



PUNTLAND SECOND FIVE-YEAR DEVELOPMENT PLAN 2014 - 2018

DEVELOPMENT FOR ALL

Puntland State of Somalia
Ministry of Planning and International Cooperation

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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
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
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
MoU	Memorandum of Understanding
MoWFSA	Ministry of Women, Family and Social Affairs
MRE	Mine Risk Education
MTEF	Medium Term Expenditure Framework
N/A	Not Available
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
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	Peacebuilding and Statebuilding Goal
PSS	Puntland Security Service
PSU	Puntland State University
PUNSAA	Puntland Non-State Actors Association
PUWLA	Puntland Women Lawyers Association
QUESTS-MIDA	Qualified Expatriate Somali Technical Support – Migration for Development in Africa

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
TV	Television
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 Ordnance
WASH	Water, Sanitation and Hygiene
WFP	World Food Programme
WHO	World health Organization

ACKNOWLEDGEMENTS

The Ministry of Planning and International Cooperation (MoPIC) has successfully completed the 2nd Puntland Five-Year Development Plan 2014-2018 (FYDP-2).

The Ministry awards special tribute to President Abdirahman Mohamed Mohamud (Farole) not only for his steadfast political support and close supervision over the FYDP-2 but also, as then MoPIC Minister, for having initiated and led both technically and politically the 1st Puntland Five-Year Development Plan which has been useful as a robust basis and reference for the current Plan.

The team and the Ministry as a whole (hereafter, we or our) is indebted to the strong leadership and commitment provided continuously by Dr. Sayid Mohamed Abdulle, the MoPIC State Minister. Without his dedication the plan would not see the light of day. Equally, our thanks go to Dr Jama Warsame (the Chief of Cabinet, Office of the President) who, on secondment, has worked tirelessly with the team to provide the necessary technical input to the overall formulation process as well as in delivering skills transfer activities for MoPIC staff. Dr Warsame has also successfully coordinated the overall work ensuring that information flowed timely between different sectors. Particularly, he made sure that the Ministerial committee, chaired by the President, were closely updated.

The contribution of Mr. Farah Kulmiye Elmi, MoPIC Director General, has been instrumental to the successful completion of the Plan. For that we are grateful. Also we thank and strongly commend the work of the team leader, Mr. Abdulkadir Mohamud Omar, for his cool-headed leadership of the Technical Team (sector specialists) to ensure effective completion of sector plans as well as the main plan.

We are greatly indebted to each and every member of the sector specialist team who did the bulk of real work of producing the Plan. Their names and respective sectors are as follows: Mr. Ahmed Ibrahim Jama (Justice Sector), Mr. Faarax Dahir Sheikh-Noor (Security Sector), Mr. Mohamed Jama Jibrell (Governance Sector), Mohamed Said Samantar, DPhil (Macroeconomist), Miss. Nimo Ahmed Mohamoud, (Social Sector), Mr. Suleiman Mohamed Hassan (Livelihoods Sector), Mr. Tarabi Abdirahman Jama (Monitoring & Evaluation), Mr. Yussuf Hussein Dahir (Infrastructure Sector), Mr. Mohamed Ali Ismail (Director of Planning of MoPIC), Mr. Abdiwahid Mohamoud Hersi (Director General of Ministry of Fishery), Mr. Abdulkadir Sheikh Mohamoud (Director General of MoPW&T), Mr. Mohamed Ali Nor (Director of Planning of MoILGRD), Miss. Shukri Warsame (M&E), Mr. Mohamoud Muse Ali (MoS&DDR). Mr. Burhan Adan Omar (MoJRAR), Mr. Ismail Haji Abdi (MoJRAR), Mr. Sharmarke Hassan (MoH), Mr. Mohamed Shire Jama (MoF), Mr. Mohamed Yusuf Musse (CSOs), Mr. Dahir Mohamoud Hassan (Director General of MoC&I), Ms. Brigitte Sins (Consultant at MICCH), Miss. Hamdi Abdirahman Salad (MoPIC), Miss. Sahra Abdullahi Jama (MoPIC) and Mr. Abshir Mohamed Abshir (MoF).

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TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	I
ACKNOWLEDGEMENTS	IV
TABLE OF CONTENTS	V
EXECUTIVE SUMMARY	X
Development for All	X
Puntland as a federal state in the Federal Republic of Somalia	X
New Deal Somalia	XI
Sector Strategic Plans (SSPs)	XII
Macroeconomic Projections	XIV
CHAPTER 1: INTRODUCTION	1
The First Puntland Five-Year Development Plan (2007-2011)	2
The Rationale For The Second Puntland Five-Year Development Plan: 2014-2018	3
The Planning Process	3
The Potential for Puntland	5
Cross-cutting Issues	6
CHAPTER 2: PUNTLAND MACROECONOMIC PROJECTIONS	13
Introduction	13
Macroeconomic Assumptions	14
Medium Term Strategic Focus	14
GDP Growth Options	14
GDP per-capita	16
GDP Composition	17
Government Finance	17
External Sector Development	18
Resource Envelopes	19
Price Movements	21
Employment Projections	22
Fiscal Policy	22
Tax and Revenues	26
Monetary Policy	26
CHAPTER 3: THE GOVERNANCE SECTOR	29
a) Policy Context	29
b) Situation Analysis	30
Governance Sector Priority Matrix	35
CHAPTER 4: THE SECURITY SECTOR	38
a) Policy Context	38
b) Situation Analysis	39
Security Sector Priority Matrix	40
CHAPTER 5: THE JUSTICE SECTOR	44
a) Policy Context	44
b) Situation Analysis	44
Justice Sector Priority Matrix	46
CHAPTER 6: THE SOCIAL SECTOR	51
a) Policy Context	51
b) Situation Analysis	52
Social Sector Priority Matrix	55

CHAPTER 7: THE LIVELIHOODS SECTOR.....	60
a) Policy Context.....	60
b) Situation Analysis.....	61
Livelihoods Sector Priority Matrix.....	64
CHAPTER 8: THE INFRASTRUCTURE SECTOR.....	69
a) Policy context	69
b) Situation analysis	70
Infrastructure Sector Priorities	75
CHAPTER 9: MONITORING AND EVALUATION	79
The need for an effective Monitoring and Evaluation System	79
The Implementation plan for Monitoring and Evaluation	81
M&E Framework.....	81
ANNEXES.....	83
ANNEX 1: THE RESULTS MATRIX	83
ANNEX 2: LINKING SECTOR PROGRAMMES TO THEMATIC PRIORITY AREAS	128
ANNEX 3: LINKING BUDGET PROGRAMMES MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF) TO SECTOR ACTIVITIES AND COSTS.....	133
ANNEX 4: PFYDP-2 ANNUALISED BUDGET	146
ANNEX 5: THE MACROECONOMIC TECHNICAL PAPER.....	159
REFERENCES:.....	168

FOREWORD

The 2ND Five Year Development Plan (2014 – 2018) marks a new phase of development efforts in Puntland State of Somalia to improve the quality of life of the people, address socio-economic challenges, build resilient public infrastructure, and responsibly exploit its natural resources for a better future. The Development Plan was researched, prepared and is based on an all-inclusive and participatory consultative process that engaged people from all regions of Puntland. This plan is owned by Puntland people, based on the people's needs and aspirations, and will be implemented by the people, in collaboration with Government institutions.



The Plan reflects and addresses developmental challenges in different sectors, highlights critical priorities, and recommends necessary strategies and guidelines to contribute to the overall development goals of Puntland.

Puntland is in Development Stage, in contrast to the fluid and unstable situation in most regions of south-central Somalia. Under various chapters of this Development Plan, there are key strategic interventions on good governance, strengthening security and stability, advancing free market economy, improving quality of healthcare and education, upgrading critical public infrastructure, promoting human rights and gender equality, and strengthening decentralisation.

This Development Plan is another milestone that we are proud of; however, implementation of the Plan is more critical and its success will be measured by the improvements it makes in different sectors to entrench good governance and to raise the quality of life for Puntland people. In developing this Plan, our main objective is to identify short, medium and long-term critical priorities at grassroots level, convert those priorities into feasible projects and programmes, and translate them into action.

The success of this plan will mainly rely on how the different stakeholders – including the public, private and civil society sectors – commit to it, translate it into coordinated action and bring about tangible results. The Plan is a major step in realising a peaceful and secure Puntland that respects the rule of law with an effective, sound, and decentralized administrative system that delivers public goods, develops critical facilities and public infrastructure, and protects the natural environment for the benefit of all.

I would like to 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 knowledge to put together this excellent document – the 2ND Five-Year Development Plan of Puntland State of Somalia.

A handwritten signature in blue ink, which appears to read 'Abdirahman Mohamed Mohamud'.

Abdirahman Mohamed Mohamud (Farole)
President, State of Puntland

MINISTER'S FOREWORD

It is a great pleasure for me to introduce the second comprehensive Puntland Second Five-Year Plan: 2014-2018 (PFYDP-2) which represents our aspirations as a federal state of Somalia. It provides a roadmap for our future, setting out our priorities to achieving rapid, inclusive and sustainable development.



Since the First Puntland Five-Year Plan: 2007-2011 (PFYDP-1), the Government of Puntland has made a number of significant achievements, not least the maintenance of relative peace and security and the establishment of the essential institutions of government at the different levels. However, the challenges that face us have only just begun and we must plan now to ensure a prosperous future for all Puntland people.

The focus of PFYDP-2 is to build on the strong institutions required to promote a transparent and accountable state and improving capacity at all levels of government. The plan also emphasises the importance of delivery of basic services in reducing the incidence of poverty among the population. The plan plays the role of developing the badly needed basic infrastructure that could boost economic growth as well as maintaining relative peace and security for our population throughout Puntland. It also envisages the deepening of an enabling environment for the private sector that attracts investments from abroad especially the Somali Diaspora communities.

