIC 2016).

Tax policies support poverty reduction through creating more growth and reducing the cost of goods mainly consumed by the poor. Tax policy actions must be in line with the Revised Puntland Development Plan (2017-19) objectives through supporting increased production, minimizing distortions, promoting human development and generally exempting the poor from paying certain taxes.

The key challenge is the lack of accurate demographic data on Puntland. There has not been a reliable comprehensive census and the population is estimated at 3.9 million. The current level of data sets does not enable the design of an absolute poverty line (the minimum income required to meet basic needs) for Puntland. Lack of material opportunities such as jobs, credit, and public services like schools and health services is a direct cause of poverty. Metered water, electricity and telecommunication services are viable and, in addition, telecommunication services have to attract excise tax.

Customs duty through Bossaso Port dominates the revenue for the state (about 64 percent in 2014). The revenue base is not diversified and is narrow as concerted efforts are needed for additional resource mobilization, if the development dreams are to be realized. Self-reliance is the long-term goal. The tax system is dominated by indirect taxes which depend on goods and services consumed. Indirect domestic sources of revenue contributed 79.44 per cent in 2014. The local revenue is allocated to both recurrent and development expenditure, but currently the revenue only covers recurrent expenditure.

Low revenue collections are also attributed to low compliance levels, difficulties in enforcement, political interference, poor revenue management and administration. There is also the problem of revenue in the form of assign taxes on the basis of units which under evaluates taxable goods. The classification of codes presents enormous difficulties due to a variety of differentiated products coming from different countries. The move from unitary system to Ad Valorem will also facilitate better the tax administration and will provide greater flexibility for taxation officials to exploit current gaps in the tax structure.

An important issue in the revenue side of the government is the percentages given to public institutions that in total account 30% of the collections. The intention of the government was to provide incentive for revenue collecting agencies but such an amount that is outside the ordinary budget could not be sustained in the long run; transparency and accountabilities is necessary to achieve sound financial management of public funds. There are also public agencies that collect other charges and duties that are outside the legally permitted revenue structure. Such funds should be made in line with government budget and properly accounted or discouraged.

The broad legal framework as laid out in the Constitution of Puntland Government mandates Parliament of Puntland to impose taxes but this may be subject to a presidential decree. Parliament's powers are restricted in financial matters. The amendment power of Parliament

on taxation policy depends on the effectiveness of the Economic Committee which suggests amendments to the House of Parliament.

On the other hand, the Ministry of Finance is responsible for the formulation of tax and non-tax policies aimed at generating domestic revenue and promoting investment, consumption and savings. However, there is a need for the establishment of clear purposes and policies with regard to the tax collection and enforcement institutions with broader tax policy objectives are contained. The tax laws should be structured in a manner that is easy to understand, which would contain several cross amendments, annual changes, description of items and the coding.

For all difficulties encountered Puntland authorities should review the legal framework of the tax system to properly assess their types and rates. With regard to the base rate there is the need in line with some experts' advice to look at the most appropriate one in the context of Puntland. This review should come up with a better approach to tap uncollected tax and at the same time broaden the tax base. The review process should consider both short-term and long-term policy initiatives. Short-term policy actions include revising the rates of the items like Khat, Tobacco and tobacco products, electronics, luxury cars (increments of these items were recommended during the Revised Puntland Development Plan (2017-19) as part of development resources envelope and other luxury items.

In addition, training of tax officers and fiscal police is also essential. The long-term policy schemes will be aimed in moving to Ad Valorem basis that gives better picture and tends to be more efficient in the enforcement to tap uncollected taxes. The single most important issue that reduces the effectiveness of tax administration is the payment of employee salaries that has direct relationship with tax collections.

Key Fiscal Policy Recommendation

The following policy recommendations are for the Puntland Government to have a clear-cut taxation policy on:

- Government should carry out enormous tax policy reforms and any more reforms should take an incremental process of change targeted at increasing economic growth and tax efficiency.
- Introduction of Ad Valorem system with and make more proper classifications with minimal exemptions for commodities mainly consumed by the poor;
- Increasing efforts for presumptive taxation through detailed 'sectoral studies' of informal sector firms;

- Renewed efforts aimed at simplifying the tax system and educating both tax collectors and taxpayers. A key issue for effective tax administration is maintaining the capacity building for the civil servant, administrative authority and fiscal police;
- Government should undertake more simplification of the taxation approaches including markedly reducing tax exemptions, deductions and privileges that cause losses to the Treasury as well as breeding corruption tendencies.
- A comprehensive document on tax policies and administrative measures undertaken by government should be published to improve on tax administration and also encourage voluntary compliance.
- Government should reduce on tax expenditures through improvements in transparency and governance especially by making tax laws, regulations, and other documents including explanatory materials available to taxpayers.
- MoF should carry-out more technical reviews on the current taxed rates of the items like Khat, tobacco and tobacco products, electronics, luxury cars and other luxury items. This would yield additional revenue for the government in the short-run.
- Government should continue to improve expenditure allocations especially through increased allocation to productive sectors like Livestock and Fishery.
- There is an increase of the importation attached to commodities produced locally. These commodities create fierce competition to products from local industries such as drinking water, furniture, aluminum, metal etc. The Government should immediately introduce Import Substitution policy that will give incentive to local production and the same time will generate additional revenue to the government.

Development tax should be introduced to Hawala (senders and receivers), telecommunication companies and selective list created for that purpose.

- Property and income taxes and Inland Revenue should be properly exploited. The Government should invest in town planning and registration of businesses for tax enforcement purposes. (Estimates of income and investment needs will be forwarded by Inland Taxation Department.)
- Harmonization of government agencies collecting should be made to avoid duplication of efforts and to simplify for tax payers.
- More comprehensive reviews on tax policies should be conducted aimed at identifying ways of achieving the objectives of adequate revenue, economic efficiency, and provision of equity, simplicity and effective tax administration.

Tax and Revenues

Among the factors which inhibit the growth of tax revenues, the most important are

- a. Lack of documentation
- b. Absence of tax culture
- c. Inadequate will to enforce tax laws
- d. Narrow tax base and wide spread exemption
- e. Large scale tax evasion
- f. Unsatisfactory settlement of tax disputes
- g. Corrupt and inefficient tax machinery
- h. Complex procedures and multiplicity of tax

Monetary Policy

There is little room for monetary policy in Puntland as long as there is no fully functional Central Bank (State Bank of Puntland), commercial banking system, and no stock of government securities. The primary function of the “central” bank (i.e. the State Bank of Puntland or SBP, established in 1997) is to act as treasurer, which includes accepting business and private accounts mainly for the accumulation of tax liabilities. A liberal financial system operates in the state, with a dual exchange rate subsystem that uses market rates for private transactions but a usually overvalued rate for government transactions.

There is no formal commercial banking and the gap in the system has been filled by the so-called *Hawala* remittance companies. They provide interregional and international money transfers and foreign exchange conversion services, as well as current accounts with cheque-books and some savings and fixed deposit accounts. It is the financial service of choice for the large Somali Diaspora in the United States, Canada, Europe, New Zealand, and the Far East. The financial system is dichotomous: the local (small) transactions predominantly use small denomination currency in Somali shillings, while larger commercial transactions and external payments use hard currencies – usually the US dollar.

It is important to note that the total amount of foreign currency in the domestic economy is much more than the value of local currency. In a highly dollarized economy, the foreign currency in circulation cannot be directly influenced by the monetary authorities. As long as there is no, or little, bank credit outstanding, the monetary authority cannot influence interest rates by refinancing mechanisms nor can it influence the money supply by bank reserve requirements.

Money supply and credit flows are mediated between two parallel authorities: the SBP and the *Hawala* remittance companies. The SBP increasingly performs a stabilization role, but the financial sector and the market are fragmented. Before the establishment of the SBP, the foreign exchange rate was unstable. The practice of printing money by authorities in order to lend financial assistance to special business actors probably led to an excessive money supply, which the economy could not handle without inflationary pressures.

Monetary Policy Supported by Fiscal Discipline:

There is a strong working relationship between the SBP and the Ministry of Finance (MoF). The MoF is the institution that sets the agenda and takes responsibility for controlling monetary policy. But some of the responsibilities, such as aid management, are difficult in the absence of a federal government. The existence of two parallel agencies in the monetary and financial system disconnects the key monetary sector indicators (inflation, exchange rate, and interest rate) and attempts to localize and replicate the functions of central banking in Somalia. These functions cannot properly be exercised in Puntland Government of Somalia in isolation from Somalia as a whole.

In the long run, the monetary authorities could consider the need for local monetary authority to be strengthened to manage official foreign reserves, overall liquidity, inflation, and the interest rate, along the lines of US Federal Reserve type arrangements, thus there is some urgency to study and redress this situation immediately.

Although the monetary authorities can seek to alter the amount of local currency in circulation by buying or selling foreign currency, that is not likely to have much impact on the total value of domestic and foreign currency in circulation. Thus the fiscal policy will play the critical role in putting domestic currency into circulation. However, the central bank is likely to need to make gradual purchases of dollars in the foreign exchange market to put additional shilling currency into circulation to meet the increase in the demand for money, which will accompany the increase in economic activity, and to meet an objective of reasonable price stability in the price index for domestically produced goods and services. This purchase of dollars will also tend to inhibit the appreciation of the shilling relative to the dollar.

Issues surrounding the foreign exchange rate and the interest rate must also be dealt with. Currently, the cost of money is not set by the SBP, and the deposit and money-lending/borrowing process is not functioning in a satisfactory market. Inflows of remittances and other capital through the *Hawala* system are not coordinated with the money supply the

SBP is issuing. This cuts the potential power of monetary policy links among inflation, interest rates and foreign exchange rates.

Achieving the high rates of growth necessary to reduce poverty significantly will require increased mobilization of domestic and foreign savings to support higher rates of private sector investment. Mobilizing savings implies a broadening and deepening of financial markets, institutions, and products, particularly long-term project finance. It also means supporting the creation of banks and non-bank financial institutions offering a range of products and services that compete with or complement those traditionally provided by banks.

Monetary authority and policy need much improvement towards a market orientation, in collaboration with the business community and the *Hawala* companies in particular. The boundaries of “regional” policy choices for monetary policy need to be understood in Puntland Government of Somalia’s unique context – it does not have a central banking authority or instruments (such as reserves and liquidity control).

CHAPTER 3: THE GOVERNANCE SECTOR



Introduction

Since 1998, the government of Puntland has been gradually gaining the confidence of the people through the reestablishment of public sector institutions in order to primarily provide public security and basic services. However, the capacities of these public institutions started at different stages and the demand for services from the beneficiaries have been steadily growing in higher proportion than the delivery capacity of the government institutions. Today, the time has come for Puntland to take the lead and provide the essential policies that would develop the overall socio-economic development. Up to date, there are major efforts organized by the government in partnership with international communities on how to engage all stakeholders on the overall national reconstruction and development activities.

Good governance provides the setting for equitable distribution of benefits from growth. In short, more prosperous nations contribute to a more peaceful and more stable environment.

Policy Context

The governance laws in Puntland Constitution and policies as well that are in place include:

- Civil Service Law No. 5
- Private Sector Employee Law No. 36
- Recruitment and Selection Policy
- Human Resources Procedures
- Local government law No. 7
- Financial Accounting Procedures and Asset Management
- Taxation Laws
- Audit Law
- Procurement Law
- Decentralization policy

New Policies and Laws that have been adopted since the inception of Puntland Second Five Year Development Plan include:

- Aid coordination policy
- NGOs act in 2015
- Puntland Democratization Policy in 2015
- Public Private Partnership Policy in 2014
- Statistics Act 2016
- Statistics Strategy planning 2016

In addition to the above mentioned, there are some draft laws and policies including the Statistics Act, Monitoring and Evaluation, Puntland Electoral Commission laws, Municipality Financing Policy, Local Government Employment Regulation and Civil Service Training Policy.

The Revised Puntland Development Plan (2017-19) calls for the enactment of policies that are characterized by the principles of participation, transparency, accountability, rule of law, effectiveness, equity and strategic vision. Problems of development are inextricably tied to problems of governance. Unless Puntland central, regional, and local governments perform their assigned tasks effectively and efficiently, little respite will be found from poverty, disease, illiteracy, crime, civil war, and other problems confronting Puntland. There is only so much that international bodies, nongovernmental organizations, and market forces can do.

The Governance sector is aimed to underscore the role that good quality governance plays in the development of Puntland State. The Puntland State where the poor has a voice in their government is more likely to invest in policies that reduce poverty. When people's interests, needs and human rights are at the centre of governance institutions and practices, there can be real progress in combating poverty. Good governance requires legislation and policies that provide the setting for equitable distribution of benefits from growth. In short, a more peaceful and prosperous Puntland can contribute to a more stable environment, where every individual has a better quality of life. There are compelling reasons to care about whether the quality of governance is good across the globe. For the good of their own people and for the sake of common aims, the capacity of weak states like Puntland to govern should be strengthened because countries and states that are well governed are both less likely to be violent and are less likely to be poor.

A governance system that is inclusive, transparent and meritocratic is the system most likely to foster and encourage economic growth. One needs to imagine the government as an individual with his own desires/needs and a free will. If this "individual's" desires/needs represents the desires and needs of the society as a whole, then this "individual," i.e. government, working on behalf of his own self-interest is in fact working for the interest of the society as a whole. But if the governance system is exclusive, then the government will work for the interest and betterment of a select few. Such a system is dangerous for economic development as such a system is bent on bringing forth laws, policies, and agendas that concentrate the wealth of the nation in the hands of those in power or those who elect those in power. In the Three-Year-Development-Plan, Puntland is striving tremendously to be as inclusive as possible, and its governance system is always 'upgrading' itself to be more and more inclusive.

Transparency is vital for a governance system that wants to encourage economic growth and stability. Assuming the governance system is inclusive, imagining the governance system as a corporation leads to some interesting thoughts on transparency. Even though all the

stakeholders in a corporation ceded power and decision making to the CEO of that firm, who is working on behalf of the stakeholders, the stakeholders still demand to see quarterly reports showing concretely what the CEO is doing on their behalf. Such transparency leads to trust and accountability. Trust from the stakeholders ceded to those in charge, i.e. the government officials of Puntland in our case, and accountability of those same officials for their actions while in office. Puntland is dedicated to transparency and this report in itself is a prime example of transparency, as we have brought all behind the scenes into the “corporate boardroom,” as we strive for a better future for the people of Puntland.

The greatest economic growth is possible only if meritocracy is established, where those most skilled at a task are allowed and encouraged to perform said task. The state of Puntland is constantly looking for, training, and promoting those individuals that can best perform whatever task the state needs accomplished in order to deliver to its citizens the best quality of life.

Since its inception, the government of Puntland has been gradually gaining the confidence of the people through the re-establishment of public sector institutions in order to primarily provide public security and basic services. However, the capacities of these public institutions started at different stages and the demand for services from the beneficiaries have been steadily growing in higher proportion than the delivery capacity of the government institutions. Today, the time has come for Puntland to take the lead and provide the essential policies that would lead to overall socio-economic development.

Situation Analysis

The importance of the sector in the PFYDP-2 is crucial as it focuses on the capacity development of Puntland government to enable individuals, organizations and societies to perform their core functions, identify and solve their problems, set their own objectives and achieve them on a sustainable basis. Adapting Good Governance as a reform strategy will bring about the development of a comprehensive capacity building.

Capacity-building for Puntland is determined on three levels: Individual, Institutional and Societal Level.

INDIVIDUAL LEVEL: Requires the development of conditions that allow individual participants to build and enhance existing knowledge and skills. It also calls for the establishment of

opportunities that will allow individuals to engage in the process of learning and adapting to change.

INSTITUTIONAL LEVEL: Requires modernizing existing institutions and supporting them in forming sound policies, organizational structures, and effective methods of management and revenue control.

SOCIETAL LEVEL: Requires development of public administrators that are responsive and accountable.

The Governance Sector will focus on key subsectors that are:

INSTITUTIONAL DEVELOPMENT: This will focus on all government institutions in the areas of planning, statistics, parliament, civil service management, training etc.

PUBLIC FINANCE MANAGEMENT: This will address the management of public funds in a transparent and accountable manner.

DEMOCRATIZATION PROCESS: Giving the power to the people for free and fair elections, inclusiveness and open participatory for all opportunities this will encourage and ensure that women, youth, marginalized communities are on the right stage without fears any obstacles.

CONSTITUTION: The coming next four Somalia will focus on and most the priority will be constitutional reviewing process, amendments and assemblies, this will undertake the various Federal stakeholders where by Puntland Government is a key role to participate the process and practices Somali own constitution which is to harmonize to the Puntland constitution.

DECENTRALIZATION: This will address the service delivery at local municipality through decentralization.

CIVIL SOCIETY: Civil Society Organization as part and parcel of the community who should participate in the development of the people of Puntland need to be assisted through provision of capacity building to enable them to gain their rights and contribute to the development.

ICT INFRASTRUCTURE: This will focus across all government institutions to utilize the technology for information management to enable government to get timely information to take evidence based decisions.

COMMUNICATION AND COORDINATION: this will focus on effective coordination and communication of all government institutions, development partners and other stakeholders horizontally and vertically to ensure the attainment of the development goals and objectives.

The number of government institutions in Puntland is thirty-five in total which are eighteen ministries, fifteen autonomous agencies and two commissions.

Puntland is at an exciting and expansive stage of development. To guide this next stage of growth, we conducted a major Second Five Year Development Plan. Ministry of Planning and International Cooperation (MoPIC) collected data, sought input and conducted consultations with a broad range of government institutions, NGOs, civil society organizations, and international stakeholders including the UN, INGOs, LNGOs and the Private Sector. Based on this process, (MoPIC) developed a long-term approach that focuses on social, economic, and infrastructure development aimed at reducing poverty and improving livelihood of its people. Puntland development will aim to reduce poverty and improve livelihood of the people.

The focus of the governance sector in the Puntland Five Year Development Plan Revised Version (2017-19) is on a quality of governance that is participatory, transparent and accountable, effective and equitable, and it promotes the rule of law. Puntland is part of the Somalia Federal government and yet it has its unique features of governance as well as strategic geographic position in the Horn of Africa.

The Puntland government's increasing importance to the international community calls for efforts by the donors to contribute to its political stability, and to assist and accelerate its economic and social development. The plan outlines a focused direction for maximizing Puntland institutional capacity effectiveness. Office of the President of Puntland has given political commitment to public sector reform so that institutions become more efficient, accountable and transparent which is a cornerstone of good governance.

Puntland is a region that has seen many years of stability while being a part of the federal state of Somalia. The Government will focus on consolidating past achievements by

continuing efforts to improve public sector effectiveness and efficiency in service delivery, improving public financial management, deepening decentralization and maintaining the rule of law and the independence of the judiciary. The governance sector development plan's focus is on Promoting Peace, Democratic Governance and Building of Effective Institutions. Good governance remains the cornerstone for prudent management of public affairs and ensuring that development outcomes benefit the people of Puntland.

Puntland plays a constructive role among its Somali neighbors by hosting more than 50,000 refugees from South-Central Somalia and leading efforts to resolve Somalia regional conflicts peacefully. Puntland is a cornerstone of the federal government and has hosted Garowe I and II and the Galkayo conferences to implement the road map agenda of ending Somalia transitional junctures. It has thrived in a path of consultative clan power sharing since its establishment. Today, it is now building upon past successes by seeking to reform and enhance capacity building at the governance and public sector levels.

The Governance sector development plan supports good governance goals that enhance the capacity and efficiency of Puntland government institutions in partnership with international stakeholders. The focus is on a quality of governance that is participatory, transparent and accountable, effective and equitable, that promotes the rule of law.

Main Findings

- Puntland socio-economic status is better off than most of the regions of Somalia - in terms of stability and security, and public institutions building. In its 18 years of existence, Puntland Government of Somalia has proved to be an example of peace, stability, good governance and creating an environment where democracy and public-private partnerships can succeed and thrive.
- In 2012, Puntland embarked on an embryonic democratization process aimed to assist state laws to function, empower decision-making structures, and increase public participation in the political system-while reducing the reliance on clan-based power structures. The democratization process started with the constitutional endorsement convention. Priorities achieved included establishment and the development of an independent electoral commission that resulted in the drafting and adopting the electoral legal framework and the multiparty system, organizing comprehensive civic and voter education, organizing presidential and parliamentary elections along with a referendum on the constitution, and strengthening the ongoing decentralization process.

- The Election Commission is selected and reconstituted to move from clan based selection system, to the 'one man one vote' election system, that is fair and transparent.

Achievements

The formation of Puntland State illustrates how governance and development have become localized in Somalia and demonstrates the capacity of the people from the Northeast region to manage and finance large and complex political processes with limited international support. Achievements include:

- Puntland Cabinet endorsed the Public-Sector Reform Framework, which addresses Public Finance Management, Human Resource Management, Service Delivery and Decentralization and Institutional Building with the support of UNDP
- Puntland plays a constructive role among its Somali neighbors by hosting more than 250,000 Internally Displaced Persons (IDPs) from South Somalia and leading efforts to resolve Somalia regional conflicts peacefully.
- Puntland is increasing its importance to the international community by collaborating with the US, the European Union and other stakeholders on terrorism, piracy and on a range of other critical issues. Puntland has achieved a large amount of success in bring to an end Piracy on land and sea, with the assistance of its international partners.
- Puntland is a cornerstone of the Federal government and has hosted Garowe I & II and Galkayo conferences to implement the road map agenda of ending Somalia transitional junctures. It has thrived in a path of consultative clan power sharing since its establishment but it is now on a path of democratic governance and public sector reform
 - Puntland Good Governance and anti Corruption Bureau (PGGACB), responsible for Promoting good Governance and fight corruption in Puntland, is currently with support of UNDP/ SIP project is developing service delivery (Citizen) charter and Public and internal complain management systems.
 - Although the PGGACB has cross cutting and overseeing mandate, the bureau is here of enhancing standards of accountability, transparent systems of public finance management and public administration, contributing to efforts of reversing inefficiency, and corrupt practices.
- Puntland Civil Service Commission (CSC) with the support of UNDP/SIP has developed and validated a recruitment policy as a basis for meritocracy for institutional development.
- CSC in partnership with the Ministry of Labour, Ministry of Finance and UNDP-SIP successfully implemented transparent merit-based recruitment. The selection and

placement of 35 Interns in five ministries through competitive exams were a unique accomplishment that contradicts the traditional status quo of political patronage.

- The Ministry of Interior provides some municipal services through the UN JPLG programs that contribute to services such as primary education and police forces. Some local administrations have established some revenue (tax) collection systems to generate income and have also managed to ensure that the local inhabitants gradually accept to pay taxes. The municipal authorities are collaborating with the community on a number of initiatives. Local authorities and the public have collaborated with the community on a number of initiatives to improve service delivery including building or rehabilitating roads.
- Civil Society achievements include Puntland Development Research Centre (PDRC) distinguishing itself in collecting and disseminating relevant information on issues of governance and sustainable human development in an impartial way.
- Puntland Non-State Actors Association (PUNSAA) also serves as an umbrella for diverse NGOs that have capacities of advocacy and outreach.
- Establishment of the Media Association Puntland (MAP) with more than 170 members that has developed a Code of conduct through a consultative process.
- Ministry of Finance reviewed the accounting procedures, customs procedures and increased revenue.

The New Achievement since the Adaptation of Puntland 2nd FYDP

- Establishment of the Ministry of Constitution, Federal Affairs, and Democratization
- IDPs in Puntland increased from 50,000 to 250,000
- There are 9,200 refugee and asylum seekers from Yemen and Ethiopia while the internal migration is 11,980
- Functional reviews of nine key government institutions were conducted approved and adopted
- Biometric system has been implemented except in two ministries (MoH and MoE)
- Head counting exercise to both state level and local government level is ongoing
- MoLYS building renewed and extended to include more rooms

Key Challenges:

The new challenges that have emerged since the adoption of Puntland 2nd FYDP:

Limited resources:

- Infrastructure (Limited)
- Limited amount of ICT capacity and equipment
- Need to strengthen management and capacity of all institutions
- Most of the government institutions are over-staffed and need right sizing

- Financial resources that the government manages are very limited and cover only the recurrent budget while the allocation for development is very insignificant due to lack of direct budgetary support from the international community to the Puntland Annual Budget.

Table 12 Governance Sector Priority Matrix

Governance Sector Priority Matrix				
Sectoral Priorities	Relevant State Level Thematic Priority Areas	Relevant District Priority	Relevant New Deal Priority	Relevant SDG Goal
Priority 1: Government Institutions Capacity promoted	Accountability and governance	Capacity building	PSG 4 Priority 1	SDG: 8-10-16
Priority 2: Service delivery decentralized and improved.	Service delivery	District Development Plan	PSG5 Priority 4	SDG: 11-16-17
Priority 3: Public Finance Management restructured and strengthened	Accountability and governance	Social accountability	PSG; 4 Priority 3	SDG: 8-9-12-16-17
Priority 4: Civil Society Institutions and media capacity enhanced	Accountability and governance	Decentralization	PSG 4 Priority 1	SDG: 4-8-9-11-12-16
Priority 5: ICT infrastructure tools employed across all government institutions to increase the efficiency and transparency	Accountability and governance	Capacity Building	PSG; 4 Priority 1	SDG: 9-16
Priority 6: Communication and Coordination System enhanced	Information and reporting system	working groups established	PSG1 Priority 1	SDG: 8-10-16
Priority 7: Democratization and election system improved	Accountable and transparent election system	Civic education programs developed and adopted	PSG1 Priority 1	SDG: 11-16-17

Governance Expected Outcomes

OUTCOME 1

This outcome focuses on clarifying and demarcating the mandates and functions of government institutions, developing the necessary human resource management systems and process and adapting merit based recruitment to ensure effective service delivery to the people, increase planning and statistical analysis capacity of the government institutions and provision of support to the parliament to enable them to deliver their mandate. This is also to combat all kinds of corruption by adhering to the zero tolerance to corruption policy.

OUTCOME 2

This outcome addresses decentralizing services to the local level to empower local authorities and ensure services reach rural and urban communities. Districts development plans developed, synergies between district and state level plans strengthened and civil society organizations capacities improved.

OUTCOME 3

This outcome focuses on the need for implementation of good governance and improved Public Finance Management to improve the efficiency and effective use of resources in a transparent and accountable way. It will also ensure the public finance management reform is developed and implemented using international standard system.

OUTCOME 4

The promotion and empowerment of the civil society as part of the key stakeholders of the development is very crucial. Therefore, this outcome will address developing the capacity of the civil society institutions to discharge their responsibilities and safeguard social accountability. This can be achieved by improving auditing and reporting, strengthened banking systems and taxation system reviewed and updated.

OUTCOME 5

This outcome will improve the operational effectiveness, enhance communication between government institutions and ensure proper information management system. A structure has been developed using a log frame approach to organize these areas and their critical strategies and provide a system of their effective implementation of oversight, legislation and representation functions. This includes Parliament Capacity improved, Fair and Transparent Elections sponsored and Planning and Statistics system improved.

OUTCOME 6

This outcome focuses on development of the democratisation process by reviewing and amending Puntland's constitution with full involvement of the public which paves the way for inclusive politics and will ensure women's quotas are included.

The establishment of constitutional review advisory committees, election commission and enacting laws are necessary for the democratisation of Puntland.

OUTCOME 7

This outcome focuses on the establishment of an electoral commission to ensure that the election process has been achieved, to pave the way for free and fair elections taking place in all Puntland districts. This is also to establish comprehensive and inclusive election systems throughout the different levels of the state and harmonize with the federal election system.

Strategic Framework

VISION: Sustainable development and utilization of human resources in order to attain better quality of life for all citizens

MISSION: To achieve a greater level of development through improved human capabilities, effective human power utilization, decentralization, efficient use of resources and social cultural enhancement.

VALUES: Participatory, Transparency, Accountability, Effectiveness and Efficient, Equity and Equality

CROSS CUTTING ISSUES: Governance sector is important for all the sectors as it addresses all the government institutions. This sector mainstreams the entire cross cutting issues such as capacity building, gender, human rights, environment, climate change and disaster management, disability and social inclusion and HIV/AIDS and khat.

CORRUPTION: Corruption is a cross-cutting theme, across transparency and information, accountability, and rule of law. Improving governance includes the formulation of anti-corruption legislations and policies and putting in place effective mechanisms that prevent corruption. In sum, the governance sector cross cutting linkages include strong civil society, respect for human rights in general, and minority rights in particular, accountable and transparent public administration, decentralized local governance, separation of powers and an impartial judiciary, along with macroeconomic stability, high economic growth and declining poverty are among the core dimensions of good governance.

Sector Strategic Focus

- Human resource capacity improved
- Merit based recruitment system adopted.
- Government institutions right sized.
- Parliament Capacity improved
- Planning and Statistics system improved
- Districts development plans developed.
- Synergies between district and state level plans strengthened.
- Fair and Transparent Elections sponsored
- Accounting and Reporting improved
- Budget preparation and execution increased
- Procurement system established
- Auditing and Reporting improved
- Taxation system reviewed and updated
- Banking system strengthened
- Civil Society and media organizations capacity improved
- ICT programme for all government institutions developed
- Communication strategy developed
- Sector Work Groups established

Role of Stakeholders

Puntland Office of the President will take the lead in ensuring this sector achieves the expected outcomes. The Office of the President of Puntland has given political commitment to reform public institutions so that they become more efficient, accountable and transparent which is a cornerstone of good governance. Development partners are expected to cooperate and support the attainment of these objectives.

CHAPTER 4: THE SECURITY SECTOR



Introduction

Policy Context

The strategic plan for security sector sets the mission and objectives that are to be realized in the next three years. The sector strategic plan provides a framework for improved service delivery and translation of sector policies and strategies into meaningful actions that will contribute towards the achievement of national goals and objectives of reaching the ultimate security and stability in Puntland. Puntland security will be improved so that it can implement its core functions as its milestones in a responsive way, transparent and accountable manner

The security sector includes all the actors and institutions with a role in ensuring the security and safeguards of Puntland state and its people. The security sector includes core security actors such as (Puntland Police Force/ PPF, Puntland Security Force/ PSF, Puntland Security Service/ PSS, Puntland Intelligence Agency/ PIA, and Puntland Marine Police Force/ PMPF), executive and legislative authorities with security management and oversight responsibilities. It includes defense, law enforcement, intelligence services, border defense and management,

immigration, terrorism, and customs etc. Moreover, the security sector includes actors that play a role in managing and overseeing the design and implementation of security, such as the Puntland Ministry of Security & DDR and legislative bodies.

In addition, security has been identified as a national priority that constitutes the first pillar which articulates the strategic objective to ensure the security of Puntland, people and property through the implementation of an integrated and sustainable defense, security, law and order (Rule of Law) policy. The security policy of Puntland Government of Somalia is to ensure a permanent stability and to promote the rule of law. The policy upholds the security laws declared in the Puntland constitution and requires a full implementation by the security institutions.

Furthermore, to enhance the defense and security capacity and to secure sustainable peace, safety and security, Puntland needs effective security mechanism. The security policy makes sure a constant monitoring of borders, maritime, air, and the security of the people of Puntland. It also includes the protection of natural resources as well as the security of neighboring countries and foreign nationals.

Legislation in Use

- Somali Ordinance Law 1963
- Puntland State Security Policy
- Immigration Law
- Elders Declaration 2010
- Penal code
- Procedure code
- Fiscal police law Draft security sector reform
- Puntland Peace Building Policy
- Puntland Constitution Act
- Law Number 7(districts and local councilor)
- Puntland Anti-Terrorism Law

Situation Analysis

In the light of these developments, the Three-Year-Plan is prepared to form a social base to achieving the nation's aspirations. The objective of the plan is to support this through spreading the culture of peace, social integration, making the values and freedoms a reality, filling the gaps in the different services, attempting to achieve balanced development, practicing transparency, justice and the rule of law, in addition to increasing the participation of the society in achieving development and widening the political participation, in order to build a strong national front to achieve political stability required for development.

Main Findings

- Security sector has managed the stability of the state
- Proliferation of small arms and light weapons is still a threat to Puntland security and social-economic development
- Wide spread of both heavy and small arms in the civilian population (almost 90% of the population are armed).
- Clan conflicts undermine the security due to grazing, water, recurrence of clan revenge etc.
- Clans conflicts over very limited resources-water points, pastureland, cutting trees for charcoals, land enclosure, resources and recurrence of revenges
- Growing defectors leaving Al-Shabab, Piracy, and Criminal Activities.
- Terrorism law has been introduced
- Boarder dispute with Somaliland and South Central, still remains unsolved
- Absence of district demarcations create conflict between districts, still remains unsolved
- Human trafficking, smuggling boats, growing terrorist activities, terrorism and both internal and external extremists decreased due to joint efforts of Puntland government and international community. Final draft has been endorsed in Parliament.

Spread of Unexploded Ordnance (UXO) and large area of land filled with mines and other types of explosives across the regions of Puntland.

Achievements

Referring to the Second Five Year Development plan (FYDP 2013-2018) review, Puntland government has made a number of significant achievements in the security sector.

- Developed security sector focused Five Year strategy plan, currently in final stage of draft that is before parliament.
- Launched security sector reforms for police utilizing biometric system. The rest of the other security sector such as military, intelligence and marines is currently under reform.
- Modern police stations being built in urban and remote areas, Qardo, Iskushuban, Harfoo, Dangoryo, Bander-bayla, etc. Currently building of more modern police stations is on-going.
- The government has succeeded organizing existing security forces, establishing new security agencies for special tasks, providing training programs for police, military, and marine forces. Numerous security forces were trained and provided some equipment-vehicles, furniture, and computers. Currently, distributions of these resources to urban and rural security installations are on-going.
- Progress being made in engaging and bring branches of the security sectors to work together and be more transparent in spread of information, communication and

collaboration -Puntland Police Force /Puntland Security Force/Puntland Security Service /Puntland Intelligence Agency Puntland Marine Police Force

- Intelligence and Criminal Investigation sections strengthened
- Puntland internal and external security situation is secure and safe.
- Human Trafficking campaign implemented by the inter-ministerial board of 7 ministries with the Ministry of Security as the lead ministry. Currently the law is about to be drafted.
- Urban necessary infrastructure constructed

Key Challenges

- Limited funding and insufficient resources for security sector. Capacity building for human resources, equipment, materials, tools, infrastructures, is in need of updated resources and funding.
- Limited training of security service personnel in human rights, international humanitarian law and democratic accountability;
- Limited technical and tactical competent training in police, marine, military tactics.
- Limited existing high technology data collections (instruments) and technical expertise, especially in post-conflict contexts.
- Limited infrastructure in order to collect data.
- Limited political will to provide adequate financial and human resources.
- Insufficient financial resources and funds from government and international donors
- Limited qualified expertise due to threats to the lives of experienced staff who have either fled abroad, died or retired. Need for experienced people to fill these roles.
- Widespread light arms and heavy arms in the hands of civilians and also lack of government owned and uncontrolled armory storage management.
- Policies, Regulations/ Laws exist but are not properly enforced or executed.

Security Sector Priorities

- Security institutional capacity building
- Security Sector Reforms, Equipping, and Building Capacity of all Security Actors
- Reform of civilian weapon ownership of small arms and light weapons
- Community policing; hostility and conflict reduced; traditional values are restored and revitalized.
- Counter terrorism and piracy operations are strengthened and improved.
- Clearance UXOs, Land Mines and advocate for UXOs victims
- Rehabilitation of disengaged defectors (Al-Shabab, pirates, perpetrators and drivers of violence

- Puntland immigration service delivery in all borders: ports, airports and land improved. Counter human trafficking and smuggling initiatives improved.
- Conflict resolution and management within sub clans' disputes and conflicted environment
- Developing a CVE (counter violence extremism) strategic policy

Table 13 Security Sector Priority Matrix

Security Sector Priority Matrix				
Sectoral Priorities	Relevant State Level Thematic Priority Areas	Relevant District Priority	Relevant NEW Deal Priority	Relevant SDGs
Priority 1: Security institutional capacity building	Maintaining Peace and Stability	Security sector human resource integrity program	PSG2; Priority 1	SGD: 4-11-16
Priority 2: Security Sector Reforming, Equipping, and Building Capacity of all Security Actors	Maintaining Peace and Stability	District Security	PSG2; Priority 1	SDG: 11-16
Priority 3: Reform of civilian weapon ownership of small arms and light weapons	Maintaining Peace and Stability	Launch of civilian registration and disarmament	PSG2; Priority 3	SDG: 3-4-11-16
Priority 4: Community Policing, youth mobilization, and stabilizing conflicts	Maintaining Peace and Stability	Confidence with people is vital for sustainable peace and development.	PSG2; Priority 3	SDG: 3-10-11
Priority 5: Clearance UXOs, Landmines and advocate for UXOs Victims	Maintaining Peace and Stability	Establish a trained, managed and motivated security forces to handle any situations.		SDG: 3-11

Priority 6: Rehabilitation of disengaged defectors (Al-Shabab, pirates, perpetrators and drivers of violence).	Maintaining Peace and Stability	Rehabilitate people involved in activities that are threat to Puntland security	PSG3; Priority 3	SDG: 3-11-16
Priority 7: Counter terrorism, immigration and Human Trafficking	Maintaining Peace and Stability	Establish all border check points to enhance security and reduce piracy, terrorism, and human trafficking	PSG3; Priority 3	SDG: 3-4-9-11-16
Priority 8: Conflict analysis and resolutions within sub clans' disputes and conflicted environment	Maintaining Peace and Stability	Establish meetings with elders to resolve disputes with feuding clans and sub clans	PSG 2; Priority 3	SDG: 3-11-16
Priority 9: Developing a CVE(counter violence extremism) strategic policy	Maintaining Peace and Stability	Developed the CVE strategic policy to tackle the threat of extremism in Puntland	PSG 3; Priority 3	SDG: 11-16

Security Sector Expected Outcomes:

OUTCOME 1

It focuses on enhancing human resources capacity for all security personnel where institutions are fully functional across Puntland. This will involve reforming, equipping, and developing an effective Puntland Police Force, Intelligence, Military, and Maritime. Construction and rehabilitation of new and or old buildings inherited from the former regime.

OUTCOME 2

This outcome promotes the registration of light weapons and their owners in Puntland. It promotes storing and keeping heavy weapons in safe and controlled places. It further addresses establishing a database for small arms and registering light weapons across Puntland. Through registering small and light weapons, the data collection can identify how many individuals have weapons and can assist in reducing gun violence in Puntland. The outcome also

seeks to rehabilitate and re-introduce defectors from terrorism, criminality and at risk youth into society through job skills training and encouraging them to find work.

OUTCOME 3

This outcome identifies passing and enforcing community policing law through Puntland parliament. It identifies public consensus that clan based conflicts are wrong and socially unacceptable, encouraging elder's involvement in solving conflicts and fully abiding by the terms of the agreements reached by the disputing parties.

OUTCOME 4

This outcome focuses on reducing deaths and injuries caused by mines and clearing its areas. It also focuses completing assessments on UXO's in the communities, villages and rural land and all identified UXO's are kept in safe places.

OUTCOME 5

This outcome addresses updating and endorsing Puntland counter terrorism law; disavowing the harboring of murders and criminals; detecting and destroying most of the planned missions of terrorism, and reducing the killings, suicide bombs and all sorts of terrorism related activities.

OUTCOME 6

This outcome promotes equipping all immigration check points, seaports, airports, and land borders. It promotes the adoption and enforcement of Puntland human trafficking law and combating human trafficking activities. Furthermore, the outcome seeks to control and manage the flow of incoming and outgoing travelers in Puntland to mitigate risks.

OUTCOME 7

This outcome focuses on creating conflict analysis and resolution techniques for elders to sort out sub clans' disputes across Puntland regions to reduce clan based conflicts, and to promote peaceful co-existence of communities. It also enhances the work of the Conflict Resolution Commission which was drawn from 3 ministries (security, interior and justice) to develop sustainable peace and coexistence of clans.

OUTCOME 8

This outcome enhances launching mines and explosive things, clearance and mines in Puntland region, advocating for UXOs' victims and supporting mine victims on continuation and capacity building for EOD Awareness, oversight, trainings on all risks and mines in Puntland.

OUTCOME 9

This outcome focuses on Developing a CVE (counter violence extremism) and strategic plans and setting up guiding policy on prevention of violence extremism strategic policy, Regular checking and patrolling along cross-border including south central and NW(Somaliland) Coordination, trainings, oversight and sharing information from time to time.

The Strategic Framework

VISION: Security and protection for a safer, united, strong and efficient Puntland in which peace and stability prevail.

MISSION: Establish security, protection, peace, stability and defense in the state; preserve safety and tranquility among Puntland population unity, and co-existence; building professional security and defensive forces, with high efficiency, effective capabilities that serves equally for all.

Core Values: In its endeavor to execute its mandate, the Ministry will be guided by the following core values:

- Quality service delivery to all security stakeholders
- Integrity, transparency and accountability in all operations.
- Professionalism within the sector
- Efficiency and effectiveness in utilization of resources.
- Innovation and creativity
- Proactive leadership
- Team spirit among staff and other key stakeholders.

Sector Strategic Focus

- Human resources capacity improved
- All stations are established and fully functional.
- Community policing law passed
- Community Policing Program designed.
- CVE Strategic Policy drafted and established
- Elderly involvement of solving conflicts encouraged and accepted
- Youth at risk demobilized and rehabilitated

- Strong counter terrorism law of Puntland has been updated and endorsed
- Harboring murders and criminals reduced
- The light weapons and their owners in Puntland have been registered
- The heavy weapons owned by the people are restored and kept in safe and controlled places.
- Database for small arms and light weapon registration have established and put in operation across Puntland.
- Demining system developed
- All demining teams are trained and equipped.
- UXO's in the communities both urban and rural eliminated
- All immigration check points, seaports, airports, land borders are fully equipped.
- Puntland' human trafficking law is adopted and enforced
- Human trafficking practices eradicated

Cross-Cutting Issues

In conclusion, despite the progress in the security sector, there is still a lot to be done in reforming the security institutions, recruiting new police personnel with female participation to meet gender equity standards, human rights sensitivity training for security personnel, providing programs for peace building and conflict resolutions, disarming the civilians, as well as preventing human smuggling, FGM and spread of aids. Similarly, Puntland Mine Action Program (PMAP) needs continued advocacy and legislations. Also, adherence to the Sustainable Development Goals for 2016-2030 is a major priority and of great importance in order to meet the basic developmental needs of Puntland in the area of security and socio-economic development. These are the top security priorities that are to be addressed in the next five years.

Role of the Stakeholders

The Ministry of Security and DDR is the sector lead ministry while all the other government and non-government institutions under this sector will be contributing in a secondary role.

CHAPTER 5: THE JUSTICE SECTOR



Introduction

Policy Context

Since the establishment of Puntland State Administration, upholding the rule of law remained as priority one in the government programme. Puntland has largely succeeded in maintaining peace, managing security, restoring the rule of law, and creating a stable environment for development. The government, while officially guaranteeing independence of the judiciary, has also provided equipment and trainings including refresher trainings to all judges and support staff.

Legislations approved

- Terrorism Act
- Piracy Act
- Proposed amendment of the Lawyers' Act ready to be taken to the council of Ministers
- Prison Act
- Human Rights Defender Act
- Family Law Act
- Sexual Offences Act – enacted in 2016
- Juvenile Justice Bill – is before the Council of Ministers
- Judiciary code of conduct
- Legal Aid Policy drafted

Situation Analysis

The justice sector actors continue to rethink and reshape the delivery of justice services. Although, the mixed legal system needs to be coordinated, all three systems work in parallel governing all matters and events. It has served well for Puntland and created a stable and sustainable system with an independent judiciary. Historically, traditional legal systems have been instrumental in maintaining justice in Puntland but are increasingly challenged to cope with the extent and range of offences. The Justice Sector's actions carried out in the previous years aimed to strengthen justice delivery and to ensure transparency and effectiveness in the judicial system, to apply the rule of law in general including in court proceedings and in the investigation process of civil and criminal cases and to make the people feel that their rights are respected and protected under the rule of law.

The Justice Sector is important to economic growth in the State of Puntland. A state that cannot uphold private property law is a state that is crippling its own chances of achieving economic growth. No individual or corporation will invest in Puntland if that individual or corporation is not certain to the utmost degree that their rights to private property will not only be protected and safeguarded. In essence, a strong, just, and efficient legal system is a prerequisite for economic growth. In the Second-Five-Year-Development-Plan, the State of Puntland has put in place goals and mechanisms that strengthen its judicial system, which will bolster its economic growth.

Despite the progress achieved to date, it is however, a matter of fact that the justice system in Puntland is still in the process of being built from the ground up. There are few functioning primary courts in rural parts of the state, which means access to justice is limited to urban centers. The whole judicial system suffers from the lack of qualified staff, basic equipment, record keeping, transportation, and reference material (library). There are underdeveloped

management and supervision systems and poor justice infrastructure. Therefore, much is to be done to improve and maintain the achieved stability and protection of human rights.

Main Findings

- Number of adjudicated cases increased in the last 4 years
- Justice sector is under funded
- The justice sector needs a coordinated approach that addresses the challenges that undermine access to effective justice services.
- Absence of law enforcement mechanism in 20 districts which means access to justice is limited to urban centers.
- Certain institutions provided for in the Constitution such as Council of Religious Scholars and the Constitutional Court have not yet been established.
- The judiciary system suffers from the lack of qualified staff, basic equipment, record keeping, and reference material (library).
- Alternative Dispute Resolution (ADR) mechanism as a very significant law source in resolving disputes that fall outside of the judicial process (formal litigation)
- Absence of child offenders' rehabilitation centers.

Key Challenges

- Lack of coordination/alignment between formal law and Shariah from one side, and between formal law and customary law (XEER) and International law from the other side.
- A Shortage of skilled judges, prosecutors and legal professionals.
- Limited access to justice.
- Inadequate legal education institutions
- Inadequate checks on human rights situation
- Insufficient prison services and rehabilitation
- Overlap of mandates within judiciary institutions
- Lack of parole and probation act to rehabilitate and reintegrate criminals into the social life.

Achievements

- New prisons, office spaces constructed and functioning
- Custodial corps and courts employees trained
- Faculties of law established in private universities
- Fresh university graduates produced
- Approved laws implemented e.g. Piracy, terrorism.
- Case management system has been introduced
- The Legislative unit of the MOJRAR is a good step forward in reviewing laws.
- Mobile courts created to improve the access to justice in the remote areas.

- Community Dispute Resolution Houses working in 4 districts
- Mobile court expanded to one more region
- Around 50 Law graduates absorbed to the justice sector
- The office of the Human Rights Defender is operational for a year and a half and is active in human rights advocacy
- MOJRAR conducted extensive capacity building training for justice actors and legal awareness for vulnerable groups
- In 2015 Puntland courts adjudicated 5,096 cases (Criminal 1,819, Civil: 3,277), 4,769 cases were finalized and 327 cases pending.
- Case management system established and operational in Garowe and Qardho
- Six laws or policies reviewed and some updated.
- Skills training provided to prison inmates to prepare them for social reintegration
- Gender unit established at MOJRAR to work on gender mainstreaming in the justice sector.

Way Forward:

Table 14 Justice Sector Priorities

Justice Sector Priorities	Relevant State Thematic Areas	Priority	Relevant District Level	Relevant Deal Priority	Relevant and SDGs
Reformed laws and policies applied	Ruling Justly Effective Service Delivery			PSG3; Priority 1	SDG: 16
Sector Human Resources Such as MoJRAR Staff, Judges, PCC, Prosecutors and Lawyers Professionalized	Ruling Justly Effective Service Delivery		Construct and provide equipment for the law enforcement institution of districts. Rehabilitate district court and prison.	PSG 3; Priority 2	SDG: 4-16
Access to Justice Enhanced	Ruling Justly Effective Service Delivery		Open law enforcement mechanism at districts	PSG3; Priority 3	SDG: 10-16
Legal Education Improved	Ruling Justly Effective Service Delivery			PSG 3; Priority 2	SDG: 4-8-16
Human Rights situation improved.	Ruling Justly Effective Service Delivery		Open enforcement mechanism at districts	PSG3; Priority 3	SDG: 3-8-10-11-16
Prison Services and Social	Ruling Justly Effective Service		Construct/rehabilitate prisons at district level.	PSG 3; Priority 3	SDG: 3-16

Rehabilitation Enhanced.	Delivery				
Accessibility of justice institutions increased.	Infrastructure				SDG 16
Promotion of women and child rights advanced	Protecting and promoting the rights of vulnerable groups				

Puntland Justice System will be strengthened by modernizing its core structures and processes on judicial system. Six outcomes closely linked to each other will be targeted.

OUTCOME 1: Judiciary systems and processors enhanced

This outcome focuses amending penal code and criminal procedures, restructuring justice institutions, and coordinating/aligning Islamic, Formal and customary (XEER) laws.

OUTCOME 2: Sector Human Resources Professionalized

This outcome addresses training judges, prosecutors, lawyers, and court registrars. It also addresses establishing judicial training centre, increasing, equipping, and training the skills of number of PCCs as well as rehabilitating and constructing courts and office of attorney general infrastructures at MOJRAR.

OUTCOME 3: Access to Justice Enhanced

This outcome promotes expanding mobile courts in all districts, strengthening legal Aid and office of public defender, and creating alternative dispute resolution systems.

OUTCOME 4: Legal Education Improved

This outcome emphasizes enhancing the capacity of law schools, establishing Legal Aid centre under law schools, recruiting law graduates under justice sector based on equal opportunities.

OUTCOME 5: Human Rights situation Improved

This outcome focuses on enhancing Human Rights advocacy, establishing Human Rights Commission, and promoting fundamental rights of all people.

OUTCOME 6: Prison Services and Social Rehabilitation Enhanced

This outcome attends to constructing prison rehabilitation, establishing specialized prisons for juvenile, delivering prison justice services, and rehabilitating services for prisoners.

OUTCOME 7: Accessibility of justice institutions increased

This outcome focuses on the making justice institutions available in most districts. The target justice institutions MOJRAR offices, courts, AG offices and community dispute resolution houses.

OUTCOME 8 Promotion of women and child rights advanced

This outcome focuses on the protection and promotion of the rights of vulnerable groups.

The Strategic Framework

VISION:

Realizing justice and stability for all people of Puntland

MISSION:

Administration of justice in a respectful and accessible manner

VALUES: The values of the justice sector are as follows: Independence, Integrity, Accessibility, Equality, Affordability, Effectiveness, Inclusiveness, and Rights Endorsement.

In line with the vision, key priorities for the justice sector in Puntland are those of justice and stability developments achieved through the rule of law in an accessible manner. In other words, Puntland aspires to be fully established as a just and stable state thereby guaranteeing the constitutional right of access to justice for all people of Puntland. This aspiration comes from the Constitution of Puntland as embodies the fundamental principles of human rights and the Rule of Law. Hence, the development of the justice sector is that: 1) it is formed by independent institutions with a common vision; and 2) these institutions aim to cooperate and coordinate among themselves to improve their delivery of justice services and such services must be affordable, effective and inclusive to all.

Although the priorities of the government change over time and with the succession of governments, the coordination and development of the sector need to be conducted along a clear mission, vision and a platform of common values. The vision defined and shared by the

major institutions of the justice sector reflects the type of society to which the sector aspires for: ***“Administration of justice in a respectful and accessible manner for all”***.