Our development partners have provided support to Puntland since its establishment in 1998 and will continue to play an important role throughout the implementation stage of PFYDP-2. It is therefore crucial that the government and development partners work harder than ever to improve aid effectiveness across all sectors to secure maximum dividends for the people of Puntland. It is my sincere hope that PFYDP-2 will be successful in providing a framework for the government and our development partners to build upon what we have achieved so far. However, I wish to stress that good intentions alone are not enough to ensure the successful implementation of the plan. We must work together to combine the comparative strengths of the public and private sectors for realising what the Plan was envisaged to achieve.

Lastly, I wish to convey my sincere appreciation to those who have devoted their energies and resources in producing this Plan. In particular, I wish to thank MoPIC staff for coordinating the formulation of the plan under difficult circumstances and all other government agencies that participated in the process as well as all international organisations specially UNDP-SIDP and IOM-MIDA for their support in making PFYDP-2 a reality.

Eng. Mohamud Aidid Dirir

Minister of Planning and International Cooperation, State of Puntland

STATE MINISTER'S FOREWORD

Ministry of Planning and International Cooperation ((MoPIC) proposed the Puntland Second Five-Year Development Plan (PFYPD-2) 2014 – 2018 and the Council of Ministers endorsed the initiative in May 2013. MoPIC departments and experts worked assiduously to finalize the plan which is a comprehensive guide for the state to improve Puntland economy and enhance the quality of governance.



There were many consultations held with all stakeholders of the different groups. These stakeholders included civil society organizations, the private sector and other groups in order to make the planning process inclusive and participatory as much as possible. Completing this plan was a big achievement and it did not come only with the efforts of MoPIC staff but also with many hardworking people from all other government institutions/agencies. Since this plan represents Puntland critical priorities, government and other international organisations are expected to use it as a guide for any future programs and projects.

MoPIC has put in place a plethora of measures to address the development challenges that confront Puntland. The evolution of our programmes and projects have been anchored on five strategic themes through which the plan seeks to contribute to the greater government goal of creating a better life for all. The key priorities and goals spelt out in this plan will be implemented in order to meet a number of outcomes whose overall goal is to further alleviate poverty. The plan identifies a number of sector-specific interventions which will form the basis of our contribution to our goals. The extent to which we meet these goals will speak volumes about our determination to improve the lives of the people we serve.

On behalf of MoPIC, I would like to extend our sincere appreciation to UNDP-SIDP and IOM-MIDA which committed both technical and financial assistance that facilitated the development of this plan. It is my hope that with the renewed commitment that ushered in this new plan, we can allocate time, resources and expertise that are required to fully implement it.

I therefore urge all of our partners and stakeholders to take ownership of this plan and assist the Ministry to make a difference in the lives of our people.

A handwritten signature in dark ink, appearing to read 'Dr. Sayid Mohamed Abdulle Hassan', written over a horizontal line.

Dr Sayid Mohamed Abdulle Hassan

State Minister of Planning and International Cooperation, State of Puntland

EXECUTIVE SUMMARY

DEVELOPMENT FOR ALL

In 2005, the Ministry of Planning and International Cooperation (MoPIC) undertook the formulation exercise of the First Five Year Development Plan (2007-11) on behalf of the Puntland government. As indicated in a Policy Paper that was developed by the former Minister of Planning and International Cooperation of Puntland State of Somalia, H.E the President of Puntland Abdirahman Sh. Mohamed Mohamud, the main purpose of having a five-year development plan was to prioritize, in a concise methodical way, the long term and short term needs of the people of Puntland. The paper also referred to the establishment of target development goals and the setting up of strategic plans to overcome the barriers and challenges of development.

Now, in 2013 we can look back to the results of the first Five Year Development Plan and we can look forward as we are planning the development of Puntland for the coming five years. The overall achievement rate of the first five years development plan is estimated at about 45 percent of the target.¹

These results give a good overview of where Puntland is, what the challenges are and where Puntland need to put its efforts and invest. In an emerging state as Puntland is, all sectors deserve equal attention; Health care cannot function properly without infrastructure which can in turn only be developed in a safe and secure environment. There are some significant points of attention for the coming five years. With a continuous secure and stable environment, Puntland is moving steady towards 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, the right of defence are taking a more prominent position on the agenda of Puntland across all sectors.

For Puntland and Puntlanders 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.

PUNTLAND AS A FEDERAL STATE IN THE FEDERAL REPUBLIC OF SOMALIA

Somalia adopted a federal system in August 2012, of which Puntland State of Somalia is the most developed functioning state in the Federal Republic of Somalia. The devolution of administrative responsibilities and financial resources between the federal state and local governments is yet to be defined. Puntland, an example of a state-led administration in the country, has found itself in a situation where it may be reduced to merely enforcing countrywide federal policies in future, in the absence of well-defined federal-state relations. Currently Puntland has autonomy in dealing with the majority of its economic and social issues. However, the Puntland

¹ Mohamoud, Said Farah (2012)

State constitution Article 4.2 calls for the harmonisation 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.²

At Puntland level, a window of opportunity opened up with the adoption of the new Constitution which recognizes local autonomy and the double responsibility of Districts to implement national policies and develop local plans/policies/programmes/projects. It provides a good foundation for an effective local authorities 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 Constitution and the realities on the ground.³

Institution building and administrative reforms are prerequisites for good governance, around which all other activities revolve. The majority of public institutions in Puntland State 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 and outdated administrative procedures and operational mechanisms are a few identifiable weaknesses that institutions currently face. Consequently, the success of Second Puntland Five-Year Development Plan (PFYDP-2) 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 Plan⁴ was principally one good step forward for an attempt to initiate a contemporary development. Formulation of the plan itself can be perceivable as an indicator for the existence of political goodwill from the part of the government. However, the implementation of the PFYDP-2 has been obscured by inherent gaps including the lack of an effective Monitoring and Evaluation (M&E) and the lack of supplementary costing and budget for the planned sector-level priorities.

Looking back and given the challenges Puntland was dealing with, there have been some remarkable achievements. Basic service sectors particularly education, health and water have shown a remarkable improvement.⁵ The sectors under governance and institutions have shown some improvement and the security and Judiciary sectors have indicated a reasonable improvement.

NEW DEAL SOMALIA⁶

In September 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

² Government of Puntland (2009) “*Constitution of the Puntland State of Somalia*”

³ Geopolicy (2012)

⁴ MoPIC (2005)

⁵ Mohamoud, Said Farah (2012)

⁶ FGS (2013) “The Somali Compact”

and a process that promotes political reconciliation and establishes peace, security, justice and sustainable development throughout the country.

SECTOR STRATEGIC PLANS (SSPS)

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

Good governance is the fundamental pillar for any development plan because no development plan will succeed if government institutions, entrusted to implement this plan, are not functioning properly. Therefore, it's 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 badly needed by all Puntlanders in general and the most marginalized groups in particular. This requires civil servants to possess the right skills, experience and equipment. Other important reform aspects of good governance sought include:

- establishing of 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 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 definitely 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 to its neighbouring 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:

- improving access to and equity of basic education
- improving the quality of all levels of education
- improving basic health care specially for mothers and children
- creating employment opportunities and sports for youth
- promoting gender equity and women development; and
- improving the welfare of the disabled and other vulnerable groups

Due to civil war, environmental degradation caused by decades of neglect and recurring droughts resulted in weaker livelihoods of 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:

- improving animal health and veterinary services
- improving water catchment including dams in strategic areas
- improving crop production for enhancing people's livelihoods
- reducing land deforestation and reducing environmental degradation; and
- improving business enabling environment and supporting small businesses

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 to spend on the large scale infrastructure projects badly needed for spearheading its economic growth. Therefore, the main goals of the infrastructure sector are:

- enhancing air and road transportation including tarmac and feeder roads
- improving Port infrastructure and g services
- reducing water shortages and improving the quality of potable water
- introducing solar and wind energy affordable to all and environmentally friendly; and
- making available essential heavy duty equipment for maintaining basic infrastructure

In this plan, very sophisticated monitoring and evaluation techniques were used including the results chain such as impacts, outcomes, outputs, activities and inputs. Also, 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 was to make sure that all the sector results need to be consistent and measurable in an objective way.⁷

MACROECONOMIC PROJECTIONS

There are three macroeconomic scenarios: a baseline, a pessimistic growth rate of 2.5% and an optimistic rate of 5%. The resource envelope for the present plan period projected from the last Five-Year Development Plan is around US\$ 3 billion. The total cost envisaged for the plan period is only US \$1,611,274,746.

⁷ MoPIC (2013) "Sector Strategic Planning (SSP) Guidelines"

CHAPTER 1:

INTRODUCTION

Puntland State of Somalia

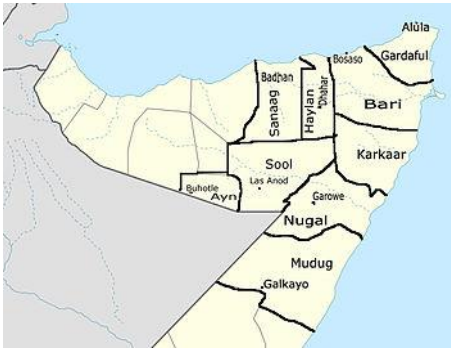
FACTS AND FIGURES

Following the outbreak of the civil war in 1991, a homegrown constitutional conference was held in Garowe in 1998 over a period of three months. Attended by the area's political elite, traditional elders, members of the business community, intellectuals and other civil society representatives, the autonomous *Puntland State of Somalia* was subsequently officially established so as to deliver services to the population, offer security, facilitate trade, and interact with both domestic and international partners. Puntland is a part of the Federal State of Somalia. As such, the region seeks the unity of the Somali people and adheres to a federal system of government.

Puntland, which consists of nine administrative regions, is located in the North Eastren 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.

The name 'Puntland' is derived from the Land of Punt mentioned by ancient Egyptian sources. 'Punt' refers to fragrance; Land of Fragrance. In 2009, Puntland introduced a new state flag at a parliamentary session in Garowe. Puntland new regional flag consists of three colours: blue (top - symbolizes the flag of Somalia), white (center: represents peace and stability in the region) and green (bottom - symbolizes natural wealth of Puntland).