Sector Strategic Focus

Main strategic objectives of the sector are the following:

- Justice institutions restructured.
- Islamic, Formal and customary (XEER) laws coordinated/aligned.
- Judges, Prosecutors, lawyers, court registrars trained.
- Judicial Training Centre established.
- Number of PCCs staff increased, equipped, and trained of special skills.
- The courts, office of attorney general, and MOJRAR rehabilitated and constructed.
- Courts including mobile courts expanded in all districts.
- Legal Aid strengthened and MOJRAR legal aid department’s capacity enhanced
- Inspection of courts by the High Judiciary Council conducted
- Alternative Dispute Resolution systems and justice for children improved
- Law school’s capacity enhanced.
- Internship program and PUWLA capacity improved.
- Law Graduates recruited under justice sector based on equal opportunities.
- Human rights advocacy enhanced.
- Human Rights Commission established.
- Fundamental rights especially child protection promoted
- Prisons rehabilitated and constructed.
- Specialized prisons for juvenile established.
- Prison justice services including probation and parole delivered.
- Prisoners rehabilitated.

Cross-Cutting Issues

Eight cross-cutting issues have been identified as important: human rights, capacity building, gender equality, HIV/AIDS, khat, environment, climate change and disaster management, IDPs, disability and social inclusion. Human rights and sector’s human resources professionalization are not only mainstreamed into the Justice SSP but are among the key priorities of the sector and all the cross-cutting linkages should apply in the implementation of the sector programmes and projects of the plan.

Role of the Stakeholders

MOJRAR coordinates the Puntland justice system, religious affairs and rehabilitation laws and policies and works with courts and prison services in the overall setting of legal systems and their implementations of justice, and rehabilitation. The Ministry is also responsible for the promotion and the preservation of the Islamic heritage of Puntland as Muslims make up 100% of the population of Puntland. The laws of Puntland can't be contrary to Islamic Sharia in any way and each and every law enacted by the parliament must be consistent with the principles of Islamic law.

MOJRAR aims to improve religious affairs in order to contribute to human resources development and the promotion of righteous values and ethics especially in religious/Quranic schools and Mosques. The other stakeholders in the sector are:

- High Judiciary Council, Courts: Supreme Court, Appeal Courts and First Instance Courts, Office of Attorney General, Puntland Legal Aid Clinic, Office of Public Defender
- Puntland Custodial Corps, Office of State Lawyer
- Lawyers Associations: Bar Association, Puntland Women Lawyers Association, private law firms
- Legal education in Puntland: Puntland State University, Mogadishu University/law school Bossaso Branch and East Africa University.

The Constitution contains detailed provisions aimed at promoting and ensuring the independence, and impartiality of the judiciary. The constitutional separation of powers (legislative, executive and judicial) is thus guaranteed and different actors in the judiciary should exercise their functions independently.

The Courts of Puntland are grouped into three levels: The Supreme Court, the Appeal Courts and the First Instance Courts. The court system is created in a descending order of superiority where the Supreme Court is the highest and final appellate body of the entire court system and its jurisdiction covers all over Puntland. The Supreme Court has supervisory jurisdiction over all the courts below it and its decisions are final. It also makes the final declaration of election results. Then comes the Appeal Courts in the intermediate level and First Instance Courts are lowest in the tier structure. The jurisdiction of the Appeal Courts covers only appeals from First Instance Courts as they have no original jurisdiction and it ends at regional level. District Courts, on the other hand, deal with all legal matters. Article 100(1) of the Constitution grants the First Instance Courts exclusive jurisdiction in all legal matters except cases against the State which normally begin at the Supreme Court.

It is also foreseen in Articles 94 of the Constitution that Puntland will have a constitutional court. The decisions of Constitutional Court must conform to the Islamic sharia, the constitution and other articles. The Constitution grants the court the power to declare void any law found to be totally or partially inconsistent with the Constitution. As previously stated, the Islamic law prevails in the event of conflict between laws.

In recent years, the international community has been actively engaged in assisting the development of law and justice in Puntland. Since 2009, UNDP has been providing to the Ministry of Justice financial and technical support in capacity development of the staff and legal policy. Assistance to stakeholders in the justice sector is provided through the Joint Rule of Law Programme. The UN agencies in the programme include UNDP, UNICEF, UNWOMEN, UNFPA and IOM.

CHAPTER6: THE SOCIAL SECTOR



Introduction

Policy Context

The social sector has undertaken accelerated reforms to address the overall goal of inclusive social development by examining carefully the attainment of the Sustainable Development Goals (SDGs). Remarkable legislations and strategies were developed, approved and implemented. Some of the key legislations and strategies include but are not limited to:

- Puntland Education Policy,
- Puntland Education Sector Strategic Plan,
- Puntland Health Policy Framework,

- Puntland Health Act (Law No. 6) ,
- Puntland Education Act
- Puntland Education Sector Analysis
- Puntland Health Sector Strategic Plan,
- Puntland National Drug Policy,
- Hygiene and Sanitation Policy,
- Puntland EPI Policy
- Puntland National Youth Policy
- Puntland Gender Policy
- Alternative Child Care Policy

Situation Analysis

Social sector development promotes issues on education, health, social protection, gender parity, decent work conditions and empowerment for different groups such as women, children, youth, internally displaced persons, the older persons and persons with disabilities.

Development in the social sector is vital if the State of Puntland is to achieve its development goals in all of the remaining five sectors. In order to maximize economic growth, reach political and governmental maturity defined as a governance system that is inclusive, transparent and meritocratic, gain a fair and just, effective and efficient judicial system, maintain stability and security, build a modern-day, developed nation-type of infrastructure, there needs to be serious development in the social sector.

Social development and economic development are two inter-woven threads. A development in one promotes in most scenarios a development in the other. Case in point, one of the most important elements in economic growth is human capital. The betterment of the education system is the most efficient and most effective means of ensuring human capital growth. Human capital growth, especially among the youth, leads to reduced unemployment among the youth as the youth, now highly-educated have better means of finding employment or creating businesses that require serious ingenuity but small seed capital. The youth, which constitutes the highest percentage of the population in Puntland, now employed can be taxed fairly in order to provide funds to better the lives of senior citizens. As one can see clearly, developments in the social sector leads to positive developments in the economy, i.e. economic growth, which leads to further developments in the social sector and so forth, as if this were an avalanche.

A similar type of relationship is found between the remaining four sectors and the social sector. Namely one where a development in the social sector leads to a development in the other sector and likewise, a development in the other sector leads to a development in the social

sector. In short, development in the social sector is vital in order to achieve development in the remaining five sectors. The state of Puntland understands this lesson clearly and has taken serious steps in this Revised Development Plan to prepare strategies for achieving concrete developments in the social sector.

The sector is an important pillar and concrete developments in this sector are defined as the following aims:

- Achieve Education for All
- Provide Access to Primary Health Care
- Reduce Unemployment Rate
- Improve Gender Equality
- Promote Social Inclusion

Main Findings

- In the education field, public service delivery remains a comparatively small function as a result of budgetary limits and this has resulted in non-state actors to dominate the sector.
- Despite the improvement in the health sector, the majority of population in Puntland does not have access to affordable health care. The government's capacity to defend the population against what threatens its health, poor quality medicines, unhealthy traditional practices such as Female Genital Mutilation (FGM), communicable diseases. Limited access to health sector services still remains inequitable, with inadequate distribution of staff and resources to rural areas.
- The child mortality rates in Puntland are among the highest in the world. There is also a growing concern in women as they still remain disadvantaged in terms of literacy, education, access to health, training, and employment.
- The women are underrepresented in the decision making process, they also account for less in the government service, the military, and the police, and illiteracy is widespread problem.
- Absence of adequate employment strategies have exacerbated the problems even further, leading to high unemployment which led to some youth to engage in criminal activities.
- Spending on education is low at around 7%, although it has been increased from 2.5% of The State budget for 2014.
- Approximately 60% of Puntland communities are Pastoralists or semi-pastoralists communities in nature and do not benefit from formal public education services because of inadequate education services

- Puntland budget allocation to the health sector is extremely low and yet declining e.g. 1.73% and 1.38% in 2009 and 2011 respectively. This hardly meets staff salary and the running cost of the ministry let alone providing service to the society.
- Gender disparities exist, the proportion of women in decision making is very low also female representation in managerial position in the public service remains very low and government's budget allocation to women's development is less than 1%.
- According to the Ministry of Labor Youth and Sports 70% of youth are unemployed and this issue is also another crippling factor for youth development

Achievements

- The ratio of female - male students (gender Parity index) has significantly increased, from 2004/5 academic year the GPI was 0.55 to education while academic year 2015/16 is 0.81
- Few colleges and higher learning institutions has been opened up
- More health posts and MCHs established
- Number of professional health workers has slightly increased
- The number of modern stadiums and multipurpose facilities were established and functioning
- Women centres are built in different regions of Puntland
- Puntland level women networks has been set up
- Puntland women status survey completed and published

Key Challenges

- Puntland higher education commission is not yet in place
- Shortage of funds in the education sector made tuitions fees considerably higher than previous years.
- Poor quality of education – in terms of supervision, Human resource and learning materials
- Poor health infrastructure
- Inadequate health professionals across Puntland
- Lack of regulations and technology for control medical supplies or medical products
Inadequate health information
- Women political participation is still severely low
- Lack gender development budgetary mechanisms within the Puntland budget
- Institutional capacity of the social welfare agency is weak
- Lack of resource allocation for welfare activities within the budget
- High unemployment rate among youth
- Limited sports and Youth multipurpose facilities

Importance of the Sector for the Revised Puntland Development Plan

The social sector weighs as an important pillar under the thematic priority areas as a service delivery. The plan details the strategic areas as identified in the sub sector strategic plans. The process also took into consideration the international treaties and conventions to which Puntland is contributing, especially the Sustainable Development Goals (SDGs). As a result, the Puntland government is seeking to achieve better health, education, gender equality, and employment results and provide a framework for increased aid effectiveness to reduce poverty and improve the livelihood for all.

As mentioned above, neglect of the social sector or slow and unenthusiastic development of the social sector will lead to no or stunted development in the remaining five sectors. But if the state of Puntland does as it is currently doing, i.e. pursues strong development in the social sector, all the remaining sectors will be able to achieve their said development goals to maximum levels.

Subsector in Brief

The social sector has different subsectors which were discussed strategically with all the stakeholders in the socio-economic advancement of the Puntland State. Each and every one of Puntland's government institutions has contributed their valued inputs into this sector strategic plan. Take note, each sub sector's importance to the socio-economic development of Puntland is explained and provided below.

Education

The government recognizes the importance of early childhood education as one of the most important levers for accelerating the attainment of Education for All (EFA) and the SDGs. One of the EFA goals obligates the government to expand and enhance comprehensive Early Childhood Education (ECE) programmes. Currently, there are three early childhood centers throughout the State of Puntland and it is a priority for MoE to establish ECE centers in each village, town, and city. In addition, it is important for the Puntland government to establish four new technical secondary schools (Polytechnic schools) for the following most populated cities namely Galkayo, Garowe, Qardo and Bossaso.

There are eight private universities in Puntland. The government is initiating an effort to promote secondary students to get access to higher education by providing scholarships. Currently, three hundred and fifty students receive scholarships from the Puntland government. Five new secondary schools have been built in Puntland. Two hundred new teachers have been trained and six hundred schools are monitored and reviewed twice a year to ensure quality education is being delivered by the teachers to the students. Given that

education is the main vehicle for transforming latent human potential into socioeconomic development, the education sector is continuing the reduction of the illiteracy rate across Puntland

Health

A healthy population contributes to economic development through increased productivity and lengthened working life. On the other hand, government has made significant gains, heavily supported by the international community and private investment, in putting in place the architecture of the future health care system and a viable policy and strategy framework. Due to lack of fiscal resources the provision functions are heavily supported by the International community and production functions are predominantly supported by the private sector and NGOs. Without the private sector and NGO provision there would be no health care system to speak off.

Women and Social Affairs

The government has introduced a number of initiatives on gender mainstreaming for reducing gender disparity, this includes promotion of girl's education for example. Despite these achievements, glaring gender gaps still exist in access to and control of resources and socioeconomic opportunities as well as political participation. Although women account for 60% of the total population and comprise a large portion of the society, they are still under-represented politically and economically. At present there is one minister and three vice ministers out of the 47 cabinet members and 2 out of 66 of the parliament seats are occupied by women, which indicates less representation of women in policymaking. It is also noted that women account for the largest percentage in poverty and illiteracy statistics (Interview with MOWFSA).

Youth and Sports

According to a recent study done by UNDP - Somalia Human Development Report 2012, the youth constitute 70% of the total population. This poses challenges to a government coping with backlog in employment, education, health and other essential social services to meet the need of this category. Youth in Puntland face various obstacles, such as social exclusions in terms of decision making process and lack of empowerment. Such problems have blocked their transition into adulthood, increased poverty, social inequalities and gender discrimination and have caused widespread unemployment. Youth exclusion is a classic example of structural violence and a serious violation of human rights and freedoms and is a brutal suppression of human development.

Table 15 Social Sector Priority Matrix

Social Sector Priority Matrix				
Sector Priority	Relevant District Level Priority	Relevant State Level Thematic Priority Area	Relevant New Deal Priority	Relevant SDGs
Access to education particularly in far remote-hard-to-reach areas need to be prioritized	Pastoralist education, alternative based, education, Non formal and formal education in rural communities improved and enhanced through building of more schools at primary level, and mobile schools, for pastoralist level so children can get at list based education	Effective and Responsive Service Delivery	PSG 5: Priority 1;	SDG: 4-5
Quality of education at all level improved and science technology and innovation promoted	To improve supervision and capacity of teaching staff through enhanced training, review current education curriculum at lower and higher education to see where changes can be improved and promote science based courses at all levels of education.	Effective and Responsive Service Delivery	PSG 5: Priority 1;	SDG: 4
Increasing access to primary health care/service in far and remote areas	Improve access to primary health care to urban and rural communities.	Effective and Responsive Service Delivery	PSG 5: Priority 1;	SDG: 3-9-16
Increased primary health infrastructure in both urban and rural areas	Expand access and utilization of health care services across Puntland	Effective and Responsive Service Delivery	PSG 5: Priority 1;	SDG: 3-9-16

Impact assessments on women and child development projects identify gaps	Enhance effectiveness of development projects that improve women and child livelihoods	Effective and Responsive Service Delivery	PSG 5: Priority 1;	SDG: 4-5-8
Establishment of women's skill development centers	To improve better access to sustainable needs such as jobs, education and health for women	Effective and Responsive Service Delivery	PSG4: Priority 2	SDG: 5-8-10
Increasing access to social services for disabled and other vulnerable groups	Improve livelihoods for all vulnerable groups	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth	PSG4: Priority 2	SDG: 3-10
Technical training centers for orphans and street children	Improve job opportunities for at risk youth through technical job skills training	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth	PSG4: Priority 2	SDG: 3-4-8-10-11

Social Sector Expected Outcomes

OUTCOME 1

It addresses the achievement of universal primary education, secondary and provision of infrastructure. It also focuses on the provision of inclusive Special Needs Education (SNE) & Early Childhood Education, Pastoral Education, the market driven employment skills and

encouraging increase of enrolment of girls and provide scholarships and for all secondary school leavers, by improving access and equity to education at all levels.

OUTCOME 2

It contributes to the development of education by making regular supervision and increasing number of trained teachers and integrating science into schools and enhancing education curriculum. This is to improve quality of education at all levels and promote science and technology in education.

OUTCOME 3

It provides functional, efficient and sustainable health services in Puntland such as enhancing infrastructure, improving access of primary health care across the regions. It will also provide mechanism to control the quality of imported medicine into the state. Revitalize health infrastructure and strengthen health service delivery

OUTCOME 4

It focuses on health information systems. It addresses the designing a system that enables the decision makers to get timely reports for decision making. It also encourages cost effectiveness approach (effectiveness and efficiency) developing equitable health care financing and information system.

OUTCOME 5

It introduces into all government policies, plans and programmes to ensure that the needs and interests of each gender (i.e. women and men, girls and boys) are addressed. There will be a deliberate effort to recognize and acknowledge the various ways in which women make a contribution to the economy and indeed, the society as a whole.

OUTCOME 6

It addresses the issues that directly affect the vulnerability such as improving the lives of vulnerable people and integration within the society by instituting socioeconomic empowerment programmes for all vulnerable groups.

OUTCOME 7

It provides economic empowerment and reduces poverty and eradicates piracy and other crimes among youth; which will give opportunity to youth to have a decent live. It will also provide opportunities of having sports facilities and sports education.

A structure has been developed using a log frame approach to organize these areas and their critical strategies and provide a system of their effective monitoring and evaluation.

Strategic Framework

VISION: To create a caring and integrated system of social services that facilitates human development and improves the quality of life.

MISSION: To ensure the provision of comprehensive, integrated, sustainable and high quality social services to help reduce vulnerability, social exclusion, unemployment, gender disparities, illiteracy and preventable diseases, and to create an enabling environment for sustainable development in partnership with those committed to building a caring society.

VALUES: The values for the social sector are as follows: Gender equality, Integrated and holistic development; Cohesion, cooperation, and partnership; Accountability and transparency.

Cross Cutting Issues

The sector has emphasized the importance of gender mainstreaming in policies and programmes, the sector also takes into consideration human rights, capacity building, gender equality, HIV/AIDS, Khat, environment, climate change and disaster management, Internally Displaced Persons (IDPs), disability and social inclusion. The office of Human rights defender has been established. Merit based recruitment has been created to improve the access of all genders to labor market. VCT facilities exist in the urban and PMTCT facilities are in place in the urban and rural areas.

Sector Strategic Focus

- Improve access and equity to education at all levels
- Improve quality of education at all level and promote science and technology in education
- Revitalize health infrastructure and strengthen health service delivery
- Develop equitable health care financing and information system
- Promote gender equity
- Institute socioeconomic empowerment programmes for all vulnerable groups
- Provide economic empowerment to the youth and encourage programmes that support development and nature the talent of youth

Role of Stakeholders

Ministry of education is the lead ministry for the social sector, where each subsector among stakeholders will contribute the socio-economic advancement of the Puntland State. Each and every one of Puntland's government institutions has a role to contribute their valued inputs into this sector socio-economic advancement.

CHAPTER 7: THE LIVELIHOOD SECTOR



Introduction

Policy Context

Livelihood sector is one of the key sectors in reducing poverty and improving the livelihoods of the Puntland population. The primary stakeholders that develop and implement legislations include: Ministry of Livestock, Ministry of Fisheries, Ministry of Agriculture, Ministry of Environment Range, Wildlife & Tourism, and Ministry of Commerce. Each Ministry has developed policy guidelines under its mandate to govern overall activities and procedures with respect to the jurisdiction of the Ministries. A number of laws and policies were approved by the cabinet and passed by the parliament as well. Some of the laws that have been passed by both parliament and cabinet are the following:

- Rangeland policy was passed by the cabinet in 2009
- Legislation on meat and milk were passed by the cabinet in 2012
- Legislation on veterinary law code was passed by the parliament in 2010
- Agriculture Quarantine inspection laws passed by the parliament in 2011

- Human resource policy was passed by the cabinet in 2008
- Natural Resource Management developed and approved 2012

Since the adoption of the Second Puntland Five-Year Development Plan, the following legislations and policies have been approved:

- Quality Control Act was passed by the parliament in 2015
- Trade Classification Law was passed by the parliament in 2016
- Foreign investment Laws was passed by the parliament in 2015
- Puntland fisheries treaty regulation was passed by the parliament in 2016
- Fishery Control Act was passed by the parliament in 2016
- Fisheries Policy and strategic Action Plan was passed by the parliament in 2016
- Livestock policy was passed by the parliament in 2016
- Livestock Production and Marketing Act was passed by the parliament in 2016
- Puntland Environmental Policy was passed by the cabinet in 2014
- Puntland Environmental Impact Assessment Regulations was passed by the parliament in 2016
- Puntland Rangeland Management Policy was passed by the cabinet in 2016

Since the adoption of the Second Puntland Five-Year Development Plan, the following legislations and policies are currently under draft form and in review:

- Company law has been at the cabinet office for discussion since 2015
- Public private Partnership Act has been at the cabinet office for discussion since 2016
- Tariffs License Policy /Law #14 is currently under review at the Ministry of Commerce & Industry since 2016
- Commercial Law has been at the cabinet office for discussion since 2016
- Microfinance Policy is currently under draft form at the Ministry of Commerce & Industry since 2016
- Agriculture policy is currently under draft form at the Ministry of Agriculture & Irrigation since 2015
- Pesticide policy is currently under draft form at the Ministry of Agriculture & Irrigation since 2015
- Agricultural strategic plan policy under draft form at the Ministry of Agriculture & Irrigation since 2015
- Puntland Environmental Management Law is currently under draft form at the Ministry of Environment since 2016

Situation Analysis

The Livelihood (Productive) Sector is a vital sector to feed the ever increasing population in the region. Therefore, it is necessary to develop and invest in a full capacity in the resources of the state of Puntland. It is also important to encourage investors to invest into the sector to improve the productivity of different Agriculture farms in Puntland Government of Somalia. There are two main production systems in Puntland, nomadic pastoralist and agro-pastoral production systems. Nomadic pastoralist is the system practiced in all the nine regions of Puntland. The current levels of food insecurity and poverty in Puntland emerged as a result of combined factors that have been preventing people from having physical and economic access to food. The collapse of the Somalia Central Government brought an additional burden to Puntland.

Food security and economic security can easily be achieved with economic growth. Economic growth is in simple terms, an increase in GDP. GDP is comprised of the following elements: consumer spending, government spending, investments (foreign and domestic) and net exports. So, therefore, the theoretical question for the government of Puntland is how economic growth can be achieved. An increase in GDP cannot come from government spending as the reality of the Puntland government is that it is working with limited resources. The only viable option for economic growth must come from the private sector, both domestic and foreign, as well as commitments and partnerships from the international community. In other words, returning to the GDP formula above, consumer spending, investments (foreign and domestic) and net exports must be increased.

A main hindrance for the poor inhibiting them from participating in the economy as suppliers is lack of seed capital. Microfinance is a very important arena which the Puntland government must foster further development in. Numerous international donors specialize in microfinance and the Puntland government must work tirelessly to encourage said donors to invest in the poor people of Puntland. Furthermore, the Puntland government must increase the number of avenues the poor have for technical training and skill formation. So that once they receive small seed loans, they can best turn said opportunity into a real form of livelihood. Also, if the poor people of Puntland have more technical skills, the international donors have more incentive to invest in their economic future. In short, technical/vocational training aided with small seed loans is a viable option for the poor to create sustainable livelihoods for themselves.

As the Puntland government works towards its development goals in this Three-Year-Development-Plan, it will create an environment conducive to domestic and especially, foreign investment, which will in turn create economic growth for the region.