In the same year, the Farole administration passed a new regional draft constitution, representing a significant step toward the eventual introduction of a multi-party political system to the region for the first time. On 15 April 2012, the Puntland government opened a four-day constitutional convention officially inaugurating the new state constitution. Overseen by the Puntland Electoral Commission (PEC), the constitution represented the final step in the extant regional democratization process and was scheduled to be followed by the formation of political parties.

Puntland Map	Region	Capital
	<u>Cayn</u>	<u>Buuhoodle</u>
	<u>Bari</u>	<u>Bosasso</u>
	<u>Karkaar</u>	<u>Qardho</u>
	<u>Haylaan</u>	<u>Dhahar</u>
	<u>Mudug</u>	<u>Galkayo</u>
	<u>Nugal</u>	<u>Garowe</u>
	<u>Sanaag</u>	<u>Badhan</u>
	<u>Sool</u>	<u>Las Anod</u>
	<u>Gardafuu</u>	<u>Aluula</u>

THE FIRST PUNTLAND FIVE-YEAR DEVELOPMENT PLAN (2007-2011)

The strategic objective of the First Puntland Five-Year Development Plan (FYDP-1) was to strengthen the foundation of development of the State by Government institutions, agencies, organizations, and citizens. The plan envisaged “a strong and secure Puntland State within the Somali Federal System, preserving its Islamic and cultural heritage, developing human resources, preserving the environment, and exploiting natural resources equitably and sustainably”. The ultimate goal, however, was “a peaceful and secure Puntland State respecting the rule of law with an effective, sound, and decentralized administrative system protecting the environment, Developing critical facilities and infrastructure, and providing basic social services for all”. The key strategic interventions were focused on good governance, maintaining security and stability, liberalising market, gender equality, improving health and education, upgrading critical infrastructure, strengthening decentralisation and strengthening statistical information across sectors.

In the last three years of the implementation of the plan, the State made significant gains in mobilizing revenues, leading to impressive increase in public spending. Although the budget was only 1.4% and 2.2% of the GDP in 2009 and 2010 respectively, expenditures had increased from US\$ 17 million in 2008 to more than US\$30 million in 2011, and a budget of US\$38.5 million was passed in 2012. A more comprehensive review of the First Five-Year Development Plan, coordinated by MoPIC, found that significant progress was made in the education and health sectors. However, the Productive Sector (i.e. Livestock, fishing, agriculture and frankincense), also known as the engine of growth because it contributes to 40% of the GDP, faced serious challenges.

The implementation challenges, among others, were caused by poor long-term priorities and strategy for addressing developmental bottlenecks, non-functional results-based Monitoring and Evaluation (M&E) system and lack of alignment between planning and budgeting. This was further complicated by limited capacity and

skills in government institutions to implement the plan and weak coordination approach to address resource gaps for full execution of the medium term plan. Development Partners' aid alignment to the Plan was also found to be poor, resulting in ad-hoc interventions.

THE RATIONALE FOR THE SECOND PUNTLAND FIVE-YEAR DEVELOPMENT PLAN: 2014-2018

In 2012, after the period of the FYDP-1 elapsed, MoPIC published its document, *"the Priority Needs of Puntland Productive and Infrastructure Institutions for 2012-2013"*¹ in which all the priorities of more than ten major government Ministries and agencies were collected. Also, some government institutions, including the above, have prepared their strategic plans and policy papers, on ad-hoc basis, which gave them a sense of direction while others lacked any document of that sort. MoPIC, on behalf of the Government of Puntland, decided to address this issue and hence started in January 2012 its bold initiative to formulate the Second Puntland Five-Year Development Plan: 2014-2018. In order for this initiative to be fruitful, MoPIC approached UNDP SIDP to provide both technical and financial support for formulating this plan. In August 2012, both parties signed a Memorandum of Understanding (MoU) which set the basis for a new partnership.

There are three specific objectives for this plan:

- a. to guide Puntland medium-term development aspirations over the period 2014-2018;
- b. to provide State priorities for projects and programmes, as well as public spending;
- c. to put in place a comprehensive monitoring and evaluation system

THE PLANNING PROCESS

The plan has been formulated through an all-inclusive and participatory consultative process involving the people of Puntland from all parts of the State with the technical assistance from local and international experts. The specific objective of a 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 New Deal by the Federal Government, FYDP-2 is developed around five State level strategic State Thematic Priority Areas (TPAs) to guide a bottom-up planning approach. These TPAs will serve as policy guidelines and may be further revised to ensure a strategic fit between national and decentralised priorities. These broader priorities, in no particular order are, a) Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth b) Effective and Responsive Service Delivery, c) Accountable and Transparent Governance d) Ruling Justly and e) Maintaining Peace and Stability.

¹ Government of Puntland (2012) *"Priority Needs of Puntland Institutions 2012-2013"*

PFYDP-2 elaboration had four guiding principles:

- Strong focus on emerging priorities: PFYDP-2 recognizes the achievements that Puntland has made in its development during PFYDP-1 implementation. It will place an increasing concentrated and coordinated effort on new emerging priorities and challenges to ensure Puntland is on track to achieve the overall targets captured through the four proposed Thematic Priority Areas;
- Inclusiveness and engagement: The PFYDP-2 elaboration process has been designed to promote ownership at all levels of government (i.e. State and decentralize 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: PFYDP-2 recognizes the need for differentiated development strategies at the district level. High emphasis will therefore be placed on ensuring strong linkages between the PFYDP-2, Sector Strategic Plans (SSPs) and District Development Frameworks (DDFs).
- Sustainability: PFYDP-2 interventions aim at sustainability and all Sectors/Districts will be asked to ensure that programs/projects and targets achieved from PFYDP-2 are long-lasting.

The whole planning process started with the preparation of a Concept Note, which outlined the detailed roadmap of what the planning process will involve including the institutional arrangements at different levels of planning. That means all of the institutions which have a stake in the sector/district concerned were identified beforehand and the role of each stakeholder was determined. Also, the financial and human resources needed for the plan success was prepared with the financial and technical support of UNDP Somali Institutional Development Project (or SIDP).

After the Concept Note was completed, it was presented by Dr Sayid Mohamed Abdulle, MoPIC State Minister, to the cabinet which discussed it thoroughly and was unanimously endorsed by the cabinet chaired by the President of Puntland. This meant that PFYDP-2 received the ownership seal of the government of Puntland and its full commitment.

In order for PFYDP-2 to be a comprehensive plan, 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, 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 from there. All the districts of Puntland were given the full opportunity to come up with their own priorities. Both MoPIC and 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 for soliciting 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 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 Thematic Core Technical Team (TCTT or Core Team for short) which was given the full responsibility of preparing Puntland Second Five-year Development Plan: 2014-2018 (PFYDP-2). 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, 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 Housing and Public Works was the lead ministry for the Infrastructure SWG).

In order to include different perspectives and widen the public participation in the planning process, there were further three Consultative Working Groups (CWGs) established: Private Sector, Civil Society and Cross-cutting Consultative Working Groups (see Cross-cutting issues section).

One of the unique features of FYDP-2 is the intensive use of log-frames in all sector strategic plans. This included the results chain impacts, outcomes, outputs, indicators, means of verification and assumptions of the plan.

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 relative 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 are 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).
- Relative stability (though fragile) 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, 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. 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.

GENDER²: 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 reflect the fact that Somali communities have a high number of women-headed households. Women also predominate in small-enterprise activity. Most of small businesses are run by women. The nomadic division of labour 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 paramount goal to achieve. The effective inclusion of gender-based 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 in the justice sector lags behind men. Gender composition of the judiciary is skewed in favour 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, 1% of the country's population is HIV positive. In 2011, UNAIDS estimated the number of people living with HIV in whole Somalia to be 35,000. 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 whose root causes are the fatalistic attitude in the culture.

² UNDP (2013)

Somali people are afraid to be known as HIV/AIDS infected and prefer to remain unknown to other people. Instead of sympathizing with them, they meet harassment where their neighbours move out or children at schools kick them out. People with HIV/AIDS want to live better lives and raise their children without fear and persecution. A greater number of the people also prefer not to associate with HIV carriers with 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 accessing to free and quality treatment for them. All the sectors including the security sector has to commit the prevention, treatment, care and support, and non-discrimination in workplace programs for those who live with HIV/AIDS.

HUMAN RIGHTS: Building strong, efficient, and effective defence 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 labour. 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 they are found in all the nine regions of Puntland. These IDPs often live in slums on the outskirts of urban centres 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, yet 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 ensuring non-discrimination in access to services or assistance, and most effective and comprehensive responses, all relevant protection 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 of delivering justice services to IDPs and commitment to re-integration 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 non-existence of accurate information on their number, training staff to build their skills and promoting 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 disappearance. Among these prominent native animals are the wild 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 more to be found in abundance.

There is an increasing acknowledgement that Charcoal production is the main environmental challenge confronting us today. It is a major cause of deforestation and environmental degradation across Puntland as we everyday burn rangelands and forests 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. On one hand, it is an important provider of employment and income, and does not need much of an initial investment. On the other hand, demand is very high, and prices are rising all the time.

Because of the immediate threat posed by 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 has been witnessed in 2004 when tsunami hit Puntland shores with a devastating force. The lesser degree 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 infra-structure, 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 pattern (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 pastoralism 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 at normal times, 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 season 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.

KHAT³: 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, 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 neighbouring 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 tell 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 raising, education, counselling and tax increase, while also ensuring the productive rehabilitation of 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 stimulate the release of the stress hormone and neurotransmitter norepinephrine and raise the level of the neurotransmitter dopamine in brain circuits regulating pleasure and movement.

³ Anderson D (2011)

Khat is a socially destructive factor in both financial and family unity for 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 most 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 make aware of the negative effects for the 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 for 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 feel 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 increasingly urban population and the poor, these coping mechanisms have been overwhelmed. What is needed is a national system to which the government, the private sector, the community, and non-governmental organizations work together to come up with a mechanisms to assist for the disabled and disadvantaged groups to mainstream them into the society in order to have access to education and employment. With regard to welfare, it aims to provide services that promote personal and socio-economic well-being 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 has to 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 or anyone who experiences exclusion and justice delivery institutions. It's all about having equal rights and accessing to affordable justice services when needed. Hence, justice sector has to ensure that disadvantaged groups, such as people with disabilities, are able to contribute actively to the sector's development and 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 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 Puntland State of Somalia. Capacity building and institutional strengthening in all sectors of society will provide a strong foundation for implementing sustainable development programmes. Goals are to develop local institutional capacity to manage and to implement employment projects. Individual agencies such as nongovernmental organizations, and 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 programs and procedures;
- HR development.
- Optimum 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 in society.
- Increasing the participation of civil society organizations, and all potential NGO partners, in the provision of security services.

CHAPTER 2:

PUNTLAND MACROECONOMIC 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 Puntland Five Development Plan 2007-2011. This medium terms plan PFYDP-2 took its premises from the projections of the Puntland economy for a ten year period spanning from 2012 (MoPIC, 2011c).

Due to unchanged economic structures in Puntland State of Somalia it is thought to extend that projection for the impending PFYDP-2 period 2014-2018. 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 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 stabilised. On the monetary policy side, it has options to utilise 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 2nd PFYDP will be accelerating in GDP growth with stability, through rapid productivity increase and industrialisation 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 2014-2018 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 PFYDP-2.
- 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 PFYDP-2, 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	Population
1.68%		-14.12%		1.35%		2.24%	

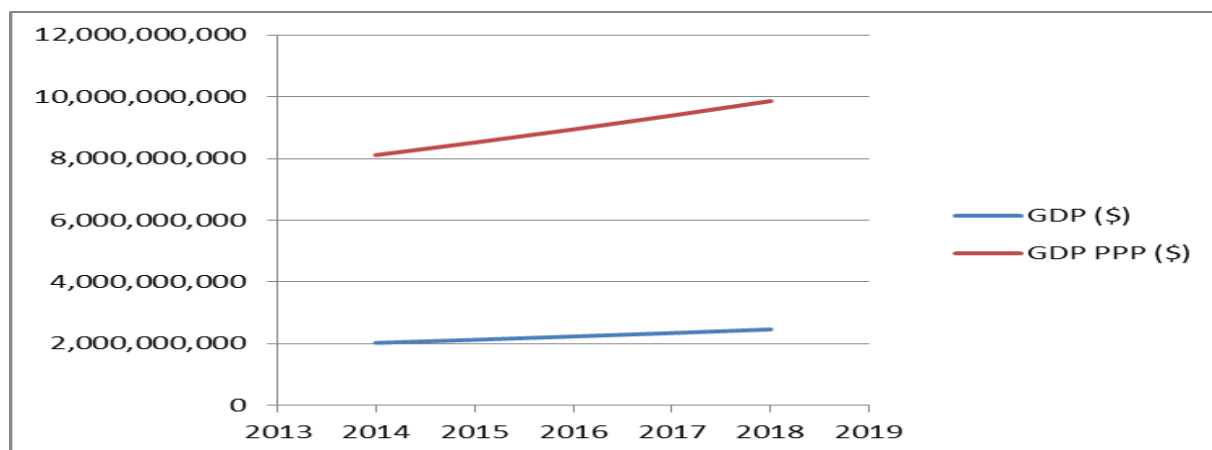
Source: MoPIC, 2011b

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

GDP Growth

Year	GDP (\$)	GDP PPP (\$)
2014	2,027,938,434	8,111,753,734
2015	2,129,335,355	8,517,341,421
2016	2,235,802,123	8,943,208,492
2017	2,347,592,229	9,390,368,917
2018	2,464,971,841	9,859,887,362

Source: MoPIC, 2011b



GDP PER-CAPITA

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

Population	GDP 2010	GDP 2010 per capita	GDP PPP 2010	GDP PPP 2010 per capita
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

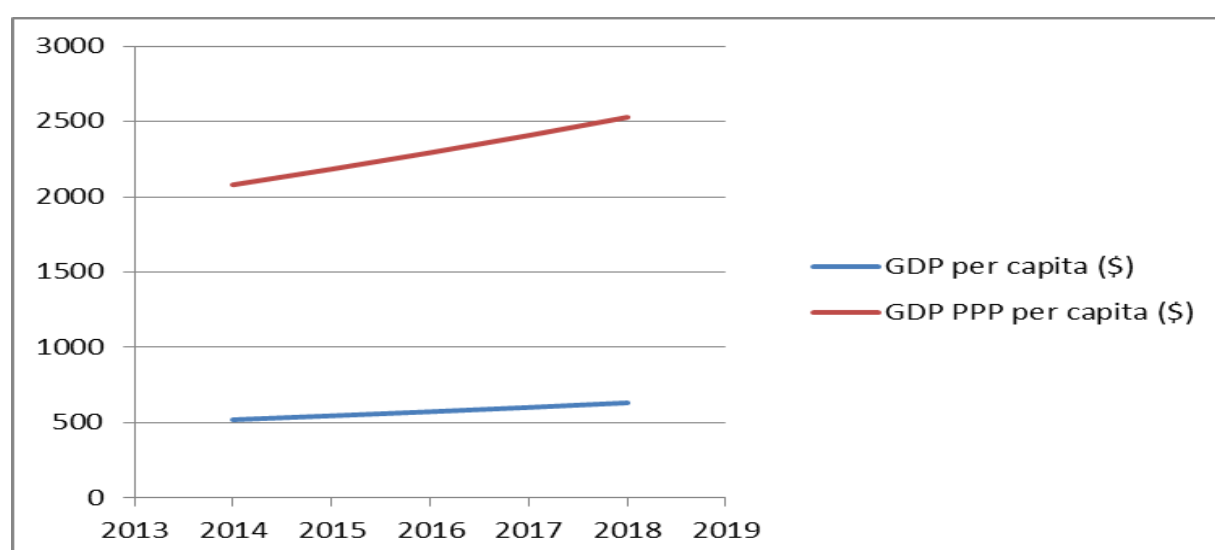
Source: MoPIC, 2011b

For the next plan period it is projected as follows:

GDP per capita

Year	GDP per capita (\$)	GDP PPP per capita (\$)
2014	519.98	2,079.94
2015	545.98	2,183.93
2016	573.28	2,293.13
2017	601.95	2,407.79
2018	632.04	2,528.18

Source: MoPIC 2011b



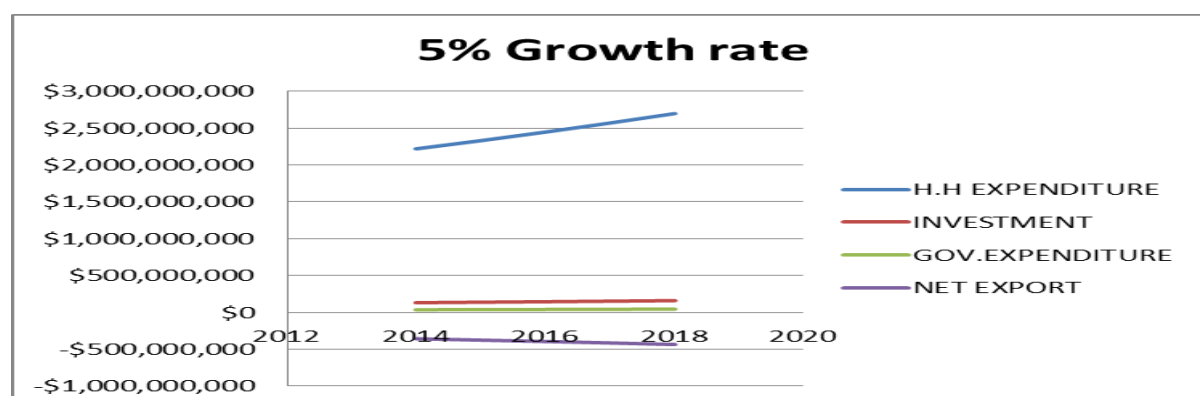
GDP COMPOSITION

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

GDP Composition

Year	H.H expenditure	Investment	Government spending	Net export
2014	2,218,542,008	131,469,521	35,970,303	-358,043,397
2015	2,329,469,108	138,042,997	37,768,818	-375,945,567
2016	2,445,942,563	144,945,147	39,657,259	-394,742,845
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

Source: MoPIC 2011b



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 2010 at 2.2% of the respective GDPs.

Government Expenditure & Revenue as % Of GDP

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

GOVERNMENT EXPENDITURE AND REVENUE

Year	GDP	Government Expenditure	% of GDP/G. Expenditure	Government Revenue	% of GDP / G. Revenue
2014	1,433,187,138	42,175,617,430	3.4	41,245,286,548	3.5
2015	1,457,264,682	44,284,398,302	3.3	42,895,098,010	3.4
2016	1,481,746,729	46,498,618,217	3.2	44,610,901,930	3.3
2017	1,506,640,074	48,823,549,128	3.1	46,395,338,007	3.2
2018	1,531,951,627	51,264,726,584	3.0	48,251,151,527	3.2

Source: MoPIC 2011b

EXTERNAL SECTOR DEVELOPMENT

There is a potential for channelling 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.

NET EXPORT IN US\$ (2009 - 2010)

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

Source: MoPIC, 2011a

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.

NET EXPORT

Year	Baseline 1.35%	Medium 2.5%	Optimistic5%
2014	-310,794,615	-325,142,645	-358,043,397
2015	-314,990,342	-333,271,211	-375,945,567
2016	-319,242,712	-341,602,992	-394,742,845
2017	-323,552,488	-350,143,066	-414,479,988
2018	-327,920,447	-358,896,643	-435,203,987

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 capital 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 PFYDP-2 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 2014-2018)

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.