Main Findings

- A major challenge that faces Puntland Government of Somalia is how to come up with effective policies and strategies to create an environment conducive to development. An important factor for economic development is investment.
- Major investment sources include domestic savings and remittances from abroad
- Insufficient resources to the sector are problems which hinder its developments and prevent it from realizing its potentialities.
- Limited investment opportunities
- Limited markets (diversification problems)
- Absence of resource management policies and plans
- The lives of the people of Puntland mainly depend on livestock
- Loss of animal livestock during drought periods
- Major environmental problems are drought, the unplanned exploitation of natural resources, and excessive deforestation (for charcoal production) and more recently the Global Food Crisis.
- In the dry season, when food and water are scarce, the population lives with extremely limited nutrients and experience malnutrition, disease, and famine
- Limited Water infrastructure – there is a severe need for the improvement of dams, boreholes, and other types of water infrastructure for irrigation, livestock and the general population
- Small businesses, family owned retail business, peddlers and street vendors dominate the commercial and retail trade in Puntland and a greater Somalia as well. The sector is highly competitive and is characterized by complex institutional arrangements and practices
- There are two types of frankincense collected for trade: Maydi, and Beeyo. Annual production is roughly estimated at 500 tons. This represents only 40 percent of the potential yield
- Ownership of each tree has become very fragmented through the generations, as individual owners have multiple family members
- Traders estimate that today's annual frankincense exports (75 percent Maydi and 25 percent Beeyo) total about 400 tons (covering exports from Bossaso and other coastal parts in northeast Somalia).
- Export prices for grade one Maydi were USD40-50 per kilo
- Harsh conditions (scarce vegetation, insufficient water resources, limited social services, and lack of accountability) make difficult the lives of frankincense cultivators

- Lack of fishing infrastructure- Construction of fishing jets and Rehabilitation of fodder roads needed
- Lack of Fishery cold storage chains and facilities- Rehabilitation of these storage facilities needed.
- Farmer Training needed- Farmers need more training in understanding of new farming techniques in agriculture to improve production, reduce pest and disease
- Initiating quality control- It is essential to support new quality control department initiated by Ministry of Commerce to reduce low quality items from entering the markets of Puntland
- Ministries do not have much capacity to compete with the challenges that this sector is facing for a period of times

Achievements

- Livestock quarantine centers constructed and recognized health certificates are issued prior to the import countries
- Legislations on livestock, environment, fisheries, agriculture and commerce were developed and adopted
- Fishery sector provides livelihoods to coastal communities as well as Internally Displaced Persons (IDPs) and increased number of pastoralists who join the industry either as temporary fishermen or as casual laborers during the fishing seasons.
- International Oil Firms started oil exploration in Puntland, which will enhance the economy of the country
- Trade relationships extended to include Chinese private companies, Egypt, UAE, and Ethiopia
- A new customs corridor opened on Ethiopian border with Puntland.
- 600 soil and water conservation structures; soil bunds, rock dams, check dams, water diversion constructed in order to rehabilitate gullies, reduce runoff speed of water, control soil erosion, and for vegetation regeneration.
- Establishment of a Wildlife protection department in MOEWT in order to increase community awareness, promote best practices and laws to ensure wildlife protection
- 2 Sand dams and 32 water catchments constructed
- Established 7 tree nurseries and distributed 100 trees for urban greening projects in order to distribute shade and fruit trees to urban areas (institutions, households, public areas) and degraded rangelands
- Establishment of solar-powered irrigation system
- Puntland Oasis Farming Project
- Developed hotel grading (star system) criteria in order to rank existing hotel outlets in Puntland for tourism services

- Established 5 community NRM Cooperatives in order to promote alternative sources of livelihoods for charcoal burners and wildlife hunters.
- PPP guidelines for Liquefied Petroleum Gas (LPG) storage facility to be established in Bossaso in order to promote cheaper sources of cooking energy and environmental protection
- Natural Resources Management decentralization- to establish MoEWT 12 regional and district offices, 3 pilot districts for NRM delegation to LGs, distributed 4 vehicles to regions, formed 20 District Pastoral Associations
- Environment Impact Assessments have been put in place in order to identify potential impacts of projects on the socioeconomic structure of Puntland. Currently, an offshore seismic assessment, Golis Fiber optic assessment, and Water harvesting structures assessment have been completed.
- Established Puntland Environmental Police Force in order to enforce the environmental laws and to reduce degradation
- Supported establishment of Natural Resources Management faculty at the East Africa University in Garowe in order to increase the number of environmentalists and NRM managers

Key Challenges

- Lack of Marketing of fish products- creating of new markets for fishermen in the local and international markets, lack of market infrastructure for fish, lack of Maritime Vocation Education, lack in the spread of modern fishing techniques and facilities
- Lack of fish cold storage systems
- Marine Resources Management Promoted- e.g. need for an effective and efficient response service to illegal and unregulated international fishing in Puntland waters in order to end such activity, fishing infrastructure constructed
- Lack of Domestic investment
- Shortage of Industrial support- need for the establishment of light industries, which can produce domestic products
- Lack of business research and development- such an R&D efforts would help the industrial sector pin-point business challenges and develop business opportunities and investments
- Limited livestock infrastructure- Critical need for the expansion and rehabilitation of livestock infrastructure
- Inadequate transport facilities- more transport facilities are required to facilitate smooth running of the livestock sector within the whole of Puntland
- Limited training for staff personnel- there should be more training of staffs in the livelihoods sector to add value in each sub-sector
- Livestock diseases- More funds needs to ensure the treatment, vaccination of every animal in every region

- Underfunding for livestock sector, lack of modern technology on animal keeping- Increase in funding needed to help usher in modern techniques in livestock, poultry and bee keeping and rearing
- Climate related risks and disasters: droughts, cyclones, floods, etc.- Need for resources to reduce climate change impacts
- Invasive plant species (*Prosopis juliflora*)- Need to control the spread of the this plant, plus the utilization of this plant as a feed, charcoal, etc. needs to be established
- Limited Financial support- Need for financial support in Agriculture, Environment, Livestock, Fishing, Commerce sectors.
- Limited farm machinery (i.e. tractors and other farm tools)
- Lack of investments for frankincense and date palm- Need for financial support in marketing and exporting of these produce
- Poor water access and Improper cultural practices- Need for more sustainable water (water harvest)
- Low awareness on the importance of Natural Resources Management- need resources to increase environmental awareness and stewardship
- Lack of well-qualified staff at the Ministry of Commerce- Need to build a strong team at the Ministry in order to ensure capacity building for a variety of departments at the Ministry
- Lack of support for MSME research and development- Strengthening and support for an MSME research and development is essential for business development in Puntland
- Poor link between Ministry of Commerce and the private sector, civil society, leading to an inability to respond to the emerging needs of businesses
- Limited information on markets and competitiveness which is needed to develop more effective and efficient policies
- Limited information on the status of natural resources in Puntland (flora, fauna, land and marine)
- Clash of mandates between institutions in Natural Resource Management- Need for functional review for all government institutions involved in Natural Resource Management in order to demarcate the different mandates
- Lack of clear policy relating to Industrial Parks
- Micro-finance policy needs financial support
- Lack of entrepreneurial skills, awareness, and training for MSMEs- poor entrepreneurial skills, awareness and training for MSMEs leads to failed businesses
- Lack of road to reach frankincense- road needed for easy access to frankincense harvest area

The Livelihood sector has the following sub-sectors:

Livestock

Herd and flock sizes vary with different livestock capital ownership in pastoral households. Basically, the wealth or poverty of a pastoralist depends on their herd size. Pastoralist vulnerability to herd loss mainly concerns small animals lost during the drought periods. Goats, sheep, and camels are the most commonly used domestic animals and are well represented in every zone. There is very limited poultry activity despite a growing demand for eggs, which are imported from Yemen. Furthermore, assisting livestock is a pre-requisite for sound development in Puntland. However, such assistance requires an agenda that will take into account production cycle and system as well as parallel interventions such as: I) environmental protection and management; ii) soil conservation; iii) social arbitrage for conflict resolution; IV) engagement of individuals/communities that are involved in livestock activities in natural resource management and conservation.

The Ministry of Livestock and Animal Husbandry has made some concentrated efforts in improving the livestock sub-sector. Its efforts include a marketing strategy for Livestock Trading, fodder production in order to increase the livestock numbers in Puntland. The Ministry is also trying to add value in the production cycle of livestock products and dairy such as packaging of dairy products and selling of livestock skins.

Fishery

Puntland has approximately 1,600 Km of coastline which is rich in all forms of marine life, productive, and accessible enough to create equitable opportunity for sustainable development. Fishery is one of the most promising sectors in the Puntland Government of Somalia and it remains an underutilized resource. In addition, there is inadequate infrastructure and limited local and external markets. The inadequate infrastructure includes a lack of a marine educational institution and facilities. A major challenge for the fishery sub-sector is illegal and unregulated fishing in the coast areas of Puntland.

Crop-Production

Puntland has a very favorable land-people ratio. Crop farming is limited traditionally because of low rainfall, the absence of river basins, and water scarcity. Climatic conditions are arid, with an average annual rainfall that ranges from 100 – 200 mm. This is insufficient for intensive cereal crop production. Of late, horticultural crop farming is on the rise due to the increased demand for fruits and vegetables from the growing urban population. Frankincense grows in the wild and is harvested and exported. While farming is very marginal in Puntland, it is increasing in popularity as a livelihood in some areas. Major regional towns like Bossaso are the main market for produce from the irrigated farms and rain-fed areas.

Other farming production includes: inflorescence trees, vegetables, horticultural products, and date palms. It is important to introduce oil-producing crops like peanuts, sunflowers, soya beans, and safflowers as well as some cereal crops such as sorghum, and maize. In addition, there are a number of cash-crops such as tomatoes, onions, lettuce, cabbage, carrots, watermelon, sweet pepper, hot pepper, sweet potatoes, oil crops (sesame), lemon, etc. Orange and coffee is grown in the Sanag region. This indicates that Puntland has significant agricultural farmland. Puntland can increase export earnings from agriculture through surplus production and improving market access.

It is crucial to develop agricultural policies that aim to improve the agro-pastoral infrastructure, with the wider objective of alleviating poverty by supporting sustainable agricultural livelihoods that contributes to Sustainable Development Goals achievement.

Environment

The Puntland Government of Somalia faces severe environmental challenges, associated poverty and vulnerability because of recurring drought and desertification. The rangeland management is a long-term and continuous process as it involves dealing with the soil, the rangeland vegetation, and the animals that use the range, the forest, watersheds, wildlife habitat and the landscape as a whole. Moreover, there are a number of issues to be tackled for environmental conservation.

The Ministry of Environment has made concerted efforts to rehabilitate and conserve rangeland ecosystems in Puntland, to improve Puntland wildlife conditions, to improve the resilience of agro-pastoral communities, to mitigate the impacts of climate change, to develop Puntland tourism industry, to reduce vulnerability to climate change risks, to reduce charcoal dependence and promote the use of clean energy sources. The Ministries' has also tackled the following topics/areas: enhancement of NRM service delivery to local communities, achievement of sustainable development in Puntland, protection of fragile ecosystems through the establishment of environmental police, and to create ownership and stewardship of the environment.

Commerce and Industry

Sound and sustainable economic growth cannot be achieved without putting in place well focused programs to reduce poverty through empowering the people by increasing their access to factors of production, especially credit. Existing capacity of the poor for entrepreneurship would be significantly enhanced through the provision of microfinance services to enable them to engage in economic activities and be more self-reliant and to increase employment opportunities, enhance household income, and create wealth. It is very important to create an

enabling environment to attract more foreign investment into the state to increase employment and the local production. The Ministry has taken concerted efforts to strengthen Public Private Partnerships, focus on expansion and diversification of domestic and foreign trade, promoting small industries and factories to encourage local productivity.

Frankincense and Gum

The Puntland Government is the world's largest producer of high quality frankincense. Therefore, this sub-sector requires a greater investment to increase productivity and to improve both exports and marketing systems. Such investment increases exports and employment opportunities for the local people.

Oil and Mineral Resources

Puntland has untapped reserves of numerous natural resources, including uranium, iron ore, tin, gypsum, bauxite, copper, salt and natural gas. The Puntland authorities in October 2005 granted Range Resources a majority stake in two sizable land-based mineral and hydrocarbon exploration licenses, in addition to offshore rights. The onshore Nugaal and Dharor Valley blocks in question span over 14,424 km² and 24,908 km², respectively. In 2011, the Puntland government gave the green light to the first official oil exploration project in Puntland and Somalia at large. Currently, the drilling operations has been stopped, which encountered some difficulties in the drilling process. The government of Puntland is committed to continue oil exploration and drilling companies have shown willingness to continue exploration in the future.

WAY FORWARD

Table 16 Livelihood Sector Priority Matrix

Livelihood Sector Priority Matrix				
Sectoral Priorities	Relevant State Level Thematic Priority Areas	Relevant District Priority	Relevant Deal Priority	Relevant MDGs and SDGs
Animal health and productivity enhanced	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth	Disease control system designed Rangeland and water management improved --Animal products and environmental hygiene improved Qualified technician and professionals placed Livestock export market Diversified	PSG4; Priority 1	SDG: 14-15
Marine resources management promoted	-Effective and Responsive Service Delivery	Illegal and unregulated international fishing in Puntland waters protected Piracy activities in Puntland eliminated Fishing infrastructure constructed -Marine resource educational facilities developed	PSG4; Priority 1	SDG: 14-15-16
Watershed management developed	Effective and Responsive Service Delivery	Dams and water catchments constructed	PSG4; Priority 3	SDG: 6-13-14-16

Local crop productions increased to reduce poverty and hunger	Effective and Responsive Service Delivery	Farms for crop production Established Crop production outlets (markets) established	PSG4; Priority 1	SDG: 1-2-15
Water harvesting and conservation for environmental rehabilitation and drought resilience improved	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth	Watershed dams constructed	PSG4; Priority 3	SDG: 6-13-14-15
Wildlife and conserved marine ecology and biodiversity protected	Effective Responsive Delivery and Service	Wildlife protection programme developed Marine pollution protection programme developed	PSG4; Priority 3	SDG: 13-14-15
Adverse impact of the climate change and land deforestation reduced	Accountable Governance Effective Responsive Delivery and Service	Early warning and protection programme for climate change and land deforestation designed and implemented	PSG4; Priority 3	SDG: 13-14-15
Private sector business enabling environment promoted	Effective and Responsive Service Delivery	-Trade legislations developed -Public private partnership improved -International trade and local production improved	PSG4; Priority 1 & Priority 2	SDG: 8-11-16

Livelihood Sector Priorities

- Animal health and productivity enhanced
- Marine resources management promoted
- Watershed management developed
- Puntland Oasis farming project, local crop production, and Dams construction improved.
- Water harvesting and conservation for environmental rehabilitation and drought resilience improved.
- Wildlife and conserved marine ecology and biodiversity protected
- Adverse impact of the climate change and land deforestation reduced.
- Private sector business enabling environment promoted.

Livelihood Sector Expected Outcomes

OUTCOME 1

This outcome intends to establish fully functioning animal health enhancement that controls and prevents animal diseases. At the same time, it improves the veterinary skills and capacity to deliver the best services throughout Puntland and to maximize the animal production. This may include: design disease control systems, improve rangeland and water management, improve animal products and environmental hygiene, employ qualified technical and professionals and diversifying livestock export markets.

OUTCOME 2

This outcome focuses on the marine resources management through promoting, enhancing, and maximizing fishing production and service deliveries. It is also important to eliminate the illegal international fishing in Puntland waters. In addition, piracy has been disrupting in both international shipping lines and local fishing process. Furthermore, this outcome highlights the importance to revitalize the fishing infrastructure and to establish educational institutions for the marine studies for a long term goal.

OUTCOME 3

It emphasizes the importance of watershed management to preserve the water for agriculture irrigation, animal as well as human consumption. Moreover, this method of water catchment prevents erosion from happening in the area where water passes through. Dams and water catchment also helps to preserve the environment for the benefit of the people, farms and animals as well.

OUTCOME 4

This outcome indicates that agriculture production needs to be increased in order to reduce poverty and hunger. In addition, this outcome emphasizes farming and crop production requires further development to minimize poverty and hunger in this region. It is also important to have a market niche to sell crop production, water dams and Oasis irrigation systems constructed/rehabilitated

OUTCOME 5

It is important to address the environmental damage in order to maintain the agricultural production and healthy living nature. This outcome also addresses the real need for water harvesting and conservation to prevent drought from happening in the future, which may threaten the livestock, environment and agriculture outputs. In addition, this outcome brings to our attention that infrastructure is a key for the environmental protection issues as well as to preserve for the wildlife.

OUTCOME 6

It is essential that wildlife, marine ecology and biodiversity to be protected in Puntland. This outcome also emphasis on the data collection from the wildlife to get more information depending on what researcher wants to know about the subject and ensure their safety.

OUTCOME 7

This outcome proposes to minimize the unfavorable impact on climate and natural forest. In order to prevent this type of negative impact on the climate and deforestation from happening, there will be plantation in the desired areas where deforestation occurred. Furthermore, capacity building is necessary to develop early warning and protection program for climate change and land deforestation.

OUTCOME 8

It is important to create enabling environment for small and large businesses to grow and create employment opportunities for the local people. In order to promote business opportunities by expanding export markets, there is an urgent need to have trade legislation to be enacted in the entrepreneurship markets in Puntland. Furthermore, it is necessary to establish public private partnership, which works for both private entities as well as public interests in the business field. A structure has been developed using a log frame approach to organize these areas and their critical strategies, Industrialization process initiatives enhanced and provided a system of their effective monitoring and evaluation to train professionals in the field of environment.

There has been an assessment of harvest and market policy and procedures. An evaluation of current procedures for export to improve future plans. An evaluation of current resulting household income from frankincense and specific livelihood groups has been made. And an identification of current employment opportunities within the crop chain was also produced.

Strategic Framework

MISSION: To develop and sustain the existing livelihood infrastructure and skills; and to maximize productive sector to improve the livelihood for all

VALUES: Cooperation and consultations between institutions who deal with livelihood; effective and efficient service deliveries; maintaining and upholding the mission of the livelihood

Cross-Cutting Issues

There are eight cross cutting issues that are identified in all Sector Strategic Development Plans such as capacity building, gender, human rights, Environment, climate change and disaster management, disability and social inclusion, HIV/AIDS and Khat. All these cross cutting issues should be mainstreamed into all programs or projects that will be undertaken in the next five years.

Sector Strategic Focus

- Design disease control system
- Improve rangeland and water management
- Improve animal products and environmental hygiene
- Employ qualified technical and professionals
- Diversify livestock export market
- Protect illegal and unregulated international fishing in Puntland waters
- Eliminate Piracy activities
- Construct fishing infrastructure
- Develop marine resource educational facilities.
- Construct dams, boreholes and water catchments
- Establish farms for crop production
- Establish crop production outlets (markets)
- Construct Watershed dams
- Develop wildlife protection programme
- Develop marine pollution protection programme
- Develop early warning and protection programme for climate change and land deforestation

- Develop Trade legislations
- Improve public private partnership
- Improve international trade and local production

Role of the Stakeholders

The strategic framework for Livelihood Sector consists of a number of stakeholders that work with Livelihood Sector either directly or indirectly. The main institutions that affect the Livelihood Sector are the following: Ministry of Agriculture, Ministry of Livestock, Ministry of Fisheries and Marine Resource, Ministry of Environment Range, Wildlife and Tourism, and Ministry of Commerce, Industry and Chamber of Commerce. Each of the above mentioned ministries has some level of responsibilities to participate in the developing and promoting the Livelihood Sector.

CHAPTER 8: THE INFRASTRUCTURE SECTOR



Introduction

Policy Context

Ministry of Public Works and Transport is the lead agency for the infrastructure sector in Puntland. In conformity with the constitution of Puntland Article 83 and the Presidential bylaw 2000 Articles 1 (MoPW&T strategic plan), the ministry was mandated to plan, design, construct and maintain Puntland public assets such as hospitals, schools, police stations, prisons, courts, theatres, public sewerage schemes and other infrastructure such as roads, ports, runways and bridges in collaboration with line ministries and local governments.

Puntland State Authority for Water, Energy and Natural Resources Corporation (PSAWEN) is the central Government body (Puntland level) created in December 2000 under the Presidential Decree of Law No.2, and approved by both the Cabinet and Parliament. It became fully operational in 2001 as the sole institution responsible for water, energy and minerals, was established as an autonomous agency under the Office of the President (PSAWEN strategic plan).

A number of laws and policies were approved by the cabinet and passed by the parliament within the infrastructure sector. Some of the laws that have been passed by the both parliament and cabinet are the following:

- General Land Policy was passed by the cabinet in 2005
- PHA Law No 18 was passed by the parliament in 2000
- Water Policy was passed by the cabinet in 2007
- Gate Pass Regulation was passed by the parliament in 2011
- Manifest Regulation Framework was passed by the parliament in 2009
- Sanitation Regulation Ports was passed by the parliament in 2013
- Counter Piracy Regulation was passed by the parliament in 2013

Since the adoption of the Second Puntland Five-Year Development Plan, the following legislations and policies have been approved:

- Quality Control Act was passed by the parliament in 2015
- Urban Regulatory Framework was passed by the parliament in 2016
- Construction Company's Regulations was passed by the parliament in 2015
- Amendment Transport (Vehicle) Regulations Law was passed by the parliament in 2014
- Puntland Axle Load Control Act was passed by the parliament in 2014
- PHA Financial Regulations was passed by the parliament in 2015
- PHA Expenditure Policy was passed by the cabinet in 2015
- PHA Heavy Machine Management Policy was passed by the cabinet in 2015

Since the adoption of the Second Puntland Five-Year Development Plan, the following legislations and policies are currently under draft form and/or in review:

- Building Standard Regulation is currently on track to be passed by the parliament
- National Housing Policy is currently on track to be passed by the cabinet
- Puntland Land Policy is currently on track to be passed by the cabinet
- Town Planning Policy is currently on track to be passed by the cabinet
- Water Acting Law is currently on track to be passed by the parliament

- Energy Policy is currently on track to be passed by the cabinet
- Energy Act is currently on track to be passed by the parliament
- ICT infrastructure policy is currently on track to be passed by the cabinet
- Telecommunication Regulatory Development policy is currently on track to be passed by the parliament
- Media and Ethics Regulation is currently on track to be passed by the parliament
- Ports Regulation is currently under review by the parliament; this regulation was originally passed by the parliament in 1999.

Situation Analysis

In terms of economic infrastructure, successive central governments in Somalia (1960-1991) neglected Puntland – which constitutes approximately one-third of surface land in Somalia – as there is only one paved runway located at the Bossaso airport in all of Puntland to date, only one tarmac road that connects Galkayo to Garowe, which is in a very poor condition and one functioning port with limited capacity and equipment. However, since the formation of the Puntland government in 1998, the successive administrations maintained the existing infrastructure at different levels despite the financial and technical limitations.

One of the major challenges that hinder economic growth and development is the poor infrastructure. In fact, Infrastructure sector is the backbone of the Puntland Three year Development Plan, Revised Puntland Development Plan (2017-19), and without it all other sectors will be paralyzed.

To overcome and alleviate infrastructure limitations in Puntland, it is imperative to have a strategic vision and roadmap for the coming five years.

Main Findings

- The infrastructure sector in Puntland lags behind in terms of institutional and human capacity as well as the necessary heavy equipment to operate and maintain the existing infrastructure.
- There is no comprehensive infrastructure policy
- Overlaps in terms of mandates, roles and responsibilities among different subsectors in the sector.
- Lack of coordination in dealing with infrastructure needs and priorities in Puntland

Key Achievements

- Rehabilitation and construction of 410 shallow wells in rural areas since 2015
- New 55 boreholes were drilled since 2015

- Rehabilitation of 253 boreholes since 2014
- Rehabilitation of 14 natural springs since 2014
- Establishment of 17 solar water systems since 2016
- Supported 23 water supply systems since 2015
- Solar energy pumping for 5 irrigation systems since 2016
- Installation of solar energy systems for 5 MCHs (ongoing) since 2016
- Installation of solar energy systems for 5 schools (ongoing) since 2016
- Electrification systems for 3 villages(ongoing) since 2016
- Installation of Street solar systems for 5 cities since 2016
- Axle Load Control was passed to control overload lorries in 2015
- Constructed 2 lake channels and 17 km of Lafagorayo road rehabilitation at a Gardafuay region specially Alula, Habo and Bargal in 2016 funded by UNDP
- Constructed one main bridge that links to Garowe – Bossaso called Midigar from fund of Government and Community contribution in 2015
- Constructed a new tarmac road with two sides to Puntland Presidential house in Garowe in 2015
- Rehabilitated and repaired potholes from Bossaso – Garowe (442km) in 2015
- Constructed 40km gravel road between Jiriban and Galkayo called Wadaagsin road in 2016
- Started the construction of Garowe – Galkayo road in a phase one which is preparation work improved(road surveys & Assessment designs, recruited project engineers) in 2016
- PHA purchased its own revenue four different heavy equipment such as (Roller, Shovel, Grader and Bulldozer) in 2015
- Constructed a concrete pipe bridge and road embankments in Garowe – Lasanood road section in 2016
- Rehabilitation of 10km road. As well, another 16 pipe culverts of the existing paved road Garowe & Garowe airport section financed by Japan Government through UNOPS in 2015
- Fund allocated for the construction Eldahir –Erigavo road 220km from government and community of Puntland in 2015
- Preparation Turdibi custom site plan in 2015
- Improved Galkayo town plan and create new site plan for the extended areas about 176km around Galkayo and its surrounding in 2015

Challenges

- Limited funding
- Inactive working policies & enforcement

- Poor Cooperation between the state and central working sectors.
- Limited highly skilled professionals
- Inadequate Alternative Energy to preserve environment
- Insufficient funding and financial limitations
- Security issues as a result of last year's UN suicide bomb attack in Garowe which affected significantly the funding agencies services especially in remote areas
- A) Acute lack of aviation equipment B) Poor institutional and staff capacity C) Only one functioning port in the entire region D) Port can only accommodate one big ship at a time, needs to be expanded to accommodate more ships. E) Port lacks basic equipment such as forklift, cranes and lifting equipment, it is rented from the private sector.
- Port is below standard as per International Maritime Organization regulations for port facilities to attract more ships to call the port.
- No warehouse in Bossaso port; Port safety standards is below international levels.
- Weak human resource capacity; Coastal navigation aid should be rehabilitated such as lighthouses and buoys system.
- Lack of sufficient equipment to carry out roads construction works and routine maintenance activities; Inadequate or limited technical capacity
- Lack of laboratory soil test equipment to carry out the quality and quantity of the roads
- Financial constraints which cannot cover all the necessary periodic repair works, routine maintenance activities in Galkayo-Bossaso tarmac road and other feeder roads in Puntland.
- A) Insufficient funds to tackle the basic water and energy infrastructure needs; B) Inadequate water and energy equipment C) No water and energy regulatory mechanisms in place D) Very limited subject matter expertise in the water and energy sector
- Capacity building; lack of adequate offices for the different institutions; lack of regional offices, especially in Bossaso and Galkayo

Subsectors in Brief

The infrastructure sector strategic plan consists of five subsectors namely Public works, Civil Aviation, Ports and Maritime Transport road and transport, water and energy. Following is a very brief overview of each of the abovementioned subsectors.

Civil Aviation

Before the independence of Somalia in 1960, airports of Puntland were very small in size, and most of them were made during the Second World War (Bossaso airport in 1943, Galkayo in 1945), whereby these airports were primarily used by the colonialist for their civilian and military purposes (MoCA&A5 year development Strategic plan). After

independence, no more improvements have been made due to the limited use of the passengers as one scheduled airplane-DC3 was traveling once a week through the main towns of Puntland.

Currently, Puntland has three main airports with scheduled services. These airports are owned and controlled by Puntland Government, however, the existing airports, terminals and runways cannot cope with the needs of serving a growing air transportation connecting Puntland through major international hubs. In addition, improving the aviation infrastructure will definitely play a fundamental role and support the economic growth in Puntland.

MoCA&A has undertaken the following efforts to develop the aviation sub-sector:

- Runway extension of Bossaso Airport (2016-2017)
- Construction of new Terminal in Bossaso airport (2016-2017)
- Runway construction of Garowe Airport (2016)
- Construction of New Galkacyo Airport Runway and Terminal (2017-2018)
- Supply of all Airport service equipment's (2016-2017)
- Construction of asphalt roads from all the Airports to the main roads (2017-2018)
- Preparing civil aviation policy and law in Puntland (2016-2017)

Ports and Maritime Transport

The strategic location of Puntland at the tip of Horn of Africa, bordering the Gulf of Aden and the Indian Ocean, stretching an outstanding distance of approximately 1600 km along the coastal strip (Ministry of Maritime Transport, Ports and Counter Piracy strategic plan), has been a hub of Seafarer and the heart of the world's trade by offering maritime passageway.