PUNTLAND AID

Year	GDP	Expend (2%) (\$)	% Aid/GDP	Expend (82%) (\$)	% Aid/GDP
2014	1,433,187,138	120,961,807	8.44	382,115,329	\$26.66
2015	1,457,264,682	124,082,948	8.51	696,676,872	\$47.81
2016	1,481,746,729	127,284,622	8.59	1,270,188,936	\$85.72
2017	1,506,640,074	130,568,909	8.67	2,315,822,441	\$153.71
2018	1,531,951,627	133,937,939	8.74	4,222,232,948	\$275.61

Source: DAD Somalia, 2013

III. GOVERNMENT DEVELOPMENT BUDGET

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

RESOURCE ENVELOPE

Year	HH consumption (\$)	AID (\$)	Dev. Expenditure (\$)	Total (\$)	Total Envelop PPP (\$)
2014	442,928,176.3	120,961,807.4	1,194,871.5	1,194,871.5	2,260,339,420.9
2015	448,907,706.7	124,082,948.0	1,211,002.3	1,211,002.3	2,296,806,628.0
2016	454,967,960.7	127,284,622.5	1,227,350.8	1,227,350.8	2,333,919,736.1
2017	461,110,028.2	130,568,908.8	1,243,920.1	1,243,920.1	2,371,691,428.1
2018	467,335,013.6	133,937,938.5	1,260,713.0	1,260,713.0	2,410,134,660.2
Total				2,918,222,968.3	11,672,891,873.2

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, 2013).

Currency Exchange have moved from fixed to floating regimes in Somalia since the introduction of liberalisation 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 2013). 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 fulfil its mandate as a price stabilisation 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	
Year	Baseline 15%	Optimistic 10%	Pessimistic 20%	Baseline 3%	Optimistic 1%
2014	81.77	74.81	89.04	172.90	279.81
2015	94.04	82.30	106.84	178.78	282.61
2016	108.14	90.53	128.21	184.87	285.44
2017	124.36	99.58	153.85	191.16	288.29
2018	143.02	109.54	184.62	197.67	291.17

Source: MoPIC 2013

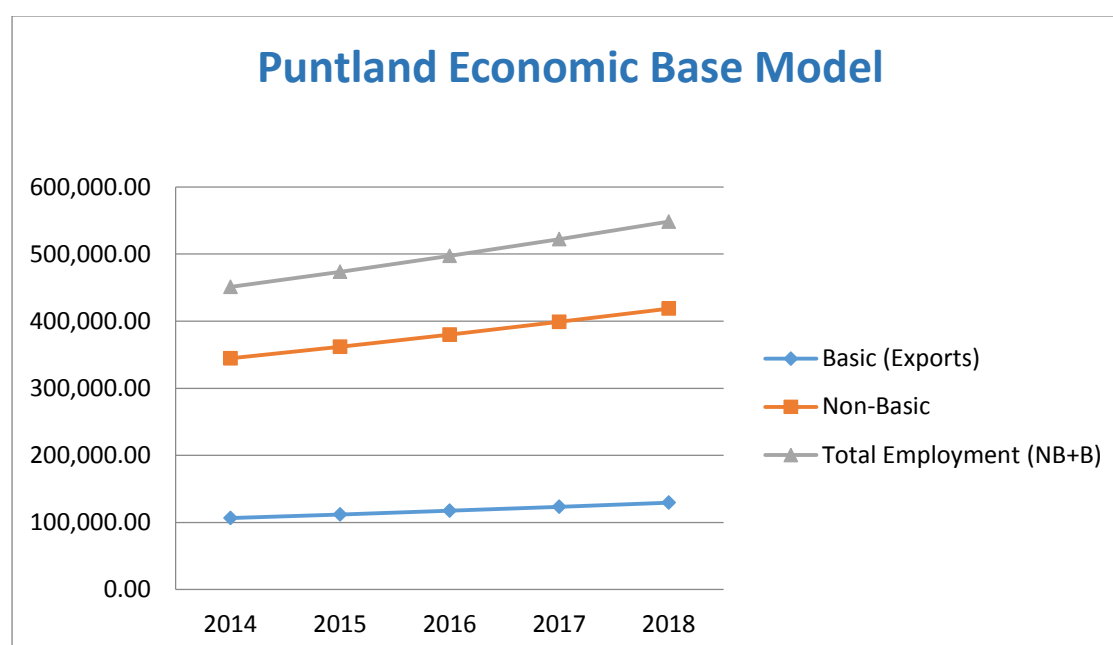
EMPLOYMENT PROJECTIONS

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 2018 (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 548,305.57 additional jobs to be created by 2018 under the 5 per cent growth scenario.

PUNTLAND ECONOMIC BASE MODEL

Year	Basic (Exports)	Non-Basic	Total Employment (NB+B)
2014	106,539.82	344552.53	451,092.35
2015	111,866.81	361780.15	473,646.96
2016	117,460.15	379869.16	497,329.31
2017	123,333.16	398862.62	522,195.78
2018	129,502.27	418805.75	548,305.57

Source: MoPIC, 2011c



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 goal 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 analyse 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 on 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 is 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 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 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 Puntland Five-Years Development Plan (FYDP 2007-2011) which is to reduce poverty is contained in the Poverty Reduction Strategy aimed at reducing the population living in absolute poverty (MoPIC 2007).

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 PFYDP-2 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 3.96 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 80 percent). 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 realised. 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 81.84 per cent in 2008. 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 on 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 encountering, Puntland authorities should review the legal framework of 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 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 PFYDP-2 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, aluminium, 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.)
- Harmonisation 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 chequebooks 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 stabilisation 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 localise and replicate the functions of central banking in Somalia. These functions cannot properly be exercised in Puntland State 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 State 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



Since 1998, 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 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.⁴

A. 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

⁴ Abdul Hye Hasnat, Hyden Goran & Olowu Dele (2000)

- Procurement Law
- Decentralization policy

In addition to the above mentioned, there are some draft laws and policies including Statistics Act, Monitoring and Evaluation, and Aid Coordination. The FYDP-2 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 quality of 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. 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 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.

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 develop the overall socio-economic development.

B. SITUATION ANALYSIS

The importance of the sector in the PFYDP-2 is very 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 key subsectors that are:

1. **INSTITUTIONAL DEVELOPMENT:** this will focus on all government institutions in the areas of planning, statistics, parliament, civil service management, training etc.
2. **PUBLIC FINANCE MANAGEMENT:** this will address the management of public funds in a transparent and accountable manner.
3. **DECENTRALIZATION:** this will address the service delivery at local municipality through decentralization.
4. **CIVIL SOCIETY :** Civil Society Organization as part and parcel of the community who should participate the development of the people of Puntland need to be assisted through provision of capacity building to enable them gain their rights and contribute to the development.
5. **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.

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 Planning. 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 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 achieve to reduce poverty and improve livelihood of the people.

The focus of the governance sector in the Second Puntland Five Year Development Plan (2014-2018), 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 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 relatively young and stable 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. Governance sector development plan 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 neighbours by hosting more than 50,000 refugees from South 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 but it is now on a path of democratic governance and public sector reform.

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 AND THEIR SIGNIFICANCE:

- Puntland socio-economic status is better off than most of the regions of Somalia - particularly those in central and southern regions- in terms of stability and security, and public institutions building. In its 15 years of existence, Puntland State of Somalia has proved to be an enabling and encouraging environment for Public Private Partnerships.
- 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 the capacity of 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.
- However, Puntland political agenda of democratization has been impeded temporarily by the current 2013 postponement of local elections which is undermining the progression of Puntland decentralization process and prevailing peace and stability. To cope with this political challenge the government accepted to hold the upcoming election in the traditional modus operandi of implementing clan power sharing. This

will be ensued with a constitutional amendment of preparing the nation for multiparty democratic elections once a new parliament and executive government has been formed in the next few months.

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 in the history of Puntland 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 neighbours by hosting more than 50,000 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 to fight against pirates within the land and the sea.
- 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 Civil Service Commission (CSC) with the support of UNDP/SIDP has developed and validated a recruitment policy as a basis for meritocracy for institutional development.
- CSC in partnership with the Ministry of Labour, Finance and SIDP 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 with 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 primary education and Police forces. Some local administration has established some revenue (tax) collection system to generate income and has also managed to ensure that the local inhabitants gradually accept to pay taxes. The municipal authorities are collaborating with the community of 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.⁵
- Ministry of Finance reviewed the Accounting Procedures, Customs procedure and increased revenue.

KEY CHALLENGES:

- A major weakness of Puntland public institutions is characterized by valuing a political patronage system. Employment must be replaced with merits one can acquire by the quality of one's education, skills, expertise, experience, dedication as well as the content of one's character. PFYDP-2 proposes for Puntland government to adopt Meritocracy as a basis for institutional development to introduce professionalism and effective principles of performance management. Service delivery is often deteriorated by laxities prevalent in the inflexible system of bureaucracy, which in certain cases does not define clearly staff responsibilities. Due to such discrepancies, stagnation and backlogging of service delivery encroach into the institutions without holding anyone responsible for the customer's dissatisfaction. The assessment of gaps and weaknesses of Puntland civil service provides the backdrop for defining the strategic role of the 2nd 5 year development plan in formulating interventions to advocate and affect shift towards new paradigms, perspectives, values and behaviours among government's human resources. There is a need for a new service culture among government institutions that puts service to the people at the core of their existence.
- 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.

⁵ Sins, B (2013)

WAY FORWARD

Governance Sector Priority Matrix				
Sectorial Priorities	Relevant State Level Thematic Priority Areas	Relevant District Priority	Relevant New Deal Priority	Relevant MDG Goal
Priority 1: government Institutions Capacity promoted	Accountable Governance	Capacity Building		
Priority 2: Service delivery decentralized and improved.	Service Delivery	District Development Plans	PSG5; Priority 1	Eradicate Extreme Poverty and Hunger
Priority 3: Public Finance Management restructured and strengthened	Accountable Governance	Social Accountability	PSG5; Priority 3	Eradicate Extreme Poverty and Hunger
Priority 4: Civil Society Institutions and media capacity enhanced	Accountable Governance	Decentralization		Eradicate Extreme Poverty and Hunger
Priority 5: ICT infrastructure tools employed across all government institutions to increase the efficiency and transparency.	Accountable Governance	Capacity Building	PSG4; Priority 1	Eradicate Extreme Poverty and Hunger

State institutions will be strengthened so that they can perform their core functions in a responsive, transparent and accountable manner. Five distinct but closely related areas will be targeted. Primacy will be given to Puntland development visions and priorities; assisting government institutions to articulate and commit to their priorities; ensuring that the institutions and systems being built are compatible across Somalia in order not to fragment the country's development; and integrating human rights and gender in national development. In that regard, a number of strategic areas have been identified as desired outcomes:

OUTCOME 1: Government Institutions capacity promoted

This outcome focuses on the clarifying and demarcating the mandates and function 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 deliver their mandate.

OUTCOME 2: Service delivery decentralized and improved.

This outcome addresses decentralizing service to the local level to empower local authority and ensure service to reach rural and urban communities.

OUTCOME 3: Public Finance Management restructured and strengthened

This outcome focuses on the need for 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: Civil Society and Media Institutions capacity enhanced

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.

OUTCOME 5: ICT infrastructure tools employed across all government institutions to increase the efficiency and transparency.

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 monitoring and evaluation (see appendices for further details).

STRATEGIC FRAME WORK

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

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

VALUES: Participatory, Transparency, Accountability, Effectiveness and efficiently, 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, 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 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

1. Human resource capacity improved
2. Merit based recruitment system adopted.
3. Government institutions right sized.
4. Districts development plans developed.
5. Synergies between district and state level plans strengthened.
6. Civil Society organizations capacity improved
7. Accounting and Reporting improved
8. Budget preparation and execution increased
9. Procurement system established
10. Auditing and Reporting improved
11. Taxation system reviewed and updated
12. Fair and Transparent Elections sponsored
13. Banking system strengthened
14. Parliament Capacity improved
15. Planning and Statistics system improved

ROLE OF STAKEHOLDERS

Puntland Office of the President will take the lead in ensuring this sector to achieve 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. It has sought key partnership with the UN and other international agencies.

CHAPTER 4:

THE SECURITY SECTOR



A. POLICY CONTEXT

The strategic plan for security sector sets the mission and objectives that are to be realized in the next five 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 in Puntland. Puntland security will be improved so that it can implement its core functions in a responsive way, transparent and accountable manner

The security sector includes all the actors and institutions with a role in ensuring the security of Puntland state and its people. The security sector includes core security actors such as armed forces, police, intelligence and security forces, executive and legislative authorities with security management and oversight responsibilities. It includes defence, law enforcement, intelligence services, border defence and management, and customs. 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 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 defence, security, law and order 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 defence 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 natural resources as well as the security of neighbouring countries and foreign nationals:

LEGISLATIONS 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

B. SITUATION ANALYSIS

In the light of these developments, the Five-Year-Plan is prepared to form a social base to achieving the nation's aspirations. The objective of the plan is therefore 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.

KEY FINDINGS

- Security sector has managed the stability of the state
- 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.
- Boarder dispute with Somaliland and South Central
- Absence of district demarcations create conflict between districts
- Human trafficking, smuggling boats, growing terrorists, terrorism and both internal and external extremists decreased due to joint efforts of Puntland government and international community
- Spread of Unexploded Ordnance (UXO) and large area of land filled with mines and other types of explosives across the regions of Puntland.

KEY CHALLENGES

- Limited Training on security services in human rights, international humanitarian law and democratic accountability; and
- Limited existing data, 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.
- Limited qualified expertise.
- Confidentiality of data – especially in security institutions such as the military and intelligence services.

KEY ACHIEVEMENTS

- Referring to the Five year Development plan (FYDP 2007-2011) review, Puntland government has made a significant achievement in the security sector.
- The government has succeeded organizing existing security forces, establishing new security agencies for special tasks, providing training programs for police, military, and marine forces.
- Intelligence and Criminal Investigation sections strengthened
- Urban necessary infrastructure constructed

WAY FORWARD

Security Sector Priority Matrix				
Sectoral Priorities	Relevant State Level Thematic Priority Areas	Relevant District Priority	Relevant NEW Deal Priority	Relevant MDG Goal
Priority 1: Security Sector Reforming, Equipping, and Building Capacity of all Security Actors	Maintaining Peace and Stability	District Security	PSG2; Priority 1	Peace and stability leads to poverty reduction
Priority 2: Security institutional capacity building	Maintaining Peace and Stability	Security sector human resource integrity program.	PSG2; Priority 1	Peace and stability leads to poverty reduction
Priority 3: Community Policing, youth mobilization, and stabilizing conflicts	Maintaining Peace and Stability	Confidence with people is vital for sustainable peace and development.	PSG2; Priority 3	Peace and stability leads to poverty reduction
Priority 4: Reform of Civilian Weapon Ownership of	Maintaining Peace and Stability	Launch of civilian registration and disarmament and	PSG2; Priority 3	Peace and stability leads to poverty reduction

Small Arms and Light Weapon control		fight against small arms race.		
Priority 5: Clearance UXOs, Land- Mines and advocate for UXOs Victims	Maintaining Peace and Stability	Establish a trained, managed and motivated security forces to handle any situations.		Peace and stability leads to poverty reduction
Priority 5: 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	Peace and stability leads to poverty reduction

There are six outcomes that clearly spell out the goals and the objectives of Puntland security sector. In that regard, a number of measures have been layout as desired outcomes:

OUTCOME 1: Puntland security institutions are established, reformed, and equipped.

It focuses enhancing human resources capacity of all security personnel where institutions fully functional everywhere in Puntland.

Reform, equip, and develop an effective Puntland Police Force, Intelligence, Military, and Maritime.

Construction and remodelling of new and old buildings since we inherited from Mohamed Siyad Barre's regime

OUTCOME 2: Community policing; Hostility and conflict reduced; the traditional values are restored and revitalized.

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 elderly involvement of solving conflicts and, fully abiding of the agreements reached by the dispute sides

OUTCOME 3: Counter terrorism and piracy operations are strengthened and improved.

This outcome addresses updating and endorsing Puntland counter terrorism law, distancing harbouring murders and criminals, detecting and destroying most of the planned missions of the terrorism, and reducing the killings, suicide bombs and terrorizing activities.

OUTCOME 4: The private owned small arms and light weapon are controlled and the program of youth demobilization enhanced.

This outcome promotes registering light weapons and their owners in Puntland. It promotes storing and keeping heavy weapons in save and controlled places. It further addresses establishing database for small arms and

registering light weapons across Puntland. Finally it demands demobilizing youth benefited knowledge gained from trainings and job hunting programs.

OUTCOME 5: Mine-action program reduced deaths and cleared mines from all Puntland territory and the UXO items are cleared from Puntland territory.

This outcome focuses 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 6: Puntland immigration service delivery in all borders: ports, airports and land improved. Counter human trafficking and smuggling initiatives is improved

This outcome promotes equipping all immigration check points, seaports, airports, and land borders. It promotes adopting and enforcing Puntland human trafficking law and lessening human trafficking activities. It also demands Puntland immigration database of travellers and passengers should be interconnected and functional.

THE STRATEGIC FRAMEWORK

VISION:

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

MISSION:

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

CORE VALUES:

In its endeavour 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

1. Human resources capacity improved
2. All stations are established and fully functional.
3. Community policing law passed

4. Community Policing Program designed.
5. Elderly involvement of solving conflicts encouraged and accepted
6. Youth at risk demobilized and rehabilitated
7. Strong counter terrorism law of Puntland have updated and endorsed
8. Harboring murders and criminals reduced
9. The light weapons and their owners in Puntland have been registered
10. The heavy weapons owned by the people are restored and kept in safe and controlled places.
11. Database for small arms and light weapon registration have established and put in operation across Puntland.
12. Demining system developed
13. All demining teams are trained and equipped.
14. UXO's in the communities both urban and rural eliminated
15. All immigration check points, seaports, airports, land borders are fully equipped.
16. Puntland' human trafficking law is adopted and enforced
17. 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, providing programs for peace building and conflict resolutions, disarming the civilians, as well as preventing human smuggling. Similarly, Puntland Mine Action Program (PMAP) needs continued advocacy and legislations. 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 institutions agencies.

CHAPTER 5:

THE JUSTICE SECTOR



A. 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
- Lawyers' act
- Prison act
- Human rights defender act
- Family law codified and passed
- Judiciary code of conduct
- Legal aid policy drafted

B. 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 actions carried out in the previous years

are to strengthen the justice delivery and to ensure transparency and effectiveness in the justice system, to apply the rule of law in general including court proceedings and 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.

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 centres. The whole judiciary 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 centres.
- Certain institutions provided for in the Constitution such as the Human Rights Commission 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 centres.

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.

WAY FORWARD:

<i>Justice Sector Priority Matrix</i>				
Justice Sector Priorities	Relevant State Level Thematic Priority Areas	Relevant District Level	Relevant New Deal Priority	Relevant MDG Level
Reformed laws and policies applied	Ruling justly Effective service delivery		PSG3; Priority 1	
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.		
Access to Justice Enhanced	Ruling justly Effective service delivery	Open law enforcement mechanism at districts	PSG3; Priority 3	Promote gender equality and empower women

Legal Education Improved	Ruling justly Effective service delivery			
Human Rights situation Improved.	Ruling justly Effective service delivery	Open law enforcement mechanism at districts	PSG3; Priority 1	Promote gender equality and empower women
Prison Services and Social Rehabilitation Enhanced.	Ruling justly Effective service delivery	Construct/rehabilitate prisons at district level.		

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

OUTCOME 1: Judiciary systems and processers 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 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.