Puntland has one of the active and major ports in Somalia namely Bossaso port that is used for both international and domestic freight movements. The majority of international freight travels through the port of Dubai. This proximity to the port of Dubai is a major opportunity for economic growth in the state of Puntland. Bossaso port is owned and run by the Puntland government.

Road Transportation

When the central government of Somalia collapsed, North East Somali Highway Authority (NESHA) agency was established in December 1997 by SSDF administration to tackle all roads related programs in North Eastern regions.

NESHA was later renamed Puntland Highway Authority (PHA). It had taken practical steps towards improvements of existing roads and implemented a number of emergency repair

works, routine maintenance programs; rehabilitation of several feeder roads and many assessment surveys had been undertaken to improve both paved roads and feeder roads throughout the regional state of Puntland.

PHA is also a viable entity with the basic required structure for programming and maintenance tasks. The main objective of PHA is to formulate and implement roadway and airport rehabilitation programs and to secure transport sector funding from a fuel levy and from international and national stakeholders donations.

The backbone of Puntland road system is approximately 700 kilometers tarmac road that links Galkayo and Bossaso on the Gulf of Aden via Garowe. It is an important transportation route from the port of Bossaso to the population centers and a link in the exportation of livestock to the gulf countries as well as for imports into Puntland. The 700 kilometers tarmac road has two main sections: one links Galkayo to Garowe and the other linking Garowe to Bossaso. The part of the tarmac road that links Galkayo to Garowe is in very poor conditions while the Garowe-Bossaso section is approaching the end of its design life. The road has, without doubt, been one of the main stabilizing factors that preserved the peace and economic infrastructures in Puntland. So, therefore, its complete rehabilitation is vital for maintaining stability and encouraging economic growth in the state of Puntland.

PHA constructed a tarmac road connecting Galkayo and Turdibi Custom at the Ethiopian border, as well as other achievements that are listed in the Key Achievements section below.

Water and Energy

Water

Puntland suffers from major water scarcity; safe drinking water shortage is a recurring problem throughout Puntland. According to a recent study made by PSAWEN, 71% of the rural population has no access to safe drinking water.

It is worth mentioning that the private sector plays a pivotal role in the water infrastructure sector. In Puntland, 8 main, privately owned Water Companies operate, of which 3 are tap water suppliers and 5 are distilled water suppliers. The 5 distilled water suppliers provide water supply services to a part (15-20%) of the urban population in the main cities of Puntland, while villages, towns in the remote area and off road settlements have less developed means i.e. boreholes, shallow wells and springs.

PSAWEN has made a concerted effort in this subsector. Their efforts include rehabilitation and construction of shallow wells in rural areas, new boreholes drilled, rehabilitation of boreholes,

rehabilitation of natural springs, establishment of a solar water systems and supported water supply systems.

Energy

Puntland primarily uses charcoal and firewood as the primary source of domestic energy; hence most of Puntland energy consumption comes from biomass type fuels. Petroleum products is second in terms of consumption in total energy use, while electric power generators using diesel fuel fall in the third place of the total energy use. Electric power is probably the next highest source of energy and is used mainly for the residential, commercial and industrial sectors. Electric power, using diesel generators, is used to run most of the borehole pumps in the rural areas as well. Firewood and charcoal provide the rest of energy needs in the urban areas.

In Puntland most of the electric generation plants in urban and rural areas are owned and run by private enterprises or NGOs. In most instances, privately owned and operated generators supply electricity on a commercial basis. For some private generators, the primary objective is to supply their own premises (telephone companies, hotels, small industry, etc.) and the spare capacity is sold over a very rudimentary fragmented network to supply the consumers in the locality.

Puntland has a large untapped oil reserve in its regions mainly in Nugaal, Sool and Dharoor areas in Bari region. The drilling for Shabelle 1 well temporarily halted, if the ongoing oil exploration in Puntland turns positive, this will fundamentally change the economic structure and the livelihoods in Puntland.

PSAWEN has made a concerted effort in this subsector. Their efforts include installation of solar energy systems for MCHs, solar energy pumping for irrigation purposes, installation of solar energy systems for schools, electrification systems, and installation of street solar systems.

Way Forward

Table 17 Infrastructure Sector Priorities

Infrastructure Sector Priorities				
Priorities	Relevant Thematic Priority areas	Relevant District Priority	Relevant New Deal Priority	Relevant MDGs and SDGs
Improve basic airport and air navigation infrastructure throughout Puntland	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth.	Construction of airstrips in coastal districts to boost fishing industry	PSG4: Priority 1	SDGs: 8-9
Development of Puntland civil aviation and airport policies	Accountable Governance	Improve regulatory policies.	PSG4: Priority 1	SDGs: 16
Improve human Capacity	Effective and Responsive Service delivery.	Improve civil servant capacity.	PSG4: Priority 1	SDGs: 8-9-16
Improve basic port infrastructure and shipping services	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth	Construction of jetties in coastal towns	PSG4: Priority 1	SDGs: 8-9-11
International Ship and Port Security (ISPS) Development.	Accountable Governance	N/A	PSG2: Priority 4	SDG: 8-9-16-17
Maritime Safety Development	Accountable Governance	N/A	PSG4: Priority 1	SDG: 11-14-16-17
Maritime Development.	Effective and Responsive	N/A	PSG4: Priority 1	SDG: 9-14-16

	Service delivery			
Improve Tarmac road condition	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth	Rehabilitation of Galkayo-Bossaso Tarmac road	PSG4: Priority 1	SDG: 9-11-16
Construct and rehabilitate feeder roads that connect coastal towns to mainland	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth	Construction of gravel roads	PSG4: Priority 1	SDG: 9-11-16
Provision of heavy duty equipment	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth	Procurement of heavy equipment	PSG4: Priority 1	SDG: 9
Encourage public private- Partnership initiative	Accountable Governance	engage Private sector in district development programs	PSG4: Priority 1	SDG: 8-9-11-16
Rehabilitation & extension of the public transport maintenance Workshops with complete equipment and training class rooms.	Effective and Responsive Service delivery	N/A	PSG4: Priority 1	SDG: 4-8-16
Increase the number of boreholes in the rural area	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth	Reduce water shortage in drought seasons	PSG4: Priority 1	SDG: 6-9-11-16

Piped water installation for 10 selected town in Puntland	Effective and Responsive Service delivery	Increase access to piped water in the districts	PSG4: Priority 1	SDG: 1-2-6-9-11-16
Provision of modern drilling rigs	Effective and Responsive Service delivery	N/A	PSG4: Priority 1	SDG: 6-9-11
Introduce solar and wind energy in all Puntland to reduce the reliability of diesel engines	Establishing an Strengthening Economic Foundation for Accelerated Sustainable Growth	N/A	PSG4: Priority 1	SDG:7-9-11

Infrastructure Sector Priorities

- Air and Road Transportation service enhanced
- Port infrastructure and shipping services promoted
- Water shortage reduced
- Availability of essential heavy duty equipment increased
- Alternative Source of Energy promoted
- Human resource capacity enhanced
- Establishing Institutional Policies & Regulations

OUTCOME 1

The air and road transportation sector are the two most important parts of Puntland infrastructure needs. Developing these two sections improves the economic foundations and creates more jobs and improves the standard of living in the entire area of Puntland. The critical priorities in air and road transport section were identified from district level to central level, the implementation of these priorities must be given highest consideration specially the most essential needs such as rehabilitation of the South –North tarmac road which is economic and livelihood life line of Puntland.

OUTCOME 2

This strategic planning places a high priority to the improvement of port infrastructure in Puntland through the expansion of Bossaso port and construction of at least 5 jetties. Bossaso port is considered of high potential for shipping and cargo handling, with expansion and improvement. However, in light of the high capital costs of developing port infrastructure, a list

of the port' most important priorities were identified to break them down into projects that can be invested from development resource envelope.

OUTCOME 3

Water shortage is a major problem in Puntland. It is a recurring issue in every year; a practical sustainable approach is the only solution to tackle this problem. Water catchments and reservoir during the raining season will reduce the water shortage if this initiative is implemented in systematic way with help of subject matter experts e.g. Jetties are constructed in the economically active coastal towns, Number of fully equipped boreholes increased, improve water supply systems and sanitation facilities in Puntland and raining water is utilized (sand dams, dams, protection of shallow wells and spring water development)

OUTCOME 4

Lack of essential heavy equipment is one of the weaknesses of the infrastructure sector in Puntland. It is imperative to invest in the high demand and frequently used infrastructure equipment in order to improve the basic infrastructure requirements.

OUTCOME 5

Immediate steps are required to reduce reliance on wood and charcoal fuel source by using renewable energy and other possible alternative energy sources. A very promising phenomenon in major cities in Puntland, which needs to be encouraged by Puntland government, is the increased use of Kerosene and Liquefied Petroleum Gas (LPG) for domestic and cooking purposes. Potential sources of energy in Puntland are solar, wind, coal and hydroelectricity. However, these are mostly untapped although the solar and wind is used now but in a very limited basis. This can be achieved through public and private sector partnership to improve alternative energy established and Introduction of solar and wind energy in all Puntland to reduce the reliability of Diesel Engines.

OUTCOME 6

Limited human capacity is a major constraint to prepare and implement the infrastructure and development programs. To overcome this problem, a comprehensive reform on recruitment process and work habits of the civil servants is a priority. Empowering the Civil Servant Commission is an ideal way to address the issue of labour and work in Puntland

OUTCOME 7

This outcome addresses policy and regulations deficiency in the infrastructure sector. Some of the proposed outputs include Puntland land policy, construction industry policy and Building

code policy. Forming and implementing these policies will contribute infrastructure sector development in Puntland by Civil Servant Commission empowerment.

Strategic Framework

VISION: Puntland critical infrastructure is remarkably enhanced, contributing to economic growth, while becoming more sustainable and resilient to natural disasters.

MISSION: To build sustainable and standardize public infrastructure in Puntland through strategic deployment of relevant ministries and institutions, allocation of adequate investment in the sector and as result enhance the living standards of Puntland people.

Cross-Cutting Issues

Infrastructure sector strategic planning integrates crosscutting issues, such human rights, capacity building, Gender equality, HIV/AIDS, Khat, Environment, climate change and disaster management, Internally Displaced Persons (IDPs) Disability and Social inclusion into the sector priorities and outcomes. This strategic plan put much emphasis on the outputs that reflects and includes all parts of the society such as women, marginalized groups, persons with disabilities, etc., these groups supposed to participate in the consultations on all aspects of projects conceptualization, design, implementation and institutional building and operations.

Moreover, the expected projects in the infrastructure sector will contribute into improving the general living conditions of the rural and urban population; infrastructure improvement projects will produce good paying jobs for the communities as a source of income for the people. Infrastructure facilities development should take into consideration the specific needs of people with disabilities in the whole process of design and implementation of the different projects.

Sector Strategic Focus

- Rehabilitate the primary tarmac road that connects major towns in Puntland
- Construction/Rehabilitation of feeder roads to improve accessibility to productive areas i.e. livestock hubs and coastal area
- Improve basic airport and air navigation infrastructure throughout Puntland i.e. major airports and air strips, sea Port infrastructure improved Ports facilities enhanced
- Jetties are constructed in the economically active coastal towns.
- Number of fully equipped boreholes increased
- improve water supply systems and sanitation facilities in Puntland
- Rain water is utilized
- Provision of heavy duty equipment
- Public and private sector partnership to improve alternative energy established

- Introduction of solar and wind energy in all Puntland to reduce the reliability of Diesel Engines
- Job trainings by professionals introduced
- Civil Servant Commission empowered

Role of the Stakeholders

Ministry of Public Works and Transport (MoPW&T) is the lead government agency for the infrastructure sector, it is responsible for overseeing and assigning the infrastructure initiatives. The Ministry is the cabinet level administrative office in charge of planning, directing, controlling and building the public infrastructure and public assets. While Puntland State Agency for Water, Energy and Natural Resources (PSAWEN), Puntland Highway Authority (PHA), Ministry of civil aviation & Airports, Ministry of Ports are the primary stakeholders.

CHAPTER 9: IMPLEMENTATION, M&E AND INSTITUTIONAL ARRANGEMENT

Introduction

The implementation strategy is an integral element of the Development Plan that highlights and gives guidance about how Puntland institutions should approach the task of coordinating activities and mobilizing resources in order to realize the development priorities contained within the Revised Puntland Development Plan (2017-19).

The strategy identifies a range of factors that are central to effective and efficient implementation and gives guidance on a range of management practices and processes that will contribute towards successful implementation of the strategy in the next cycle of development activities.

Re-focusing Development Priorities

In the course of the reviewing progress, to date, against the 2nd Puntland Five Year Development Plan (PFYDP-2), two documents were taken into consideration as initial reference points for re-focusing the Puntland development priorities for 2017-19.

a) Revised Puntland Development Plan Priorities and Outcomes

This document is an output from a 3-day workshop which identified a set of key priorities for the Puntland Government of Somalia, over the period 2017-19. The structure of the document and the approach for describing revised priorities for each of the sub-sectors is consistent with the approach taken within the 2nd PFYDP. The sub-sectors being Governance; Security; Justice; Social: Livelihood and Infrastructure.

b) Puntland's Position on the Interim National Development Plan

This document has a broader range of considerations than the previous one, including the relationship between the Federal Development Plan and Puntland State's Development Plan. It presents Puntland's year on year budget allocations for each of the six sectors with quarterly timeframes for the period 2017-19.

Implementation – Coordination

The review of progress to date indicates that the process of translating the 2nd PFYDP into corresponding individual institutional plans was undertaken with varying degrees of enthusiasm and success, and that efforts for a systematic and cohesive approach for implementation coordination have been equally viable.

The factors that contributed to these short-comings reflect the underlying challenges faced in general by Puntland institutions: scarce financial resources and limited institutional capability in terms of both technical expertise and workload capacity.

The 2ndPFYDP proposed the establishment of sector working groups (SWG's) as the means of coordinating the Monitoring and Evaluation (M&E) of the plan. However, the SWG arrangements were not made operational as they had been envisaged and consequently monitoring and evaluation has been much less systematic than was intended. Alongside this, the 2ndPFYDP did not contain a similarly well elaborated description of arrangements for coordination of development plan implementation.

In 2015 the role of the SWG's was perpetuated through a Ministry of Planning and International Cooperation (MoPIC) concept note aimed at strengthening Puntland aid coordination in the widest sense, where the SWG's retain a leading role in internal development plan coordination. More recently still, the role of SWG's has been reinforced as a central mechanism for development coordination in the form of a proposed Puntland Development Forum.

a. Year on Year Activity Planning and Budget Formulation

The process of preparing the new Revised Puntland Development Plan 2017-19 includes taking a more detailed approach to implementation planning by introducing year-on-year plans at the level of individual priority areas and development initiatives, and aiming to ensure that year-on-year budgets are in alignment with this.

b. Integration of Puntland State Development Planning and Institutional Plans

The logic of investing in more detailed development activity planning using the year-on-year approach must be extended vertically to achieve cohesion between individual Puntland institutions.

As a minimum, individual Puntland institutions should prepare year-on-year activity plans that reflect but are not limited to those aspects of the Puntland development plan for which each institution has responsibility. Only in this way can there be any assurance of an integrated approach and an adequate basis for inter-institution coordination and cooperation.

Development Activities - Coordination and Management

Institutional Arrangements

The new Revised Puntland Development Plan 2017-19 attempts to incorporate lessons learned from former coordination structures such as the Puntland Aid Coordination (PAC) which mainly

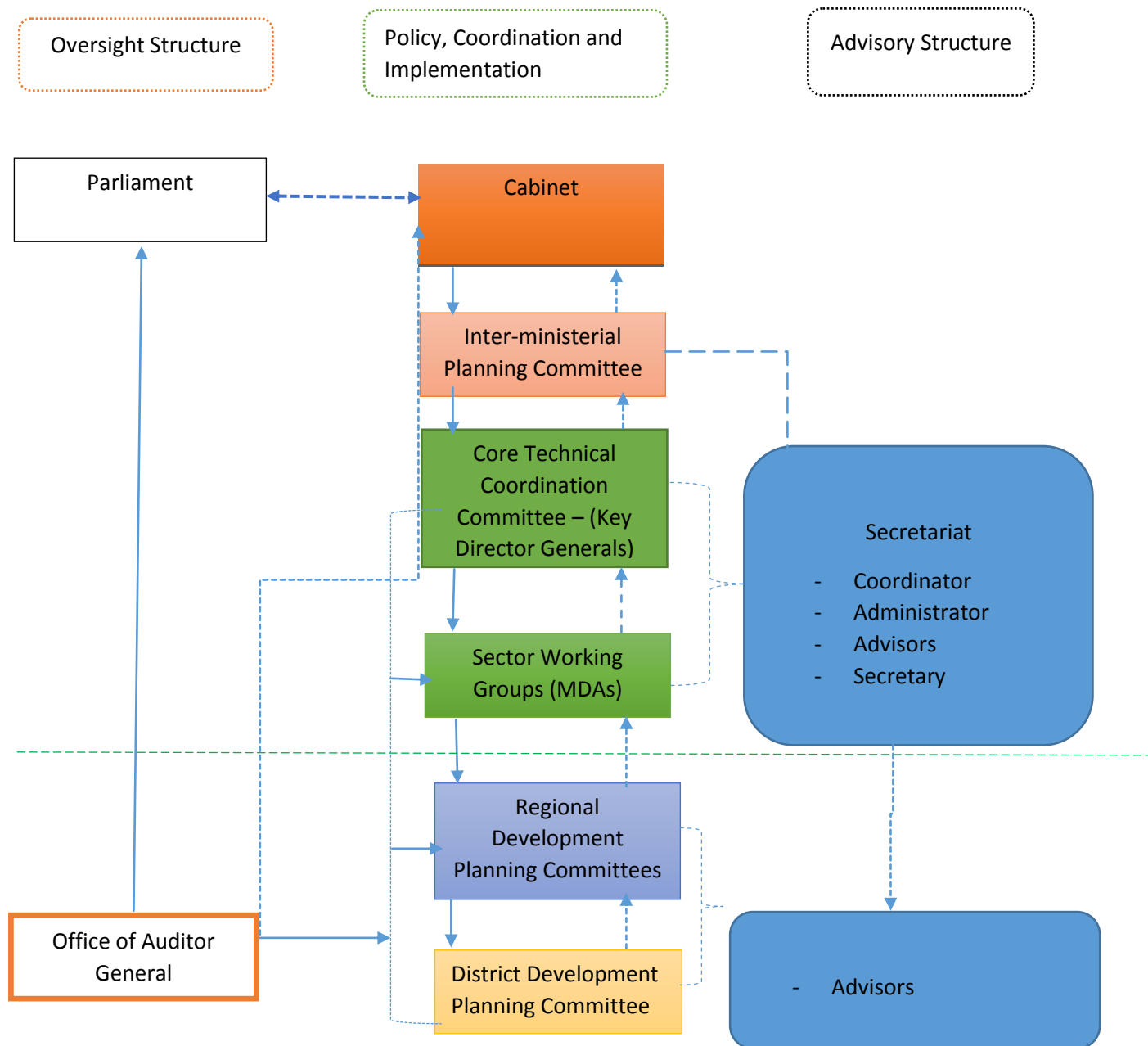
focused on performing thematic coordination support to the New Deal Somali Compact and Peace and State Building Goals (PSGs).

There is currently a proposal to establish the Puntland Development Forum (PDF) as a means to establish a more effective and all – inclusive coordination structure, one that will address current coordination challenges and constraints at state level and provide an opportunity for a robust engagement with municipal level, federal level, international and donor community forums. These processes include development priority setting, resource allocation, and development partner (donor) relationship management.

In each case, the SWG's benefit from strategic guidance and technical support from two additional structures – the Ministerial Steering Committee (Policy) and the Technical Coordination Committee (Overall Coordination and Oversight).

In addition, harmonizing the state, regional and district level development planning processes is of paramount importance, and as such, was incorporated into the institutional framework for implementation, monitoring and evaluation.

Institutional Framework for Implementation, Monitoring and Evaluation



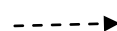
Keys:



Information flow (To & from)



Policy Direction



Advisory Role

Processes and Tools for Monitoring

The Ministry of Planning and International Cooperation (MoPIC), in collaboration, with other line Ministries and agencies will undertake monitoring and evaluation functions through the development of individual institutional annual plans, progress reports and reviews. It is a collective responsibility that requires the concerted efforts of all stakeholders to play their respective roles. The tools for monitoring will include the use of results matrices that contains outcomes, outputs, indicators, baseline, targets, means of verification and the timeframe with reporting templates and ToRs.

1. Development of State Annual Development Plan

- *Each government institution should develop an annual plan that is aligned with the Three Year Development Plan outputs to enable MoPIC to consolidate, collate and produce State Annual Development Plans that show Programmes/Projects clustered into the six sectors of the Plan and their budgets.*

2. Monthly report

- *Each government Ministry, Department or Agency (MDAs) should provide a monthly report on key development programs based on the implementation plan agreed by the government MDAs.*
- *The monthly report will feed into the development of the quarterly report and ultimately lead to the development of the Annual Progress Report.*
- *The monthly performance reports will be a benchmark for the subsequent funding*

3. Quarterly Performance Report

- *The performance report will focus on key expenditures, actions, outputs, and progress, towards achieving planned outcomes.*
- *MoPIC will be compiling and consolidating all the quarterly reports, covering the reform programmes of Puntland Government of Somalia*
- *Quarterly performance monitoring combines budget execution monitoring alongside progress monitoring against planned outputs and activities*
- *The report is aimed at facilitating corrective actions at policy, management and implementation levels in order to positively influence programmes.*

4. Project Monitoring Report

- *Regular monitoring to verify the results that are given in the monthly, quarterly and annual reports to inform respective MDA's management of the required actions.*

5. Annual Progress Report

- *It will present the results achieved in relation to commitments made during the Three year Development Plan (TYDP) 2017– 2019 implementation period.*
- *It will also assess the progress against set targets on the identified key performance indicators (KPI) and programme outputs.*
- *All ministries and agencies implementing the TYNDP 2017- 2019 programmes and projects will review their progress and report to the MoPIC, for collation and the production of the Annual Progress Report.*
- *The annual report will be communicated to all stakeholders*

Evaluation and Policy Research

The Ministry of Planning and International Cooperation, in collaboration, with other line Ministries and agencies will conduct evaluation programmes using the existing structure of monitoring and evaluation as stipulated in the Monitoring and Evaluation Policy of the Puntland Government of Somalia. During the Three Year Development Plan implementation the Ministry will undertake the listed, below, assessments at state and sectoral level.

1. Baseline Assessment

- *Current status of key performance indicators*
- *Support the midterm evaluation report and the final evaluation*

2. Mid-term TYDP Review

- *Evaluate performance against the intended objectives (both process and impact evaluation)*

3. Final TYDP Evaluation

- Process evaluation
 - i. The way in which the plan was implemented, appropriateness of institutional and governance arrangements, involvement of different players, how lessons learnt were incorporated.*
- Impact evaluation
 - ii. Changes in social organization, social and economic status*
 - iii. System change of the programs of the plan*
 - iv. Consultations with all stakeholders*

4. Sector Policy Studies and Programme Evaluations

- *Sectors have to undertake evaluations of key state development programmes before, during, and after the review of the State Plan period and identify critical programmes that will be periodically assessed and the results used to feedback in the planning cycle.*

Capacity Development for M&E

- *The M&E legal framework will be anchored to the M&E Functions*
- *Government will continue to enhance the capacity of the M&E employees by providing relevant skills and expertise to effectively monitor and evaluate development programs.*
- *The government will ensure equipping with the appropriate skills the personnel undertaking the M&E functions utilizing the available M&E instruments*
- *The capacity of all the state stakeholders, including non-state actors, will be strengthened to entrench the culture of Results Based Management (RBM).*

Alignment with the National (Federal) Development Plan (NDP)

The Revised Puntland Development Plan 2017-19 is not a standalone plan as it contributes to the National Development Plan of the Somali Federal Government and the Global Sustainable Development Goals (SDGs) adopted in September 2015 to replace the Millennium Development Goals (MDGs)

Puntland State Development Plan Working Towards Achieving the SDG

Puntland Development Planning Sectors have also been aligned with the Sustainable Development Goals to realize the localization of the SDGs.

The below table presents how sectors align with the SDGs.

S.N	Puntland Development Plan Sectors	Sustainable Development Goals
1	Governance	SDGs, 1, 2, 10, 11, 16,
2	Justice	SDG 2, 16,
3	Security	SDG 16, 2
4	Social	SDG 2, 3, 4 & 5
5	Livelihood	SDG 1, 2, 6, 7, 8, 9, 12, 13, 14, 15, 17
6	Infrastructure	SDG 2, 17

Source: Sustainable Development Goals

Resource Requirements and Mobilization

- Technical and Managerial Capacity for Development Planning

In the course of providing technical guidance and support to the SWG's (including reviewing progress to date, updating the introductory chapters and the situational analysis, elaborating detailed plans within corresponding planning matrixes for each sector) a notable capacity constraint has become evident.

It has become clear, that there is a general lack of understanding and capacity across the SWG's regarding the specific steps and processes required to adopt and implement the 'Logical framework' approach for development planning.

The previously prepared 'Technical Guide' is adequate both in the range of content and the manner in which it presents practical guidance on development planning. It is recommended that as a minimum, all individual personnel that are currently participating in the SWG's, or that might be included in future, should participate in a series of workshops based on the technical guide in order to develop the necessary knowledge and skills needed to participate and contribute successfully.

This of itself may not be sufficient to ensure that successive cycles of development planning are completed more effectively and efficiently. It is recognized that there is a limit in knowing to what extent each individual member of a SWG can be familiar with the full spectrum of managerial and technical issues that are under consideration within an individual sector.