THE STRATEGIC FRAMEWORK

VISION:

“Realizing justice and stability for all people of Puntland”

MISSION:

“Administration of justice in a respectful and accessible manner”

VALUES

Values of the Justice Sector are:

- Independence
- Integrity
- Accessibility
- Equality
- Affordability
- Effectiveness
- Inclusiveness
- 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”.

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.

SECTOR STRATEGIC FOCUS

Main strategic objectives of the sector are the following:

- Penal code and criminal procedures amended
- 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 Office of the Public Defender strengthened.
- Inspection of courts by the High Judiciary Council conducted
- Alternative Dispute Resolution systems and justice for children improved
- Law schools 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.

ROLE OF THE STAKEHOLDERS

The MoJRAR coordinates Puntland justice system, Shariah Acts and rehabilitation laws and policies and works with courts and prison commanders 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 ethos 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, Gargaar Law Firm Advocates and Kalkaal Lawyers association.
- Legal education in Puntland: Puntland State University, Mogadishu University/law school Bosasso 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 (known as district 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 District Courts are lowest in the tier structure. The jurisdiction of the Appeal Courts covers only appeals from District 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 also being provided by UNDP where the MOJRAR signed an agreement with UNDP- accesses to justice Project under governance and rule of law programme.

CHAPTER 6:

THE SOCIAL SECTOR



A. POLICY CONTEXT

The social sector has undergone accelerated reforms to address the overall goal of the inclusive social development by perusing the attainment of the Millennium Development Goals (MDGs). Remarkable legislations and strategies were developed, approved and implemented. Some of the key legislations and strategies include but not limited to:

- Puntland education policy,
- Puntland education sector strategic plan,
- Puntland health policy framework,
- Puntland health act (law No. 6) ,
- Puntland Health Sector Strategic Plan,
- Puntland national drug policy,
- Hygiene and sanitation policy,
- Infant and young child feeding strategy,
- Puntland National Youth Policy, Puntland Gender policy

B. SITUATION ANALYSIS

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

The sector is an important pillar and it provides an overall framework for the social sector and the aim is to

- Achieve education for all
- Provide access to primary health care
- Reduce unemployment rate and
- Improve gender equality
- Promote social inclusion

IMPORTANCE OF THE SECTOR FOR THE PFYDP-2

The social sector weights 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 to more especially the Millennium Development Goals (MDGs), six of which are directly related to social sub sectors and most address determinants of the social; 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.

SUBSECTOR IN BRIEF

The social sector has different subsectors which are discussed strategically with all the stakeholders where each government institution has contributed their inputs into this sector strategic plan. The sub sector importance explanations 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 MDGs. One of the EFA goals obligates the government to expand and enhance comprehensive Early Childhood Education (ECE) programmes that are essential for basic education. Currently, there are no public early childhood centres and it is a priority for MoE establishing ECE centre in each village is vital.

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. Given that education is the main vehicle for

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

HEALTH

A health population contributes 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 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 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 60% of the total population and comprises large portion of the society they are still underrepresented politically and economically, at present there is one minister and three vice ministers out of the 60 cabinet members and 6.6% of the parliament seats are occupied by women which indicates less representation in policy-making it is also noticed that women accounts the largest in poverty and illiteracy (Interview with MOWFSA).

YOUTH AND SPORTS

According to recent study done by UNDP - Somalia Human Development Report 2012 the youth constitute 70% of the total population (Interview with MoLYS). 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 faces different obstacles, such as social exclusions in terms of decision making process, lack of empowerment this problem have blocked their transition to adulthood, increased poverty, social inequalities and gender discrimination and caused widespread unemployment. Youth exclusion is a classic example of structural violence and a serious violation of human rights and freedoms a brutal suppression of human development.

MAIN FINDINGS AND THEIR SIGNIFICANCE

- In the education field public service delivery remains a comparatively small function as a result of budgetary limits and this has resulted non-state actors to dominate the 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, high fertility and accidents is limited and 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 section of the society in terms of literacy, education, access to health, training, and employment.
- The women are underrepresented in the decision making process, they also account less in the government service, the military, and the police, and illiteracy is widespread problem.
- Absence of adequate employment strategies have exuberated the problems even further, leading to high unemployment which led to some youth to engage in criminal activities

In summing the underlying negative trends of the sector are as follows (MoE 2012):

- Spending on education is low at around 2.5% of The State budget for 2013.
- approximately 60% of communities are nomadic or semi in nature and do not benefit from formal public education services because of inadequate education services
- Puntland budget allocation to Health 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 labour youth and sports 80% of youth are unemployed and this issue is also another crippling factor for youth development

ACHIEVEMENTS⁶

- There are 613 primary schools served by 5093 teachers, 228 non-formal education centres served by 886 teachers, 62 secondary schools served by 463 teachers and 28 TVET centres;
- There are 8 universities and 6 colleges;
- There are also an unknown number of privately financed Quranic schools; and also national and international NGOs finance and manage most of the non-Quranic schools all over Puntland
- There is unified primary and secondary level curriculum
- There are five general hospitals, 62 MCH, 192 health posts and 11 referral health centres to serve for around 3.7 million people
- There are 1300 health providers working in the public sector in which 60% work for the government and remaining 40% for the private sector that are employed and paid by NGOs or the UN.

⁶ MoE (2012) and MoH (2013)

- There are 93 doctors who provide health services to an estimated three million people, 41 of them are employed by the Ministry of Health and also have private practices too, and remaining 52 are private doctors. This translates into just one doctor for 43,000 people.
- There are some 520 qualified nurses, two thirds working in public service.
- There are only 87 midwives, 57 in the public sector.
- Five hundred Community Health Workers provide a limited service in rural areas. The capacity to produce more trained health providers for the public sector is very constrained.
- There are 8 stadiums 4 multipurpose centres

CHALLENGES

- Limited access to primary level education mainly in rural areas
- Limited access to secondary education and higher education
- Limited access to TVET programmes
- Poor quality of education
- Poor health service delivery and practice of harmful medicine
- Shortage of qualified human resource
- Gender inequalities in socioeconomic, education and politics
- High unemployment rate among youth
- Limited sports and multipurpose facilities
- Inadequate budget allocation
- Inadequate health information

WAY FORWARD

<i>Social Sector Priority Matrix</i>				
Sector Priority	Relevant District Level Priority	Relevant State Level Thematic Priority Area	Relevant New Deal Priority	Relevant MDG
Ensure access and equity to education at all levels across Puntland	Expand primary and secondary schools in the district to accommodate more student and construct technical school for adult people in order to	Effective and Responsive Service Delivery	PSG 5: Priority 1;	MDG Goals. Achieve universal primary education and MDG Goal 1 eradicate

	secure jobs			extreme poverty
Enhance the quality of education	Hire qualified teachers and improve curriculums	Effective and Responsive Service Delivery	PSG 5: Priority 1;	
Ensure the delivery of public sector health services and improve access to quality essential health products	Rehabilitate and construct district hospital and TB centre and provide equipment and drug to current district health post	Effective and Responsive Service Delivery	PSG 5: Priority 1;	MDG Goals; Reduce child mortality rate, Improve maternal health, Combat HIV/AIDS, malaria and other diseases
Improve health care financing and information management		Effective and Responsive Service Delivery	PSG 5: Priority 1;	
Promote gender equity	Provide income generation grants to vulnerable women	Effective and Responsive Service Delivery	PSG 5: Priority 1;	MDG Goals Promote gender equity and empowerment
Improve livelihood of all vulnerable groups	Establish sustainable program on supporting the disable people and orphans as well IDPs	Effective and Responsive Service Delivery	PSG4: Priority 2	
Design youth employment scheme and Sports Program	Implement vocational training and micro-finance schemes to reduce unemployment and construct playground consist of football stadium, basketball community centre in the District	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth	PSG4: Priority 2	MDG Goals; Eradicate extreme poverty

OUTCOME 1: Access and equity to education at all levels improved

It addresses the achievement of universal primary education, secondary and provision of infrastructure. It also focuses the market driven employment skills and encouraging increase of enrolment of girls and provide scholarships.

OUTCOME 2: Quality of education at all level improved and science technology and innovation promoted.

It contributes to the development of education by increasing number teachers and integrating science into schools and enhancing education curriculum.

OUTCOME 3: Public sector health services and Quality of medicine improved.

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.

OUTCOME 4: Health care financing and information system improved.

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).

OUTCOME 5: Gender mainstreaming policies and programmes enhanced and women's development promoted.

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 recognise and acknowledge the various ways in which women make a contribution to the economy and indeed, the society as a whole.

OUTCOME 6: Livelihoods of all vulnerable groups improved.

It addresses the issues that directly affect the vulnerability such as improving the lives of vulnerable people and integration within the society.

OUTCOME 7: Youth Employment scheme and Sports Program designed.

It provides economic empowerment and reduce poverty and eradicate piracy and other crimes among youth; this 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 (see appendices for further details).

STRATEGIC FRAME WORK

SECTOR VISION

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

SECTOR 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.

CORE VALUE OF THE SECTOR

- 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 take into consideration in human rights, capacity building, Gender equality, HIV/AIDS, Khat, Environment, climate change and disaster management, Internally Displaced Persons (IDPs) Disability and Social inclusion.

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 THE STAKEHOLDERS:

Puntland Government agencies in this sector and their roles are as follows:

- MoE will lead in the field of education,
- MoH will lead in the field of health,

- MoLYS will lead in the field of sports and youth related issues
- MoWFSA will lead women and social affairs and

All other primary and secondary stakeholders will contribute to their respective subsectors lead agencies such as UN, INGO, and LNGO.

CHAPTER 7:

THE LIVELIHOODS SECTOR



A. POLICY CONTEXT

Livelihood sector is one of the key sectors in reducing poverty and improving the livelihoods of 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 the 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
- Agriculture Quarantine inspection laws passed by the parliament

- Puntland fisheries regulation passed by the parliament in 2010
- Natural Resource Management developed and approved 2012

B. SITUATION ANALYSIS

The Livelihoods (Productive) Sector is a vital sector to feed the increasingly population in the region. Therefore, it is necessary to develop and to invest in a full capacity of resources. It is also important to encourage investors to invest into the sector to improve the productivity of different Agriculture farms in Puntland state 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.