No matter how well informed and knowledgeable each SWG member may be, there will always be a need for additional support from within individual institutions to provide data, offer opinions or take a position on development issues, where the SWG is the appropriate means of collating and organizing such information into a consolidated plan.

Institutional Work-Planning and Coordination Capacity

The work-planning and coordination processes proposed within this implementation strategy may be viewed as little more than 'basic' good practice in their nature. While there may be a degree of familiarity with these processes amongst the SWG members, as a cross-section of Puntland's institution management, they do not appear to possess sufficient practical knowledge and expertise to be able to apply these processes as 'core' management disciplines.

Therefore, MoPIC recommends that a series of short and focused modules should be developed (based on these processes) and used as the basis for 'rolling-out' work-planning and coordination capacity building activities across all management levels throughout Puntland's state institutions.

Internal and Development Partner Funding and Technical Contributions

The logic of detailed development activity planning, integrated across Puntland's state institutions and aligned within the hierarchy using the year-on-year approach, must be extended horizontally between Puntland and its' development partner's regarding their commitments towards funding and technical support.

Historically, the ongoing mechanism for this has been Puntland's direct engagement with individual development partners within the annual – periodic cycle of the partner organizations program design, adoption and delivery processes.

The project proposal relating to the Puntland Development Forum contains the specific objective to:

'Strengthen advocacy & fundraising through enhanced communication & information management systems'

Closely related to this is the appreciation that strengthening linkages between donor commitment and Puntland development budget plans...

'Increased predictability of donor development fund that is reflected in government fiscal budget '

The Puntland Development Forum contains a role for a Technical Coordination Committee, which includes the following two responsibilities in the sphere of securing funding commitments:

- Linking Puntland programming to national joint or other interventions funded through the SDRF, and
- Outreach to development partners and federal line ministries and technical institutions.

The mechanism envisaged includes a MoPIC - Donor Working Group that was established on 6 October 2015. This Donor Working Group has representation from the Puntland government, the donor agencies, INGOs and the UN, and is to be convened on a Quarterly basis to review the progress and the emerging support requirements.

Puntland government will strive to implement the above mentioned complementary mechanisms in conjunction to facilitate and enhance effective coordination and collaboration to attract development partners' commitment for funding and technical support.

ANNEX

Annex 1.A: Result Matrix

Governance Sector – Revised Puntland Development Plan (2017-19)

Ref .	Outcome – Output	Indicator	Base-line	Target	Means of Verification	Assumptions	2017 (Start – Finish)				2018 (Start – Finish)				2019 (Start – Finish)			
1.	Outcome1: Government institutions capacity promoted						1	2	3	4	1	2	3	4	1	2	3	4
1.1	Output 1: Human resource capacity improved	% of employees trained	20% of staff trained	60% of staff trained	TNA reports, no of trainees identified	Funding and technical expertise available												
1.2	Output 2: Merit based recruitment system adopted	% of staff recruited based on merit	30% of staff recruited based on merit	80% of staff recruited based on merit	MOLYS and Civil Service Commission Reports	Funding and technical expertise available												
1.3	Output 3: Government institutions right sized	No. of institutions right sized	9 institutions right sized	15 more institutions right sized	Institutions functional Reform Report	Funding and technical expertise available												
1.4	Output 4: Parliament capacity improved	No. of laws approved and/or amended per year	2 laws approved and/or amended per year	3 laws approved and/or amended per year	No. of legislations passed	Funding attainable												

1.5	Output 5: Planning and Statistics System Improved	No. of statistical publications completed and disseminated	Statistical Abstract, Consumer Price Index, Puntland In Progress, Monitoring reports on projects	Relevant socio and macro-economic information collected and published	No. of statistical publications published and disseminated	Funding attainable and technical expertise available												
2.	Outcome2: Service delivery decentralized and improved																	
2.1	Output 1: Districts development plans developed	No. of district plans completed	4 Districts	37 Districts	District development plans / consultation reports	Funding attainable and technical expertise available												
2.2	Output 2: Synergies between district and state level plans strengthened	District plans linked to sector priorities and national priorities	7 district plans harmonized with the state plans	39 Districts plans harmonized with the state plans	Districts plans are in place	Funding attained												
2.3	Output 3: Fair and Transparent Elections sponsored	Number of districts participating in a fair and free election	Zero Districts	39 Districts	Elected councilors, parliamentarians	Fair and free elections held												
3.	Outcome 3: Public finance management restructured and strengthened																	

3.1	Output 1: Accounting and Reporting improved	Professionally Standard quarterly and annual reports	Incomplete reporting system (e.g. assets, arrears- not shown)	Reliable accounting system	Reports	Funding and technical experts available												
3.2	Output 2: Budget preparation and execution increased	Participatory and efficient annual budget preparation and execution	Low level preparation and efficiency in budget preparation and execution	High level preparation and efficiency in budget preparation and execution	Public debate, budget presentation and dissemination	Funding and technical experts												
3.3	Output 3: Procurement system utilization enhanced	% of institutions using the procurement system	20% of institutions using the procurement system	100% of institutions using the procurement system	Policies, laws, regulations, procedures approved and adopted	Funding is attained and professionals recruited												
3.4	Output 4: Auditing and Reporting improved	% of government institutions effectively audited	20% of government institutions effectively audited	100% of government institutions effectively audited	Audit reports published	Funding is attained and technical experts available												
3.5	Output 5: Taxation system reviewed and updated	% of the taxation system reviewed and updated	50% of the taxation system reviewed and updated	100% of the taxation system reviewed and updated	Tax education programmes held, systems established, legislations completed	Funding is attained and technical expertise available												
3.6	Output 6: Banking system strengthened	% of banking system strengthened	5% of banking system strengthened	50% of banking system strengthened	Banking legislation approved and adopted	Funding is attained and technical expertise available												

4	Outcome 4: Civil society and media institutions capacity enhanced																	
4.1	Output 1: Civil Society and media organization's capacity improved	% of media outlets with full capacity	20% of media outlets with full capacity	80% of media outlets with full capacity	Reports conducted by media organizations	Funding is attained and technical expertise available												
5	Outcome 5: Improved ICT infrastructure, efficiency and transparency																	
5.1	Output 1: ICT program for all the government institutions developed	% of government institutions with effective ICT equipment	20% of government institutions with effective ICT equipment	100% of government institutions with effective ICT equipment	Government institution received ICT equipment	Funding is attained												
6	Outcome 6: Communication and coordination system enhanced																	
6.1	Output 1: Communication strategy developed	Communication Strategy developed and adopted	No communication strategy in place	Communication Strategy developed and adopted	Ministry Report Communication Strategy document	Funding is attained and technical expertise available												
6.2	Output 2: Working groups established	Number of Working Groups Meeting regularly	No Working Groups is meeting regularly	6 Working Groups meeting regularly	Working Group Meeting Minutes	Funding is attained												
7	Outcome 7: Democratization and election system improved																	

7.1	Output 1: Civic Education program developed and adopted	Number of district level councilors elected through a transparent election	No district level councilor is elected through a transparent election	All district level councilors are elected through a transparent election	Report from Election Commission	Funding is attained and election integrity is upheld												
7.2	Output 2: state and the federal constitutions harmonized	% of harmonization between the state and the federal constitutions	45% harmonization between the state and the federal constitutions	100% harmonization between the state and the federal constitutions	Report from Ministries	Funding is attained and scholarly expertise is available												
7.3	Output 3: Municipal level free and fair elections conducted	Number of localities/districts holding fair and free elections	No locality/district is holding fair and free elections	All localities/districts (39 districts in all) holding fair and free elections	Report from Election Commission	Fair and Free elections												
7.4	Output 4: Working relation with federal government and other state members strengthened	Level of confidence and cooperation between state and federal level	Low level of confidence and cooperation between state and federal level	High level of confidence and cooperation between state and federal level	Communiqué from the state and federal meetings	Cooperation and trust between state and federal level improved												

Annex 1.B: Result Matrix

Security Sector – Revised Puntland Development Plan (2017-19)

Ref .	Outcome – Output	Indicator	Base-line	Target in 3 years	Means of Verification	Assumptions	2017 (Start – Finish)				2018 (Start – Finish)				2019 (Start – Finish)			
1.	Outcome1: Security institutional capacity building						Q 1	2 Q	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
1.1	Output 1: Human resources capacities of all security institutions are operational everywhere in Puntland	All five security institutions are functional (PPF, PSF, PSS, PIA, PMPF)	25% security forces are trained and equipped	75% of all security providers will be trained, equipped and will be functional	Government reports, baseline and M&E report, security possibility	Funding attainable												
1.2	Output 2: Equipment's, materials and tools are sufficiently functional everywhere in Puntland	Number of equipment, materials and tools are put in place	30% of equipment, materials and tools being given	70% of all police stations/outposts will be functional in urban, rural and coastal areas	Government reports, baseline and M&E report	Funding attainable												
	Output 3: Security infrastructures,	Some security Infrastructure, premises	40% of all security infrastructures and	60% of security infrastructures and premises will be	Government reports, baseline and M&E report	Funding attainable												

	premises and assets are sufficiently functional in Puntland	built and renovated	premises built and renovated	effectively functional in all Puntland															
2.	Outcome2: Security Sector Reforming, Equipping, and Building Capacity of all Security Actors																		
2.1	Output 1: Identified capable numbers with biometrics as ID cards are functional in Puntland	Around 1800 police forces being registered through biometric(ID cards)	25% of five security sectors reform achieved	75% of five security sectors reform will be registered through biometric and will be functional	Government reports, baseline and M&E report	Funding attainable and technical expertise available													
2.2	Output 2: Sufficient equipment, materials and tools for all security actors are functional in PI	Number of sufficient equipment, materials and tools are put in place	25% of some equipment, materials and tools achieved and functional	75% of all sufficient equipment, materials and tools will be functional in urban, rural and coastal areas	Government reports, baseline and M&E report	Funding attainable													

	Output 3: Coordination, oversight mechanism over all security sectors (five security sectors)	Coordination and M&E mechanism are put in place	30% of coordination and oversight over security sectors achieved	70% of coordination and M&E over security sectors will be effectively functional	Government reports, baseline and M&E report	Funding attainable and technical expertise available													
3	Outcome 3:Reform of civilian weapon ownership of small arms and light weapons																		
3.1	Output 1: Outreach, sensitization and consultative meetings across Puntland regions	Raising awareness, sensitization across Puntland regions are put in place	20% of outreaching /sensitizing are reached in some urban areas.	75% of outreaching, sensitizing and consultative meetings will be met and functional	Government reports, baseline and M&E report	Funding attainable, community leaders engaged and technical expertise													
3.2	Output 2: Enacting SALW Policy which controls to civilian arms and light weapons	Launching of SALW awareness is initiated	20% of SALW process and technical team developed.	80% of SALW policy and registration of civilian arms will be functional	Government reports, baseline and M&E report	Funding attainable, dedicated leadership, and technical expertise available													
	Output3: Validati on SALW Policy and enact	SALW validation policy and	20% of SALW government owned arms	80% of SALW policy and proper armory	Government reports, baseline and	Funding attainable and technical													

	government proper armory storage management	proper armory storage management are put in place	achieved and functional	storage management held by government will be functional	M&E report	expertise available													
4	Outcome 4: Community policing, youth mobilization, and stabilizing conflicts																		
4.1	Output 1: Building trust and confidence within police & communities through trainings	Trust and confidence between security sectors and community members being initiated	20% of trust and confidence are active in some urban areas achieved	80%v of community and police reliable will be functional in urban, rural and coastal areas.	Government reports and publications and M&E findings	Funding attainable, community leaders engaged													
4.2	Output 2: Implementing and extending community policing in major towns as 9 regions	Community policing mechanism are put in place and active	25% of community policing are functional in Bosaso, Garowe, and Galkacyo.	75% of community policing will be functional in urban, rural and coastal areas.	Government reports and publications and M&E findings	Funding attainable, dedicated leadership													
4.3	Output 3: Coordination and	Some linking mechanism within	25% of coordination within key	75% of coordination within police	Government reports , baseline,	Funding attainable,													

	linking community policing volunteers and security sectors	security sectors and community are put in place and active.	stakeholders is initiated and active	volunteers and community members will be functional	findings ,publications and M&E	dedicated leadership, community leaders engaged													
5.	Outcome 5: Rehabilitation of Disengaged Defectors (Al-Shabab, Pirates, Perpetrators and Drivers of Violence)																		
5.1	Output 1: Enact guiding policy, framework in addressing of defectors/Al-shabab and pirates etc	Frame work policy for disengage defectors are put in place and initiated	20% of guiding instruction for disengaged defectors and others achieved	80% of rehabilitation of disengaged defectors and other perpetrators will be functional.	Government reports , baseline, findings ,publications and M&E	Funding attainable and technical expertise available													
5.2	Output 2: Targeting specific numbers of defectors/Al-shabab and pirates per year(1000prs)	Work plan for rehabilitation of defectors and pirates, ex-combatants is under process	15% of rehabilitation of defectors and pirates being initiated	85% of rehabilitation of disengaged defectors and other criminals will be functional	Government reports , baseline, findings ,publications and M&E	Funding attainable and technical expertise available													

5.3	Output3: Constructing and renovating Resource Centre for Peace (RCPs') for Rehabilitation and reintegration all perpetrators	Work plan for establishing Resource Centre for Peace (RCPs') (defectors and others)	15% of existing RCP in Bossaso, Gardo, Garowe and Galkacyo	85% of establishing RCPs' in urban, rural and coastal areas will be functional	Government reports , baseline, findings ,publications and M&E	Funding attainable													
6 Outcome 6: Immigration Capacity Building, Counter Terrorism, and Human Trafficking																			
6.1	Output 1: Networking all immigration and combat human trafficking by air, sea and land	Work plan for setting up networking (visa entries) through sky internet in HQ (Garowe) and capacity buildings are in put in place	20% of individual site(visa entries) are active and 20% of human trafficking and illegal migrants reduced	80% of combating for human trafficking , illegal migrants by land, air and sea and immigration capacity buildings will be functional	Government reports , baseline, findings ,publications and M&E	Funding attainable and technical expertise available													
6.2	Output 2: Establishing Patrol unit along cross-border and check points for illegal migrants	Work plan for setting up patrol units along cross-border and check points are	15% of patrolling and checking on human trafficking and illegal migrants	85% of overall patrolling and checking on human trafficking and illegal migrants will be	Government reports, baseline, findings, publications and M&E	Funding attainable and technical expertise available													

		put in place	being initiated and achieved	functional in urban, rural and coastal areas															
6.3	Output 3: Coordination, oversight on human trafficking within all security sectors and agencies	Work plan for setting up coordination and oversight mechanism on human trafficking and illegal migrants being developed	15% of overall coordination and oversight on human trafficking and illegal migrants being achieved	85% of overall coordination and oversight on human trafficking and illegal migrants will be functional	Government reports, baseline, findings, publications and M&E	Funding attainable and technical expertise available													
7 Outcome 7: Conflict Analysis and Resolutions Within Sub Clans' Disputes and Conflicted Environment																			
7.1	Output 1: Setting up framework policy for addressing on clans' conflict and disputes as peace building	Work plan of an Enacting peace building policy for addressing on clan's conflicts and disputes are put in place	Draft PB Policy functional and 20% of overall cease-fires and bring them together to sort out their difference being	80% of neutralizing and stabilizing sub clans' conflicts will be functional	Government reports, baseline, findings, publications and M&E	Funding attainable and technical expertise available, dedicated leadership and community													

	policy		achieved			leaders engaged													
7.2	Output 2: Outreaching, sensitization and conduct conflict analysis across Puntland regions	Work plan on Raising awareness through newsletters, media, local radio, panel discussion and public orientations are put in place	20% of raising awareness, outreach, conflict analysis, cease-fires, achieved	80% of raising awareness, outreach and stabilizing sub clans' conflicts and disputes will be functional	Government reports, baseline, findings, publications and M&E	Funding attainable and technical expertise available													
7.3	Output 3: Setting up Conflict Resolution Commission with 3 ministries (security, interior/justice)	Work plan for setting up conflict resolution commission within 3 ministries are put in place.	30% of conflict arise in sub clans reduced but the conflict resolution are defined proper-which ministries have mandate	70% of neutralized and stabilized conflicts and disputes arise in sub clans will be functional	Government reports, baseline, findings, publications and M&E	Funding attainable and technical expertise available, and dedicated leadership													
8	Outcome 8: Clearance Uxos' Landmines and Advocate For Uxos' Victims																		

8.1	Output1: Launching mines and explosive things' clearance and mines in Puntland region	Work plan for clearing all mines and explosive things are put in place	25% of awareness, EODs' trainings, sensitization and mines risks and threats reduced	75% of all mines and explosive things clearance will be functional	Government reports, baseline, findings, publications and M&E														
8.2	Output2: Supporting mine victims on continuation and capacity building for EOD	Work plan for supporting mine victims and capacity building for EOD are put in place	30% of supporting mine victims and capacity for EOD reached	70% of overall supporting mine victims and capacity building for EOD will be functional	Government reports, baseline, findings, publications and M&E														
8.3	Output3: Awareness, oversight, trainings on all risks and mines in Puntland	Work plan for raising awareness, oversight, training on risks and mines are put in place	25% of awareness, oversight and training on risks and mines reached	75% of overall awareness, oversight and training on risks and mines will be functional	Government reports, baseline, findings, publications and M&E														
9	Outcome 9:DevelopingA CVE(Counter Violence Extremism) and Strategic Plans																		
9.1	Output1: Setting up guiding policy on prevention of	Work plan for setting up prevention violence mechanism are	15% of prevention violence mechanism being achieved	85% of overall prevention violence mechanism	Government reports, baseline, findings, publication	Funding attainable and technical expertise available													

	violence extremism strategic policy	put in place		will be functional	s and M&E														
9.2	Output2: Regular checking and patrolling along cross- border including south central and NW(Somaliland)	Regular M&E and patrolling along border line are put in place	20% of overall entry points (checkpoints) being achieved and active	80% of overall checkpoints along Puntland border will be functional	Governme nt reports, baseline, findings, publication s and M&E	Funding attainable													
9.3	Output3: Coordination, trainings, oversight and sharing information from time to time	Work plan for capacity building, coordination, and sharing information are put in place	20% of overall capacity building, coordination, and sharing information being achieved	80% of overall capacity building, coordination, oversight and sharing information will be functional	Governme nt reports, baseline, findings, publication s and M&E	Funding attainable and technical expertise available													

Annex 1.C: Result Matrix

Justice Sector – Revised Puntland Development Plan(2017-19)

Ref	Outcome – Output	Indicator	Base-line	Target	Means of Verification	Assumptions	2017 (Start – Finish)				2018 (Start – Finish)				2019 (Start – Finish)			
1.	Outcome 1: Reformed laws and policies applied						1	2	3	4	1	2	3	4	1	2	3	4
1.1	Output 1: Relevant laws updated and extensive dissemination conducted	% of priority legislations updated and disseminated	20% priority legislations updated and disseminated	60% of priority legislations updated and disseminated	Ministry reports, laws and policies documents													
1.2	Output 2: Justice institutions restructured	Number of sector institutions restructured	6 Justice sector institutions are undergoing restructuring	6 Justice sector institutions restructured	Ministry reports	Funding is attained												
1.3	Output 3: Islamic, Formal and customary (XEER) laws coordinated /aligned	% of the coordinated/a ligned laws	50% of the coordinated/a ligned laws	100% of the coordinated/a ligned laws	Surveys conducted on the quality of justice services delivery by parliament	Funding is attained and Scholar expertise available												
2.	Outcome 2: Access to Justice Enhanced																	
2.1	Output 1: Implementation of laws	% of laws implemented	Implementation of 15% of laws	Implementation of 50% of laws	Ministry reports	Funding availability												

	enhanced																		
2.2	Output 2: Legal aid strengthened.	Number of districts with ample legal aid provision services	4 districts with some level of legal aid provision	12 districts with ample legal aid provision	Data collected on needs of legal aid services	Funding available													
2.3	Output 3: Technical and operational support to MOJRAR realized for the provision of legal aid.	Number of departments with technical expertise and level of operational support	2 departments with technical expertise and there is low operational support	4 departments get technical support and MOJRAR gets operational support	Report from MOJRAR	Funding available													
2.4	Output 4: Alternative Dispute Resolution improved	Number of districts with ADR centers	4 districts with ADR centers	18 more districts with ADR centers	Assessments on ADR system	Funding available													
2.5	Output 5: Technical and operational support to the Puntland State Bar Association realized.	Establishment of PBA and technical and operational capacity available	Immediate plan to establish the association	PBA established and technical and office facility constructed	Reports from PBA, MOJRAR	Funding available													

2.6	Output 6: Rights of differently able people protected and promoted.	Level of promotion and protection of the rights of differently able people	20% promotion and protection of the rights of differently able people	75% promotion and protection of rights of differently able people	Reports from MOJRAR and other stakeholders	Funding available												
2.7	Output 7: Protection and promotion of women rights	Number of women given special protection measures	30% protection of women rights	60% increase in protection of women rights.	Reports from MOJRAR	Funding available												
3. Outcome 3: Sector Human Resources Professionalized																		
3.1	Output 1: Judges, Prosecutors, lawyers, court registrars trained.	Number of specialized training given to legal professionals	50% of the legal professionals have been given specialized training	100% of the legal professionals have been given specialized training	Reports from the Ministry	Funding and expertise available												
3.2	Output 2: Puntland Legal Training and Resource Centre (PLLTRC) established.	Judicial Training Centre established.	No Judicial Training Centre	One Judicial Training Centers established	Reports from the Ministry	Funding attainable												
3.3	Output 3: Puntland custodial	% of PCC staff trained with special skills	40% PCCs in Puntland trained	80% PCCs in Puntland trained, 10%	Program reports on PCC personnel	Funding is attained and technical												

	corps (PCCs) increased, equipped, and trained with special skills.	and increase in PCC staff		increase in PCC staff	provided with the necessary competencies	expertise is available													
3.4	Output 4: Inspection of courts by the High Judicial Council conducted.	Increased number of inspection and corrective measures	Limited number of inspection sessions and insignificant corrective measures	Quarterly inspection of all Puntland courts and corrective measures	Reports by the government	Funding is attained and Ample security													
3.5	Output 5: Strengthen the institutional and human capacity of the MOJRAR Legislative unit	Number of legal professionals deployed to the unit	1 lawyer serving as the unit head	7 lawyers deployed to the unit	Report from MOJRAR	Funding available													
4.	Outcome 4: Legal Education Improved																		
4.1	Output 1: Law Schools capacity enhanced	Resource library established. Experienced legal professionals recruited.	Low level in law school's capacity	75% increase of in laws school's capacity	follow up surveys on employment of graduates Conducted	Funding available													

4.2	Output2: Scholarships to law students increased and enhanced.	number of law graduates through scholarship program	88 law graduates with support of scholarship	160 more law graduates with scholarship support	Reports from law schools	Funding available													
4.3	Output 3: Justice Actors get access to continuous legal education.	Number of justice actors getting access to a continuous legal education program	No continuous legal program in place	60 justice get access to continuous legal education program	Report from MOJRAR and other relevant agencies	Funding available													
4.4	Output 4: Increased graduate trainee programmes in place.	Number of graduate trainees placed in the justice sector	20 graduate trainees attached to justice sector institutions	50 graduate trainees placed in justice institutions	Report from MOJRAR and other relevant agencies	Funding available Graduates available													
5	Outcome 5: Human Rights Situation Improved																		
5.1	Output 1: Human rights advocacy enhanced	Number of awareness raising campaigns on human rights held	Low public awareness on rights and freedoms	Awareness on human Rights including child, woman, and other vulnerable groups raised through training and monitoring	Annual reports and surveys conducted by the government on human rights situation	Funding available													

5.2	Output 2: Technical and operational capacity of the Human Rights Defender Improved	Number of human rights violations monitored by HRC	Low level implementation of the Human Rights Commission Act	Implementing the Human Rights Commission Act	Reports on how much human rights situation improved after Human Rights Commission Act established	Funding attainable and technical expertise available													
6. Outcome 6: Prison Services And Social Rehabilitation Enhanced																			
6.1	Output 1: Good prison facilities with necessary amenities available in all regions.	Number of prisons constructed or renovated	There are 4 Main prisons	2 more prisons constructed and 2 renovated	Surveys on the quality and quantity of prisons	Funding available													
6.2	Output 2: Specialized prisons for juvenile established.	Number of juvenile facilities established and available in different areas	No specialized facilities for Juvenile	9 juvenile prisons built in different areas and diversion mechanisms established	Reports on juvenile justice delivery conducted	Funding available													
6.3	Output 3: Rehabilitation programmes in prisons improved.	Improved social rehabilitation programmes for prisoners	Limited social rehabilitation programmes for prisoners	Effective social rehabilitation programmes for prisoners	Reports on the ex-prisoners' reintegration into society after release	Funding available													

6.4	Output 4: Prison justice services including probation and parole delivered.	Improved Prison justice services delivery	There is limited prison justice services for prisoners	Enhanced prison justice services including probation and parole	Reports on how much the quality of prison services improved	Funding available													
7. Outcome 7: Accessibility of Justice Institutions Increased.																			
7.1	Output 1: Courts including mobile courts expanded to all districts.	Number of districts with courts	22 districts with courts	Courts established in all 39 districts	High Judicial Council report	Funding available													
7.2	Output 2: The courts, office of attorney general, and MoJRAR constructed and rehabilitated	Number of offices constructed for MOJRAR, AG office, Courts	MOJRAR, courts and AG office have few offices	MOJRAR, courts and AG offices have ample offices in all regional headquarters	Reports from MOJRAR, HJC	Funding available													
7.3	Output 3: Children rehabilitation centers in place in all regions.	Number of child rehabilitation centers in all regions	No child rehabilitation centers	9 child rehabilitation centers at regional headquarters	Reports from MOJRAR	Funding available													

7.4	Output 4: Better transport for justice actors.	Transportation available to justice actors	Limited transportation available to justice actors	20 new vehicles for justice actors	Reports from MOJRAR, HJC	Funding available												
7.5	Output 5: Establish a comprehensive modality to provide physical security for judges and prosecutors	Level of security measures put in place to protect justice actors	Limited security measures for justice actors	High level security modality put in place to protect justice actors	Report from HJC	Funding available												
8.	Outcome 8: Promotion of Women and Child Rights Advanced																	
8.1	Output 1: Gender mainstreaming in justice institutions.	Level of gender mainstreaming in justice institutions	Low level of gender mainstreaming in justice institutions	High level of gender mainstreaming in justice institutions	Reports from the MOJRAR	Funding available												
8.2	Output 2: Diversion procedures for child delinquents put in place.	Number of diversion procedures in place for child delinquents	No proper diversion procedures in place for child delinquents	Effective diversion procedures in place for child delinquents	Reports from MOJRSR	Funding available												
8.3	Output 3: Reduction in gender based violence.	Number of cases of GBV taken before the courts	Significant GBV cases go before courts	Significant reduction of GBV cases in Puntland	Reports from MOJRAR	Funding available												

8.4	Output 4: Counter human smuggling and human trafficking strengthened.	Number of people rescued from human trafficking and smuggling activities	Limited level of counter human smuggling,	Good system of counter trafficking and human smuggling adapted	Reports from MOJRAR	Funding available												

Annex 1.D: Result Matrix

Social Sector – Revised Puntland Development Plan(2017-19)

Ref .	Outcome – Output	Indicator	Base-line	Target	Means of Verification	Assumptions	2017 (Start – Finish)				2018 (Start – Finish)				2019 (Start – Finish)			
1.	Outcome1: Access and Equity to Education at All Level Improved						1	2	3	4	1	2	3	4	1	2	3	4
1.1	Output 1: Access of primary education including early childhood education enhanced	% of primary school aged children enrolled and % of girls enrolled	45.1% of primary school aged children are enrolled out of which 44.3% are girls	At least 60% of school aged children have got access to primary schools and again 50% of them are girls	MoE reports, Survey's Publications	Funding attained and more childhood education programs improved												
1.2	Output 2: Access and equity in secondary education enhanced	% of students getting to secondary education including % girls	There are 7,306 students enrolled in secondary schools, of which 58.3% are male and 41.7% are female	100% of primary levers are enrolled in secondary schools and 50% of them are girls	MoE official documents and publications	Funding attained												
1.3	Output 3: Access to higher education improved	No. of state owned universities constructed and No. of students getting	There are 3,639 students are secondary school leavers, of which 65.6% are	At least 75% of secondary leavers get access to higher education and 40% of	Surveys conducted on the quality of justice services delivery by parliament	Funding attained												

		enrolled in universities	male and 34.4% are female	them are girls															
1.4	Output 4: TVET programmes are enhanced	No. of poly technical schools functioning	There are 4 institute based vocational training centers and nearly 24 training centers	At least 4 IBTVET are upgraded to poly technical school	Periodic reports, surveys publication of MOE	Funding attained													
1.5	Output 5: Non formal education improved	% of literate people across Puntland	The current literacy rate of Puntland is less than 30%	At least 85% of people are literate of which 50% are women	Periodic reports, surveys and publication	Funding attained													
2.	Outcome2: Quality of Education at All Level Improved and Science Technology and Innovation Promoted																		
2.1	Output 1: Capacities of the teaching staff developed	% of teachers received appropriate trainings	30% teachers receive adequate training to serve primary, secondary and non-formal education	50% of teachers receive training to serve primary, secondary and non-formal education	MoE reports, Publications	Funding attained and continuing training of teachers for primary, secondary and non formal education is on-going													

2.2	Output 2: Lower and higher education curriculum reviewed.	Number of Primary and secondary curriculums reviewed and updated	5 curriculums for primary and secondary education reviewed and updated	20 curriculums for primary and secondary education reviewed and updated	MoE reports, Publications	Funding is attained												
2.3	Output 3: Science and technology are integrated in to education curriculum	No. of secondary schools with science laboratory and ICT equipment	3 secondary schools with science laboratory and ICT equipment	60 secondary schools have science labs and ICT equipment that are operational	MoE reports, Publications	Funding has not been attained. Schools at primary and secondary level with science and IT programs require equipment												
3.	Outcome 3: Public Sector Health Services and Quality of Medicine Improved																	
3.1	Output 1: Access of health services across Puntland improved	% of people got access of health service	60% of the Puntland population has access to health services	75% of population got access to primary health care across Puntland	Puntland government reports, publications program reports	More funding to improve service delivery. Rehabilitation and construction of new health facilities.												

						Human resources capacity to not improved														
3.2	Output 2: Health facility and infrastructures are improved	No. of tertiary hospitals, referral health centers, health centers primary health units rehabilitated equipped and constructed	290 health providers including tertiary hospitals, referral health centers, health centre and primary health units are established	55% health facilities rehabilitated	MoH reports publications and surveys	Funding is needed to complete rehabilitation of facilities														
3.3	Output 3: The quality and safety of medicines and consumables improved.	% of sub-standard drugs identified No. of wholesalers certified	10% of sub-standard drugs identified 15% of wholesalers certified	50% of medicine are controlled and 60% medicine traders are certified	Evaluation surveys, program reports	Funding needed to establish quality control labs to identify imported drugs and validation of regulations														
4.	Outcome 4: Health Care Financing and Information System Improved																			
4.1	Output 1: Government health care financing enhanced	% of total budget allocation to health services	2.5% of total budget is allocated to the health sector	7% increase of budget allocation for the health sector	Evaluation surveys, program reports	Funding of health sector is severely underfunded due to														

						government budget constraints													
4.2	Output2: Health information improved	No. data consistently collected from health information units in districts and regions	180 health facilities that utilize health management information system	290 health facilities that utilize health management information system	HMI system, program reports	More funding and improvements to support roll out of DHSI2 (District Health information System) to cover all districts													
5	Outcome 5: Gender Mainstreaming Policies and Programmes Enhanced and Women's Development Promoted																		
5.1	Output 1: Gender sensitive plans, policies, programmes and laws in place	% women representation at all level in government and private sectors	110 women are represented in government offices	350 women in government offices and private sector	Government reports	Funds attainable													
5.2	Output 2: Gender responsive budgeting promoted	% of total budget allocation to women development programmes	1% of total budget is allocated for women's development	15% Increase of budget allocation for women development	Publications and program reports	Funds attainable													
5.3	Output 3: Women	No. of women who have	1429 women have access to	At least 5000 poor women	Reports, surveys and	Funds attainable													

	enterprise funds established	access to alternative financial services	alternative financial services	got access to financial services	publications														
6	Outcome 6: Livelihood of All Vulnerable Groups Improved																		
6.1	Output 1: Disability centers and orphanage centers are established	No. of disabled and orphanage centers constructed	4 orphanages and 2 disability centers have been built	At least 8 orphanage centers and 8 disability centers are built across Puntland	Government reports, publications and program reports	Funds attainable and technical expertise available													
6.2	Output 2: Social integration of young disabled people improved	No. of disabled persons who have been educated, employed and integrated within the society	150 young disabled people who are educated and employed	1000 of disabled persons have got access to trainings and job markets	Government reports, publications and program	Funds attainable													
6.3	Output 3: Internally displaced people are integrated with host communities	No. of IDPs camps integrated with the society	165 IDP camps in Puntland with 20,000 families	10,000 IDP families integrated with society	Government reports, publications and program reports	Funds attainable													
7	Outcome 7. Youth Employment Scheme and Sports Program Designed																		

7.1	Output 1: Technical vocational trainings are improved	No. of skill trainings provided	5072 youth are being trained	3043 more youth to be trained	Surveys and reports	Funds attainable and technical expertise available													
7.2	Output 2: Youth employment bureau established	No. of youth registered and placed for jobs	850,000 of youth are unemployed	150,000 of youth are employed	Reports and publications	Funds attainable and technical expertise available													
7.3	Output 3: Improved sporting facilities and 5 stadiums developed	No. of multipurpose centers, playgrounds and stadiums built	There are 9 multipurpose centers and 6 stadiums	9 stadiums	Government reports	Funds attainable													
7.4	Output 4: Sports academy and sports & culture fund established	No. of sports academy built	There are no sports academy	At least 1 sports academy are established	Publications and reports	Funds attainable and technical expertise available													
7.5	Output 5: Centre for art and culture for youth developed	No. of youth participating in the arts and culture programs and No. of performance arts held per year	30 youth Currently there are 2 performance arts held per year	60 youth At least 4 performance arts are held per year	Publications and reports	Funding attained													

Annex 1.E: Result Matrix

Livelihood Sector – Revised Puntland Development Plan(2017-19)

Ref.	Outcome – Output	Indicator	Base-line	Target	Means of Verification	Assumptions	2017 (Start – Finish)				2018 (Start – Finish)				2019 (Start – Finish)			
							1	2	3	4	1	2	3	4	1	2	3	4
1.	Outcome 1: Animal Health Enhanced																	
1.1	Output 1: Disease control system designed and adapted	Standardized disease control system	Low Level of disease control system	Achieved standardized diseases control system with implementation plans	Disease control systems and annual work plan in place	Systems improved and implementation plan adopted												
1.2	Output 2: Animal products and environmental hygiene improved	level of animal product's hygiene standardized	15% of animal product's hygiene are standardized	50% of animal product's hygiene are standardized	Surveys conducted	Low level of drought occurrences and disease outbreaks												
1.3	Output 3: Qualified technicians and professionals placed	Number of technicians and professionals required to be placed for capacity building	15% of junior technicians recruited and trained for work	50% of required technicians and professionals within the institutions	Ministry of Livestock Report	Funding is attained and trainable staff												
1.4	Output 4: Livestock export	Number of international livestock	6 livestock markets exported to	9 international livestock markets	Report of the number of countries	Healthy livestock and increased												

	market diversified	markets exported to		exported to	receiving export livestock from Puntland	demand for Puntland livestock													
2. Outcome2: Marine Resource Management Promoted																			
2.1	Output 1: Illegal and unregulated international fishing in Puntland waters reduced	Number of illegal international fishing in Puntland waters captured	10% reduction in illegal International Fishing in Puntland waters	50% reduction in illegal international Fishing activities in Puntland waters	Quantitative survey conducted to verify the result of the program	Funding is attained and effective Puntland coastguard in place													
2.2	Output 2: Piracy activities in Puntland eliminated	Number of piracy incidents in Puntland waters identified	90% reduction in piracy activities in Puntland waters	100% of piracy reduction of Puntland waters at the end of the program	Monitoring reports produced	Funding is attained and effective Puntland coastguard in place													
2.3	Output 3: Fishing infrastructure constructed	Number of fishing infrastructure built	20% effective Fishing infrastructure in place Puntland	60% effective Fishing infrastructure in place Puntland	Fishing infrastructure built/on going	Funding is attained													
2.4	Output 4: Marine resource educational facilities developed	Number of functioning marine educational centres	No functioning educational institution for marine studies	2 Complete and functioning marine educational centres	Reports on how many functioning educational facility centres were set up	Funding is attained													

3.	Outcome 3.WatershedManagement Developed																		
3.1	Output 1: Increased availability of water for pastoral and agro-pastoral use	Number of Sand dams and water catchments established and operational	2 Sand dams (SD) and 32 water catchments (WC) constructed	20 Sand dams(SD) and 80 water catchments (WC) constructed	Ministry of Environment Report	Funds is attained													
4.	Outcome 4. Local Crop Productions Increased to Reduce Poverty and Hunger																		
4.1	Output 1: To Procure farm machinery equipment and good certified seeds	Number of Farm machinery, equipment and good certified seeds procured	5% of farm machinery equipment is available 10% Of local certified seeds in use	30% of farm machinery and equipment utilized 40% of certified seeds in use	Monitoring and evaluation by MOAI	Funding attained													
4.2	Research and seed testing plots for crop production established	Number of seed testing plots established. Number of research paper on crop	One seed testing plot is available right now in 2016. So far the ministry was not	Establishing new seven seed testing for crop production. Conducting at least three	Ministerial reports	Fund and technical expertise availability													

		production enhancement conducted	conducted any research paper on agriculture field.	research studies on crop production															
4.3	Output 2: Farm production market accessibility improved	% of Local crop production sold in the local markets as well as international markets	100% of crop production sold in the local markets, 0% of local produced crops sold in the international markets	85% of crop production sold in the local markets, 15% of local produced crops sold in the international markets	Statistical reports	Local production exceeds local demand													
4.4	Output 3: Develop and rehabilitate irrigation infrastructure	Number of primary and secondary canals, barked, dams and water catchments constructed and improved feeder roads Number of modern	40 of canals, dams constructed including feeder roads 35 irrigation of sources available	70 of canals, dams constructed and increased along with feeder roads 70 irrigation of sources increased	Monitoring and evaluation reports by MOAI	Funding attained and water sources available													

		irrigation systems such as solar and drip irrigation increased																
4.5	Output 4: Strengthened institutional capacity	Number of skilled staff increased Number of technical experts and recruitment staff increased Number of physical structures established Number of office equipment procured	20 out of 39 skilled staff available Limited office equipment in use Limited physical offices	54 more new skilled staff recruited 60% of office equipment across Puntland equipped and operational 1 main physical compound and 2 new regional offices	Payrolls and physical equipments accounted for	Improved quality and quantity of work. Funding attained												

4.6	Output 5: Research and application of integrated production pest management (IPPM)	% of local farmers utilizing IPPM	7% of local farmers utilizing IPPM	50% of local farmers utilizing IPPM	Ministry of Agriculture and Irrigation reports	Funding is attained and there is demand by the farmers for IPPM and other useful practices													
5. Outcome 5: Environmental Rehabilitation and Drought Resilience Improved																			
5.1	Output 1: Rangeland Management improved	% of rangeland ecosystem that is self-sustained	15% rangeland ecosystem that is self-sustained	50% rangeland ecosystem that is self-sustained	Ministry Reports	Funds is attained and community involved													
5.2	Output 2: Effective leadership and governance in	Number of Policies and Laws endorsed/ enacted and	3 Policies, 0 law	7 Policies and 1 law enacted	Policies and a law documents	Funds is attained and participatory policies and law													

	environmental management	implemented				endorsed/enacted and adopted													
5.3	Output 3: Enhanced environmental stewardship and civic education	Number of communities actively protecting their environment	6 communities actively protecting their environment	20 communities actively protecting their environment	Ministry Reports	Effective Information outreach that is utilizing the existing communication mechanism													
6.	Outcome 6: Wildlife and Marine Ecology Protected for Biodiversity Conservation and Promotion of Tourism Sector																		
6.1	Output 1: Wildlife protection program developed and operationalized	Number of tools and techniques available for the protection of wildlife	6 active customary protection programs are now in operation	20 active customary protection programs (cpp) 2 conservation sites (CS) established	Ministry reports	Funding is attainable, legislation enforced and community sensitized													
6.2	Output 2: Marine pollution protection developed and operationalized;	Number of tools and techniques available for marine pollution prevention	Draft waste management policy 1 mangrove ecosystem protected 0 international	Waste management policy endorsed and operationalized 5 Mangrove ecosystems protected	Ministry Reports	Funding attained Increased collaboration with Federal Government on marine ecosystem protection													

			dumping prevention mechanism	International conventions ratified															
6.3	Output 3: Promote tourism sector for livelihood improvement	Number of tourism attractions and facilities operational	Potential tourism attractions and facilities are either ruined or not functional	6 heritage sites rehabilitated and operational Hotel facilities/ service regulation	Ministry Reports	Funding attained and security sustained													
7. Outcome 7: Adverse Impact of The Climate Change and Land Deforestation Reduced																			
7.1	Output 1: Early warning and response program for climate disasters established	Effective and operational early warning and response system in place	Low capacity to respond to climate disasters	Effective early warning and climate disaster responses program	HADMA reports	Funding availability for capacity development													
7.2	Output 2: Strengthen adaptation, mitigation and resilience to climate change and periodic droughts	Number of livelihoods resilient to climate variability	1 livelihood resilient to climate variability	3 livelihoods resilient to climate variability	MoEWT reports	Funding attained and no climate extremes occurrences													

8	Outcome 8: Private Sector Business Enabling Environment Promoted																	
8.1	Output 1: Trade legislations developed	Number of business and trade legislations developed and adapted	3 laws adapted and 4 policies/laws draft	4 draft laws and policies are completed and adopted	Policies and laws documented	Participatory laws and policies endorsed/enacted with implementation plan												
8.2	Output 2: Public private partnership improved	Number of effective public private partnerships established	10% of service deliveries are involved in public private partnerships in Puntland	40% of service deliveries are involved in public private partnerships in Puntland	Statistical reports available	Private sector involvement in service delivery												
8.3	Output 3: International trade and local production improved	% of Local production exported to the international markets	13% of Local production exported to the international markets	20 % of Local production exported to the international markets	Statistical reports	Necessary business enabling environment in place and improved local quality production												

Annex 1.F: Result Matrix

Infrastructure Sector – Revised Puntland Development Plan(2017-19)

Ref .	Outcome – Output	Indicator	Base-line	Target	Means of Verification	Assumptions	2017 (Start – Finish)				2018 (Start – Finish)				2019 (Start – Finish)			
1.	Outcome 1: Improve Air and Road Transportation						1	2	3	4	1	2	3	4	1	2	3	4
1.1	Output 1: Rehabilitate the primary tarmac road that connects major towns in Puntland	Movement of public, private and commercial transports improved	Tarmac road between Garowe-Galkayo is in a “very poor” condition whilst Garowe-Bossaso road is approaching the end of its design life	Complete rehabilitation of the primary tarmac road	Visual condition surveys by road agencies and consultants	Funds attainable and technical expertise available												
1.2	Output 2. Construction /Rehabilitation of feeder roads to improve accessibility to productive areas i.e. livestock hubs and coastal area	Accessibility to coastal towns and other remote districts improved	Most of feeder roads are in a bad condition and some non-existent.	Improve access to coastal areas to reduce piracy and preserve the historical coastal towns.	Visual condition surveys by road agencies and consultants	Funds attainable and technical expertise available												

1.3	Output 3. Improve basic airport and air navigation infrastructure throughout Puntland i.e. major airports and airstrips Functioning runways and terminals	Jet engine aircrafts are able to land and use the airport.	Bossaso runway partially completed, Garowe runway is under construction functioning Galkacyo has no runway	Completion of Bossaso and Garowe runways, and Galkacyo runway constructed	Physical progress reports Prepared by contractors and consultants	Funds attainable and technical expertise available												
2 Outcome 2: Improve Port Infrastructure and Shipping Services																		
2.1	Output 1: Bossaso Port Expansion	Port's capacity to handle the number of ships and cargo increased.	Bosaso port deals with increased volume of cargo ships with only one berth; it is the only major port in Puntland.	Construction of 2 Berths.	Physical progress reports prepared by contractors and consultants	Funds attainable and technical expertise available												
2.2	Output 2: Warehouses are Constructed in the Port	Port will have the capacity to safely store perishable goods.	No warehouses in the port	Construction of 3 warehouses	Physical progress reports prepared by contractors	Funds attainable												

					and consultants														
2.3	Output 3: Improve safety of Port	Number of Hazards and accidents reduced in the port	No safety equipment and procedures in place at the port	Port has full capacity in terms of safety in equipment and thorough safety procedures in place	Physical progress reports prepared by contractors and consultants	Funds attainable and technical expertise available													
2.4	Output 4: Jetties are Constructed in the economically active coastal towns.	Number of Jetties	2 Jetties	4 more Jetties constructed	Physical progress reports prepared by contractors and consultants	Funds attainable													
3	Outcome 3: Reduce Water Shortage in Puntland																		
3.1	Output 1: Number of fully equipped boreholes increased	Number of boreholes constructed.	There are 112 functioning boreholes in Puntland	150 more functioning boreholes constructed	Physical progress reports prepared by contractors and PASAWEN	Funds attainable													
3.2	Output 2: Improve water supply systems and sanitation	Number of rural communities with access to pipe water	No water supply system in most of the rural communities	Access to pipe water is improved in 10 selected rural	Conduct water availability surveys in selected towns and	Funds attainable and technical expertise available													

	facilities in Puntland			communities	villages														
3.3	Output 3: Rain and stream water catchments in Puntland valleys	Number of rain and stream water catchments	32 rain and stream water catchments	100 more rain and stream water catchments constructed	Physical field visits	Funds attainable and technical expertise available													
4.	Outcome 4: Improved Availability of Essential Heavy Duty Equipment																		
4.1	Output 1: Provision of heavy duty equipment	Improve Public works' institutional capacity	Non-existent in terms of ownership, but basic infrastructure equipment is rented from the private sector currently	Full capacity in terms of heavy duty equipment	Ministerial Report	Funds attainable													
5.	Outcome 5: Promotion of Alternative Energy																		
5.1	Output 1: Public and private sector partnership to reduce dependence on firewood / charcoal for	Increase No of households using the Liquefied Petroleum Gas (LPG) for domestic use.	30% of households now uses LPG for domestic cooking in Bosaso, Garowe and Galkayo	60% of households using LPG for domestic cooking	Ministerial Report	Funds attainable, positive community perception regarding LPGs, affordable and easily accessible LPGs													

	domestic use through development of basic LPG Gas and Kerosene distribution infrastructure.																		
5.2	Output 2 : Introduction of solar and wind energy in all Puntland to reduce the reliability of Diesel Engines	% usage of solar and wind as alternative energy in the major towns in Puntland	Very limited use of solar and wind in Puntland	20% increase in alternative energy usage in Puntland.	Yearly survey	Funds attainable and technical expertise available													
6. Outcome 6: Lack of Qualified and Trained Work Force in the Infrastructure Sector Reduced																			
6.1	Output 1: Job trainings by professional introduced	Number of trainings and technically qualified staff in the sector.	Very weak human capacity in the sector (especially technical capacity)	50% improvement in staff capacity .	Yearly employee appraisal exercise by third party	Funds attainable, technical expertise available													
6.2	Output 2: Civil Servant Commission	Level of engagement CSC has in the	CSC has a very limited role In civil servants	CSC has a very involved role In civil	Surveys and third party monitoring,	Funds attainable													

	(CSC) empowered	recruitment process	recruitment process	servants recruitment process	CSC Report														
7	Outcome 7: Establishing Institutional Policies & Regulations																		
7.1	Output 1: Construction industry policy development	Construction industry policy developed and the level of implementation	No construction industry policy exists	Construction industry policy developed and fully implemented	Construction industry Policy document, Ministerial Report	Funds attainable and technical expertise available													
7.2	Output 2: Puntland land policy Development	Puntland Land policy developed and the level of implementation	No Puntland Land policy exists	Puntland Land policy developed and fully implemented	Puntland Land Policy document, Ministerial Report	Funds attainable and technical expertise available													
7.3	Output 3: Puntland building codes development	Puntland Building Codes developed and the level of implementation	No Puntland Building Codes exist	Puntland Building Codes developed and fully implemented	Puntland Building Codes document, Ministerial Report	Funds attainable and technical expertise available													

Annex 2: Annualized Budget

ANNEX 2.A: ANNUALISED THREE YEAR BUDGET – GOVERNANCE SECTOR

Outcomes	Implementing Institution(s)	2017	2018	2019	TOTAL \$
Outcome 1: Government Institutions Capacity Promoted					
Output 1: Human resource capacity improved.	MOLYS, CSC, MOF, MOPIC	472,500	540,000	337,500	1,350,000
Output 2: Merit based recruitment system adopted	CSC, MOLYS	42,000	48,000	30,000	120,000
Output 3: Government institutions right sized	MOLYS, MOPIC, MOF	105,000	120,000	75,000	300,000
Output 4: Parliament capacity improved	MOCFAD, Parliament	105,000	120,000	75,000	300,000
Output 5: Planning and statistics system improved	MOPIC, MOF	210,000	240,000	150,000	600,000

Sub-Total:		934,500	1,068,000	667,500	2,670,000
Outcome 2: Service Delivery Decentralized and Improved.					
Output 1: Districts development plans developed	MOI, MOPIC	420,000	480,000	300,000	1,200,000
Output 2: Synergies between district and state level plans strengthened	MOI, MOPIC	21,000	24,000	15,000	60,000
Output 3: Fair and Transparent Elections sponsored	MOI, EC	1,050,000	1,200,000	750,000	3,000,000
Sub-Total:		1,491,000	1,704,000	1,065,000	4,260,000
Outcome 3: Public Finance Management Restructured and Strengthened					
Output 1: Accounting and reporting improved	MOF, OAG	315,000	360,000	225,000	900,000
Output 2: Budget preparation and execution	MOF	42,000	48,000	30,000	120,000

increased					
Output 3: Procurement system established	TB, OAG, MOF	630,000	720,000	450,000	1,800,000
Output 4: Auditing and reporting improved	OAG	42,000	48,000	30,000	120,000
Output 5: Taxation system reviewed and updated	MOF	420,000	480,000	300,000	1,200,000
Output 6: Banking system strengthened	SBP, MOF	210,000	240,000	150,000	600,000
Sub-Total:		1,659,000	1,896,000	1,185,000	4,740,000
Outcome 4: Civil Society Institutions and Media Capacity Enhanced					
Output 1: Civil society and media organizations capacity improved	MOPIC, MICCH	105,000	120,000	75,000	300,000
Sub-Total:		105,000	120,000	75,000	300,000
Outcome 5: ICT Infrastructure Tools Employed Across All					

Government Institutions to Increase The Efficiency and Transparency					
Output 1: ICT program for all the government institutions developed	MICCH	630,000	720,000	450,000	1,800,000
Sub-Total:		630,000	720,000	450,000	1,800,000
Outcome 6: Communication and Coordination System Enhanced					
Output 1: Communication strategy developed	MICCH, MOPIC	42,000	48,000	30,000	120,000
Output 2: Working groups established	MOPIC, Office of the President	21,000	24,000	15,000	60,000
Sub-Total:		63,000	72,000	45,000	180,000
Outcome 7: Democratization and Election System Improved					
Output 1:	EC, MOCFAD,	525,000	600,000	375,000	1,500,000

Civic Education program developed and adopted	MOI, MOF				
Output 2: State and the federal constitutions harmonized	MOCFAD	157,500	180,000	112,500	450,000
Output 3: Municipal level free and fair elections conducted	MOI, EC	770,000	880,000	550,000	2,200,000
Output 4: Working relation with federal government and other state members strengthened	MOCFAD, MOPIC	105,000	120,000	75,000	300,000
Sub-Total		1,557,500	1,780,000	1,112,500	4,450,000
Total:		6,440,000	7,360,000	4,600,000	18,400,000
Contingency (5%)		77,875	89,000	55,625	222,500
Grand Total (Total + 5% Contingency)		6,517,875	7,449,000	4,655,625	18,622,500

Annex 2.B: Annualized Three Year Budget – Security Sector

Outcomes	Implementing Institution(s)	2017	2018	2019	Total \$
Outcome 1: Security Institutional Capacity Building					
Output 1: Human resources capacities of all security institutions are operational everywhere in Puntland.	MOS&DDR	405,000	490,000	666,000	1,561,000
Output 2: Equipments, materials and tools are sufficiently functional everywhere in Puntland	MOS&DDR	540,000	630,000	444,000	1,614,000
Output 3: Security infrastructures, premises and assets are sufficiently functional in Puntland	MOS&DDR	405,000	280,000	370,000	1,055,000
Sub-total:		1,350,000	1,400,000	1,480,000	4,230,000
Outcome 2: Security Sector Reforming, Equipping, and Building Capacity of All Security Actors					
Output 1: Identified capable numbers with biometrics as ID cards are functional in Puntland	MOS&DDR,	700,000	647,500	850,500	2,198,000
Output 2: Sufficient equipments, materials and tools for all security actors are functional in Puntland	MOS&DDR	525,000	832,500	567,000	1,924,500
Output 3: Coordination, oversight mechanism over all security sectors (five security sectors)	MOS&DDR	525,000	370,000	472,500	1,367,500

Sub-total:		1,750,000	1,850,000	1,890,000	5,490,000
Outcome 3:Reform of Civilian Weapon Ownership of Small Arms and Light Weapons					
Output 1: Outreach, sensitization and consultative meeting across Puntland regions	MOS&DDR	501,000	619,500	837,000	1,957,500
Output 2: Enacting SALW Policy which controls to civilian arms and light weapons	MOS&DDR	668,000	796,500	558,000	2,022,500
Output 3: Validation SALW Policy and enact government proper armory storage management	MOS&DDR	501,000	354,000	465,000	1,320,000
Sub-total:		1,670,000	1,770,000	1,860,000	5,300,000
Outcome 4: Community Policing, Youth Mobilization, and Stabilizing Conflicts					
Output 1: Building trust and confidence within police & community members through trainings	MOS&DDR	651,000	560,000	742,500	1,953,500
Output 2: Implementing community policing in major towns as 9 regions	MOS&DDR	744,000	720,000	495,000	1,959,000
Output 3: Coordination and linking community policing volunteers and security sectors	MOS&DDR	465,000	320,000	412,500	1,197,500
Sub-total:		1,860,000	1,600,000	1,650,000	5,110,000
Outcome 5:Rehabilitation of Disengaged Defectors(Al-Shababs, Pirates, Perpetrators and					

Drivers of Violence					
Output 1: Enact guiding policy, framework in addressing of defectors/Al-shababs and pirates etc)	MOS&DDR	784,000	654,500	873,000	2,311,500
Output 2: Targeting specific numbers of defectors/Al-shababs and pirates per year	MOS&DDR	686,000	841,500	582,000	2,109,500
Output 3: Rehabilitation and reintegration all perpetrators in Resource Centre for Peace (RCP)	MOS&DDR	490,000	374,000	485,000	1,349,000
Sub-total:		1,960,000	1,870,000	1,940,000	5,770,000
Outcome 6: Immigration Capacity Building, Counter Terrorism and Human Trafficking					
Output 1: Networking all immigration and combat human trafficking by air, sea and land	MOS&DDR	651,000	612,500	706,500	1,970,000
Output 2: Establishing patrol unit along cross-border and check points for illegal migrants	MOS&DDR	744,000	787,500	471,000	2,002,500
Output 3: Coordination, oversight on human trafficking within all security sectors and agencies	MOS&DDR	465,000	350,000	392,500	1,207,500
Sub-total:		1,860,000	1,750,000	1,570,000	5,180,000
Outcome 7: Conflict Analysis and Resolutions Within Sub Clans' Disputes and Conflicted Environment					
Output 1:	MOS&DDR,	582,000	647,500	660,150	1,889,650

Setting up framework policy for addressing on clans' conflict and disputes by PBP	MOI and MOJRAR				
Output 2: Outreaching, sensitization and conduct conflict analysis across Puntland region	MOS&DDR, MOI	776,000	832,500	440,100	2,048,600
Output 3: Setting up Conflict Resolution Commission with 3 ministries (security, interior/justice)	MOS&DDR, MOI, MOJRAR	582,000	370,000	366,750	1,318,750
Sub-total:		1,940,000	1,850,000	1,467,000	5,257,000
Outcome 8: Clearance Uxos, Land Mines and Advocate for UxosVictims					
Output 1: Launching mines and explosive things' clearance from all Puntland sites	MOS&DDR	592,500	586,250	789,750	1,968,500
Output 2: Supporting mines victims on continuation of UXOs' in all Puntland region	MOS&DDR	790,000	753,750	526,500	2,070,250
Output 3: Raising awareness, oversight, trainings on all risks and mines in Puntland regions	MOS&DDR	592,500	335,000	438,750	1,366,250
Sub-total:		1,975,000	1,675,000	1,755,000	5,405,000
Outcome 9: DevelopingA CVE(Counter Violence Extremism) Strategic Policy					
Output 1: Setting up guiding policy on prevention of violence extremism strategic policy	MOS&DDR	596,100	656,950	794,250	2,047,300

Output 2: Regular checking and patrolling along cross-border including south central and NW	MOS&DDR	794,800	844,650	529,500	2,168,950
Output 3: Coordination, trainings, oversight and sharing information from time to time	MOS&DDR	596,100	375,400	441,250	1,412,750
Sub-total:		1,987,000	1,877,000	1,765,000	5,629,000
Total (subtotals 1+2+3+4+5+6+7+8+9)		16,352,000	15,642,000	15,377,000	47,371,000
Contingency (10%)		1,635.2	1,564.2	1,537.7	4,737,100
Grand Total (Total + 10% Contingency)		16,353,635	15,643,564	15,378,538	\$52,108,100

Annex 2.C: Annualized Three Year Budget – Justice Sector

Outcomes	Implementing Institution(s)	2017	2018	2019	TOTAL \$
Outcome 1: Reformed Laws and Policies Applied					
Output 1: Relevant laws updated and extensive dissemination conducted	MOJRAR	120,000	150,000	80,000	350,000
Output 2: Justice institutions restructured	MOJRAR	270,000	210,000	0	480,000
Output 3: Islamic, Formal and customary (XEER) laws coordinated/aligned	MOJRAR	70,000	70,000	70,000	210,000
Sub-total		460,000	430,000	150,000	1,040,000
Outcome 2: Access to Justice Enhanced					
Output 1: Implementation of laws enhanced	MOJRAR	170,000	160,000	100,000	430,000
Output 2: Legal aid strengthened	MOJRAR	260,000	150,000	150,000	560,000
Output 3: Technical and operational support to	MOJRAR	300,000	230,000	0	530,000

MOJRAR realized for the provision of legal aid.					
Output 4: Alternative dispute resolution systems improved	MOJRAR	280,000	320,000	180,000	780,000
Output 5: Technical and operational support to the Puntland State Bar Association realized.	MOJRAR	230,000	140,000	140,000	510,000
Output 6: Rights of minorities protected and promoted.	MOJRAR	90,000	120,000	140,000	350,000
Output 7: Protection and promotion of women rights.	MOJRAR	80,000	100,000	130,000	310,000
Sub-total:		1,410,000	1,220,000	840,000	3,470,000
Outcome 3: Sector Human Resource Professionalized					
Output 1: Judges, prosecutors, lawyers, court registrars and other justice actors trained	MOJRAR	150,000	120,000	90,000	360,000
Output 2: Puntland Legal Training and Resource	MOJRAR	500,000	800,000	250,000	1,550,000

Centre (PLTRC) established.					
Output 3: Puntland Custodial corps (PCCs) increased, equipped and trained with special skills.	PCC, MOJRAR	250,000	150,000	150,000	550,000
Output 4: Inspection of courts by the High Judicial Council conducted	High Judiciary Council, MOJRAR	150,000	150,000	150,000	450,000
Output 5: Strengthen the institutional and human capacity of the MOJRAR Legal Drafting Unit.	MOJRAR	120,000	230,000	0	350,000
Sub-total		1,170,000	1,450,000	640,000	3,260,000
Outcome 4: Legal Education Improved					
Output 1: Law schools capacity enhanced.	MOJRAR	200,000	160,000	160,000	520,000
Output 2: Scholarships to law students increased and enhanced.	MOJRAR	120,000	120,000	120,000	360,000
Output 3: Justice actors get access to continuous	MOJRAR	90,000	110,000	140,000	340,000

legal education.					
Output 4: Increased graduate trainee programmes in place.	MOJRAR	120,000	180,000	240,000	540,000
Sub-total:		530,000	570,000	660,000	1,760,000
Outcome 5: Human Rights Situation Improved.					
Output 1: Human rights advocacy enhanced.	HRC, MOJRAR	70,000	80,000	100,000	250,000
Output 2: Technical and operational capacity of the Human Rights Defender Improved	HRC, MOJRAR	180,000	200,000	240,000	620,000
Sub-total:		250,000	280,000	340,000	870,000
Outcome 6: Prison Services and Social Rehabilitation Enhanced.					
Output 1: Good prison facilities with necessary amenities available in all regions.	PCC, MOJRAR	400,000	300,000	300,000	1,000,000
Output 2:	PCC, MOJRAR	500,000	650,000	650,000	1,800,000

Specialized prisons for juveniles established.					
Output 3: Rehabilitation programs in prisons improved.	PCC, MOJRAR	150,000	150,000	100,000	400,000
Output 4: Prison justice services including probation and parole delivered.	PCC, MOJRAR	120,000	110,000	0	230,000
Sub-total:		1,170,000	1,210,000	1,050,000	3,430,000
Outcome 7: Accessibility of Justice Institutions Increased.					
Output 1: Courts including mobile courts expanded to all districts.	MOJRAR	300,000	200,000	130,000	630,000
Output 2: The courts, office of attorney general, and MoJRAR constructed and rehabilitated	MOJRAR	750,000	600,000	550,000	1,900,000
Output 3: Children rehabilitation centers in place in all regions.	MOJRAR, MOWFSA	250,000	250,000	150,000	650,000
Output 4:	MOJRAR	300,000	150,000	150,000	600,000

Better transport for justice actors.					
Output 5: Establish a comprehensive modality to provide physical security for judges and prosecutors	MOJRAR, MOS&DDR	225,000	125,000	100,000	450,000
Sub-total		1,825,000	1,325,000	1,080,000	4,230,000
Outcome 8: Promotion of Women and Child Rights Advanced					
Output 1: Gender mainstreaming in justice institutions.	MOJRAR, MOWFSA	120,000	110,000	0	230,000
Output 2: Diversion procedures for child delinquents put in place.	MOJRAR, MOLYS, MOWFSA	125,000	85,000	0	210,000
Output 3: Reduction in gender based violence.	MOJRAR, MOWFSA	70,000	80,000	80,000	230,000
Output 4: Counter human smuggling and human trafficking strengthened.	MOJRAR, MOS&DDR, MOWFSA	180,000	160,000	130,000	470,000

Subtotal		495,000	435,000	210,000	1,140,000
Total		7,310,000	6,920,000	4,970,000	19,200,000
Contingency (5%)		365500	346000	248500	960000
Grand Total (Total + 5% Contingency)		7,675,500	7,266,000	5,218,500	20,160,000

Annex 2.D: Annualized Three Year Budget – Social Sector

Outcomes	Implementing Institution(s)	2017	2018	2019	TOTAL \$
Outcome 1: Access and Equity to Education at All Level Improved					
Output 1 Access of primary education including early childhood education enhanced	MOEHE	3,200,220	2,049,000	1,349,000	6,598,220
Output 2 Access and equity in secondary education enhanced	MOEHE	1,368,000	912,000	760,000	3,040,000
Output 3 Access to higher education improved	MOEHE	1,125,000	750,000	625,000	2,500,000
Output 4 TVET programmes are enhanced	MOE	1,080,000	720,000	600,000	2,400,000
Output 5 Non-formal education improved	MOE	540,000	360,000	300,000	1,200,000
Sub-total:		7,313,220	4,791,000	3,634,000	15,738,220
Outcome 2: Quality of Education at All Level Improved and Science					

Technology and Innovation Promoted					
Output 1 Capacities of the teaching staff developed	MOE	315,000	360,000	0	675,000
Output 2 Lower and higher education curriculum reviewed	MOE	105,000	120,000	0	225,000
Output 3 Science and technology are integrated into education curriculum	MOE	840,000	960,000	600,000	2,400,000
Sub-total:		1,260,000	1,440,000	600,000	3,300,000
Outcome 3: Public Sector Health Services and Quality of Medicine Improved					
Output 1 Access of health services across Puntland improved	MOH	1,500,000	1,500,000	1,500,000	4,500,000
Output 2 Health facility and infrastructures are improved	MOH	2,700,000	3,300,000	2,000,000	8,000,000
Output 3	MOH	200,000	360,000	340,000	900,000

The quality and safety of medicines and consumables improved					
Sub-total:		4,400,000	5,160,000	3,840,000	13,400,000
Outcome 4: Health Care Financing and Information System Improved					
Output 1 Government health care financing enhanced	MOH	105,000	120,000	75,000	300,000
Output 2 Health information improved	MOH	840,000	960,000	600,000	2,400,000
Sub-total:		945,000	1,080,000	675,000	2,700,000
Outcome 5: Gender Mainstreaming Policies and Programmes Enhanced and Women's Development Promoted					
Output 1 Gender sensitive plans, policies, programmes and laws in place	MOWDAFA	315,000	360,000	0	675,000
Output 2 Gender responsive budgeting promoted	MOWDAFA	170,000	160,000	100,000	430,000
Output 3	MOWDAFA	1,000,000	1,000,000	500,000	2,500,000

Women enterprise funds established					
Sub-total:		1,485,000	1,520,000	600,000	3,605,000
Outcome 6:Livelihoodof All Vulnerable Groups Improved					
Output 1 Disability centers and orphanage centers are established	MOWDAFA, PASWE	840,000	960,000	600,000	2,400,000
Output 2 Social integration of young disabled people improved	MOWDAFA, PASWE	21,000	24,000	15,000	60,000
Output 3 Internally displaced people are integrated with host communities	MOWDAFA, PASWE, MOI MOS&DDR	210,000	240,000	0	450,000
Sub-total:		1,071,000	1,224,000	615,000	2,910,000
Outcome 7: Youth Employment Scheme and Sports Program Designed					
Output 1 Technical vocational trainings are improved	MOLYS	315,000	360,000	225,000	900,000
Output 2	MOLYS	1,260,000	1,440,000	900,000	3,600,000

Youth employment bureau established					
Output 3 Improved sporting facilities and 5 stadiums developed	MOLYS, MOPWT	2,500,000	1,500,000	1,000,000	5,000,000
Output 4 Sports academy and sports & culture fund established	MOLYS	840,000	960,000	0	1,800,000
Output 5 Centre for art and culture for youth developed	MOLYS	126,000	144,000	90,000	360,000
Sub-Total		5,041,000	4,404,000	2,215,000	11,660,000
Total :		21,515,220	19,619,000	12,179,000	53,313,220
Contingency (5%)		1,075,761	980,950	608,950	2,665,661
Grand Total (Total + 5% Contingency)		22,590,981	20,599,950	12,787,950	55,978,881

Annex 2.E: Annualised Three Year Budget - Livelihood Sector

Outcomes	Implementing Institution(s)	2017	2018	2019	TOTAL \$
Outcome 1: Animal Health Enhanced					
Output 1: Disease control system designed and adopted	MOLAH	2,224,204	2,056,234	0	4,280,438
Output 2: Animal products and environmental hygiene improved	MOLAH/MOC&I	540,000	850,808	54,000	1,444,808
Output 3: Qualified technicians and professionals placed	MOLAH	400,000	0	0	400,000
Output 4: Livestock export market diversified	MOLAH/MOC&I	0	500,000	500,000	1,000,000
Sub-total:		3,164,204	3,207,042	554,000	6,925,246
Outcome 2: Marine Resource Management Promoted					
Output 1: Illegal and unregulated international fishing in Puntland waters controlled/prevented.	MFM	1,216,000	1,000,000	1,000,000	3,216,000
Output 2: Piracy activities in Puntland eliminated	MOS	1,000,000	1,000,000	0	2,000,000
Output 3: Fishing infrastructure constructed	MFM	2,500,000	2,500,000	2,000,000	7,000,000
Output 4: Marine resource educational facilities established and operationalized	MFM	1,500,000	1,500,000	500,000	3,500,000

Sub-total:		6,216,000	6,000,000	3,500,000	15,716,000
Outcome 3: Watershed Management Developed					
Output 1: Increased availability of water for pastoral and agro-pastoral use	MOEWT	1,923,107	2,197,836	1,373,648	5,494,590
Sub-total:		1,923,107	2,197,836	1,373,648	5,494,590
Outcome 4: Local Crop Productions Increased to Reduce Poverty and Hunger					
Output 1: To develop and support an agricultural inputs system across Puntland	MOAI	783,335	825,000	856,250	\$2,464,585
Output 2: Research and seed testing plots for crop production established	MOAI	350,000	400,000	250,000	1,000,000
Output 3: Farm production market accessibility improved	MOAI/MOC&I	470,750	538,000	336,250	1,345,000
Output 4: Develop and rehabilitate irrigation infrastructure	MOAI	1,033,333	916,667	952,500	2,902,500
Output 5: integrated production pest management (IPPM)	MOAI	322,250	354,000	358,750	1,035,000
Output 6: Strengthened institutional capacity	MOAI	425,000	633,000	523,000	1,581,000
Sub-total:		3,384,668	3,666,667	3,276,750	10,328,085
Outcome 5: Environmental Rehabilitation and Drought Resilience Improved					
Output 1: Rangeland management improved	MOEWT	1,100,000	2,500,000	1,800,000	5,400,000
Output 2:	MOEWT	200,000	200,000	200,000	600,000

Effective leadership and governance in environmental management					
Output 3: Enhanced environmental stewardship and civic education	MOEWT	500,000	600,000	500,000	1,600,000
Sub-total		1,800,000	3,300,000	2,500,000	7,600,000
Outcome 6: Wildlife and Marine Ecology Protected for Biodiversity Conservation and Promotion of Tourism Sector					
Output 1: Wildlife protection program developed and operationalized	MOEWT	2,354,100	2,690,400	1,681,500	6,726,000
Output 2: Marine pollution protection program developed and operationalized	MOEWT	1,094,184	1,250,496	781,560	3,126,240
Output 3: Promote tourism sector for livelihood improvement	MOEWT	680,000	1,920,000	200,000	2,800,000
Sub-total:		4,128,284	5,860,896	2,663,060	12,652,240
Outcome 7: Adverse Impact of the Climate Change and Land Deforestation Reduced					
Output 1: Early warning and response program for climate disasters established	HADMA/MOEWT	753,060	860,640	537,900	2,151,600
Output 2: Strengthen adaptation, mitigation and resilience to climate change and periodic droughts	MOEWT	0	3,442,560	2,151,600	5,594,160
Sub-total:		753,060	4,303,200	2,689,500	7,745,760

Outcome 8: Private Sector Business Enabling Environment Promoted					
Output 1: Trade legislations developed	MOC&I	200,000	200,000	200,000	600,000
Output 2: Public private partnership improved	MOC&I	500,000	640,000	500,000	1,640,000
Output 3: International trade and local production improved	MOC&I	0	1,324,000	1,000,000	2,324,000
Sub-total:		700,000	2,164,000	1,700,000	4,564,000
Total:		22,069,323	30,699,641	18,256,958	71,025,922
Contingency (5%)		1,103,466	1,534,982	912,848	3,551,296
Grand Total (Total + 5% Contingency)		23,172,789	32,234,623	19,169,806	74,577,218

Annex 2.F: Annualised Three Year Budget – Infrastructure Sector

Outcomes	Implementing Institution(s)	2017	2018	2019	TOTAL \$
Outcome 1: Improve Air and Road Transportation					
Output 1 Rehabilitate the primary tarmac road that connects major towns in Puntland	PHA/MOPWT	44,000,000	88,000,000	27,400,000	159,400,000
Output 2 Construction/rehabilitation of feeder roads to improve accessibility to productive areas i.e. livestock hubs and coastal area	PHA/MOPWT	10,200,000	10,350,000	7,200,000	27,750,000
Output 3 Improve basic airport and air navigation infrastructure throughout Puntland i.e. major airports and airstrips	MOCA&A	7,294,319.55	8,336,365.20	5,210,228.25	20,840,913
Sub-total:		61,494,320	106,686,365	39,810,228	207,990,913
Outcome 2: Improve Port Infrastructure and Shipping Services					
Output 1	MMTP&CP	3,150,000	3,600,000	2,250,000	9,000,000

Bossaso port expansion					
Output 2 Warehouses are constructed in the port	MMTP&CP	422,100	482,400	301,500	1,206,000
Output 3 Improve safety of port	MMTP&CP	516,510	631,290	0	1,147,800
Output 4 Jetties are constructed in the economically active coastal towns	MMTP&CP/ MFM	2,700,000	3,600,000	900,000	7,200,000
Sub-total:		6,493,830	7,421,520	4,638,450	18,553,800
Outcome 3: Reduce Water Shortage in Puntland					
Output 1 Number of fully equipped boreholes increased	PSWAEN/ MOEWT	1,900,500	2,172,000	1,357,500	5,430,000
Output 2 Improve water supply systems and sanitation facilities in Puntland	PSWAEN/ MOEWT	533,150	724,200	533,150	1,810,500
Output 3 Rain and stream water catchments in Puntland valleys	PSWAEN /MOEWT	1,050,000	1,200,000	750,000	3,000,000

Sub-total:		3,584,175	4,096,200	2,560,125	10,240,500
Outcome 4: Improved Availability of Essential Heavy Duty Equipment					
Output 1 Provision of heavy duty equipment. Earth work equipment 2017, asphalt equipment 2018 and quality control and land surveying equipment 2019	PHA/MOPWT	4,134,000	2,415,000	3,500,000	10,049,000
Sub Total:		4,134,000	2,415,000	3,500,000	10,049,000
Outcome 5: Promotion of Alternative Energy					
Output 1 Public and private sector partnership to reduce dependence on firewood / charcoal for domestic use through development of basic LPGGas and kerosene distribution infrastructure	MOEWT	1,575,000	1,800,000	1,125,000	4,500,000

Output 2 Introduction of solar and wind energy in all Puntland to reduce the reliability of diesel engines	MOEWT	945,000	1,080,000	675,000	4,500,000
Sub-total:		2,520,000	2,880,000	1,800,000	9,000,000
Outcome 6: Lack of Qualified and Trained Work Force in the Infrastructure Sector Reduced					
Output 1 Job trainings by professional introduced	MOEWT/PHA /MOPWT/M MTP&CP/PSW AEN/MOCA& A	1,650,000	1,650,000	0	3,300,000
Output 2 Civil Servant Commission empowered	CSC	1,200,000	1,200,000	0	2,400,000
Sub-total:		2,850,000	2,850,000	0	3,300,000
Outcome 7: Establishing Institutional Policies & Regulations					
Output 1 Construction industry policy development	MOPWT/PHA /MOI/MOCA &A/MMTP&C	200,000	300,000	100,000	600,000

	P/PSWAEN				
Output 2 Puntland land policy development	MOI/MOJRAR /MOS&DDR/	200,000	300,000	100,000	600,000
Output 3 Puntland building codes development	MOI	200,000	300,000	100,000	600,000
Sub-total:		600,000	900,000	300,000	1,800,000
Total:		80,639,884	127,219,085	53,793,803	261,452,772
Contingency (10%)		8,003,988.4	12,731,908.5	5,379,380.3	26,145,277.2
Grand Total (Total + 10% Contingency)		88,703,872.40	139,950,993.20	59,173,183.30	287,598,049.2

Annex 3: Aggregate Budget for Puntland Revised Development Plan

Sector	2017	2018	2019	Total (\$)	%
Governance	\$6,517,875	\$7,449,000	\$4,655,625	\$18,622,500	3.67%
Security	\$16,353,635	\$15,643,564	\$15,378,538	\$52,108,100	10.24%
Justice	\$7,675,500	\$7,266,000	\$5,218,500	\$20,160,000	3.96%
Social	\$22,590,981	\$20,599,950	\$12,787,950	\$55,978,881	11%
Livelihood	\$23,172,789	\$32,234,623	\$19,169,806	\$74,577,218	14.65%
Infrastructure	\$88,703,872	\$139,950,993	\$59,173,183	\$287,598,049	56.49%
GRAND TOTAL	\$165,014,652	\$223,144,130	\$116,383,602	\$509,044,748	100%

Source: Adapted from REVISED PUNTLAND DEVELOPMENT PLAN (2017-19)