The Livelihoods 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.

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 Puntland State of Somalia and it remains an underutilized resource. In addition, there is an inadequate infrastructure and limited local and external markets.

AGRICULTURE (CROP-PRODUCTION)

Puntland has a very favourable 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 Bosasso are the main market for produce from the irrigated farms and rain-fed areas. Other farming produce 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 Sanag region. This indicates that Puntland has significant agriculture farmland.

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 Millennium Development Goals achievement.

ENVIRONMENT SUB-SECTOR

The Puntland State 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.

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 engage in economic activities and be more self-reliant 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.

FRANKINCENSE AND GUM

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 in exports and employment opportunities for 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 Nugal 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.

MAIN FINDINGS

- A major challenge that faces Puntland State 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
- The lives of the people of Puntland mainly depend on livestock
- Loss of animal livestock during drought periods
- 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)
- Major environmental problems are drought, the unplanned exploitation of natural resources, and excessive deforestation (for charcoal production) and more recently the Global Food Crisis.
- Absence of resource management policies and plans
- In the dry season, when food and water are scarce, the population lives with extremely limited nutrients and experience malnutrition, disease, and famine
- 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 arrangement 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 se exports (75 percent Maydi and 25 percent Beeyo) total about 400 tons (covering exports from Bosasso 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
- Ministries do not have much capacity to compete with the challenges that this sector is facing for a period of times

ACHIEVEMENTS

- Livestock quarantine centres constructed and recognized health certificates are issued prior to the import countries
- legislations on livestock, environment, agriculture 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 labourers during the fishing seasons.
- International Oil Firms started oil exploration in Puntland which will enhance the economy of the country

WAY FORWARD

Livelihoods Sector Priority Matrix				
Sectoral Priorities	Relevant State Level Thematic Priority Areas	Relevant District Priority	Relevant New Deal Priority	Relevant Millennium Development Goals (MDGs)
Animal health 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	-Eradicating Extreme Poverty and Hunger
Marine resource management promoted	-Effective and Responsive Service	-Illegal and unregulated international fishing in Puntland waters protected -Piracy activities in Puntland	PSG4; Priority 1	-Developing a Global Partnership for Development

	Delivery	eliminated -Fishing infrastructure constructed -Marine resource educational facilities developed		
Watershed management developed	Effective and Responsive Service Delivery	-Dams and water catchments constructed	PSG4; Priority 3	-Developing a Global Partnership for Development -Eradicating Extreme Poverty and Hunger
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	-Eradicating Extreme Poverty and Hunger
-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	-Ensuring environmental sustainability
-Wildlife and conserved marine ecology and biodiversity protected	Effective and Responsive Service Delivery	-Wildlife protection programme developed -Marine pollution protection programme developed	PSG4; Priority 3	-Ensuring environmental sustainability
-Adverse impact of the climate change and land deforestation reduced	-Accountable Governance - Effective and Responsive Service Delivery	-Early warning and protection programme for climate change and land deforestation designed and implemented	PSG4; Priority 3	-Ensuring environmental sustainability
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	-Developing a Global Partnership for Development

OUTCOME 1: Animal health enhanced

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.

OUTCOME 2: Marine resources management promoted

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: Watershed management developed

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: Local crop production increased

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.

OUTCOME 5: Water harvesting and conservation for environmental rehabilitation and drought resilience improved.

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 threatens the farming and agriculture outputs. In addition, this outcome brings to our attention that infrastructure is a key for the environmental issues as well as to preserve for the wildlife.

OUTCOME 6: Wildlife and conserved marine ecology and biodiversity protected

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: Adverse impact of the climate change and land deforestation reduced.

This outcome proposes to minimize the unfavourable 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 train professionals in the field of environment.

OUTCOME 8: Private sector business enabling environment promoted.

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, 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 both private entities as well as public interest in the business field.

A structure has been developed using a log frame approach to organize these areas and their critical strategies and provided a system of their effective monitoring and evaluation (see appendices for further details).

STRATEGIC FRAME WORK

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 livelihoods
- 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 programmes or projects that will be undertaken in the next five years.

ROLE OF THE STAKEHOLDERS AND LEADING INSTITUTIONS

The strategic framework for Livelihood Sector consists in 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.

SECTOR STRATEGIC FOCUS (ALL OUTPUTS):

1. Design disease control system
2. Improve rangeland and water management
3. improve animal products and environmental hygiene

4. employ qualified technical and professionals
5. diversify livestock export market
6. Protect illegal and unregulated international fishing in Puntland waters
7. Eliminate Piracy activities
8. Construct fishing infrastructure
9. Develop marine resource educational facilities.
10. Construct dams, boreholes and water catchments
11. Establish farms for crop production
12. Establish crop production outlets (markets)
13. Construct Watershed dams
14. Develop wildlife protection programme
15. Develop marine pollution protection programme
16. Develop early warning and protection programme for climate change and land deforestation
17. Develop Trade legislations
18. Improve public private partnership
19. Improve international trade and local production

CHAPTER 8:

THE INFRASTRUCTURE SECTOR



A. 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 Central Government body (Puntland level) created on December 2000 under the Presidential Decree of Law No.2, and approved by both Cabinet Ministries 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).

B. 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 are no paved runways at any airport in Puntland to date, only one tarmac road that connects Galkayo to Garowe and one functioning port with limited capacity and equipment. However, since the formation of 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 Five year Development Plan PFYDP-2 and without it all other sectors will be paralyzed.

To overcome and alleviate infrastructure limitations in Puntland, it is imperative to have strategic vision and roadmap for the coming five years. This strategic plan was developed through an extensive consultation with sector stakeholders; secondary data was also used, including review of existing literature and data from the infrastructure sector

SUBSECTORS IN BRIEF

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

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 (Bosasso airport in 1943, Galkayo in 1945), whereby these airports were primarily used by the colonialist for their civilian and military purposes (MoCA&A 5 year development 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 worldwide. In addition, improving the aviation infrastructure will definitely play a fundamental role and support the economic growth in Puntland.

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 Seafarers and the heart of the world's trade by offering maritime passageway.

Puntland has one of the active and major ports in Somalia namely Bosasso port that is used for both international and domestic freight movements. The majority of international freight travels through the ports of Dubai and Eden, Bosasso port is owned and run by 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 has under taken to 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 kilometres tarmac road that links Galkayo and Bosasso on the Gulf of Aden via Garowe. It is an important transportation route from the port of Bosasso to the population centres and a link in the exportation of livestock to the gulf countries as well as for imports in to Puntland. The road has, without doubt, been one of the main stabilizing factors that preserved the peace and economic infrastructures in Puntland.

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, and 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 water infrastructure sector. In Puntland, 4-5 main, privately owned Water Companies operate, providing water supply services to a part (15-20%) of the urban population in the main cities of Puntland, whilst villages, towns in the remote area and off road settlements have less developed means i.e. boreholes, shallow wells and springs.

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 the second in terms of consumption in total energy use, while electric power generation 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 Nugal, 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.

MAIN FINDINGS AND THEIR SIGNIFICANCE

- 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 ACHIEVEMENTS⁷

- A ministry was specifically assigned and mandated to control and run the aviation sector
- A standard terminal was constructed in Bosasso airport
- More than 80% of the livelihoods are derived from Bosasso port
- Bosasso Port generate a big bulk of Puntland Gov. Revenue
- Geographical advantage
- Administration and management structure in place
- Puntland has a functioning road authority with the basic required structure for programming and maintenance tasks.
- Law No 18 was passed to enact and improve Puntland road and transportation system.
- Established Strong Public private sector partnership
- Rehabilitation and construction of 350 shallow wells in Rural Areas
- Rehabilitation/Construction of Mini-water system in villages and Districts
- Data collection for Water Sources in Puntland
- New 15 boreholes was drilled
- Rehabilitated 200 shallows wells and more than 5 springs.
- Established 9 solar water systems
- Supported 9 water supply systems

KEY CHALLENGES

- Insufficient funding and financial limitations
- Acute lack of aviation equipment
- Poor institutional and staff capacity
- Only one functioning port in the entire region
- Port can only accommodate one big ship at a time, needs to be expanded to accommodate more ships.
- Port lacks basic equipment such as forklift, cranes and lifting equipment, it is rented from the private sector.
- Port needs to be standardized as per International Maritime Organization regulations for port facilities to attract more ships to call the port.
- No warehouse in Bosasso port.
- Port safety standards needs to be improved.
- 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

⁷ This data was collected from the respective institutions

- Financial constraints which cannot cover all the necessary periodic repair works, routine maintenance activities in Galkayo-Bosasso tarmac road and other feeder roads in Puntland.
- Insufficient funds to tackle the basic water and energy infrastructure needs.
- Inadequate water and energy equipment.
- No water and energy regulatory mechanisms in place.
- Very limited subject matter expertise in the water and energy sector.

Infrastructure Sector Priorities				
Priorities	Relevant Thematic Priority areas	Relevant District Priority	Relevant New Deal Priority	Relevant MDG Priority
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	Develop a global partnership for development
Development of Puntland civil aviation and airport policies	Accountable Governance	Improve regulatory policies.	PSG4:Priority 1	Develop a global partnership for development
Improve human Capacity	Effective and Responsive Service delivery.	Improve civil servant capacity.	PSG4:Priority 1	Develop a global partnership for development
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	Develop a global partnership for development
International Ship and Port Security (ISPS) Development.	Accountable Governance	N/A	PSG2:Priority 4	Develop a global partnership for development
Maritime Safety Development	Accountable Governance	N/A	PSG4:Priority 1	Develop a global partnership for development
Maritime Development.	Effective and Responsive Service delivery	N/A	PSG4:Priority 1	Develop a global partnership for development
Improve Tarmac road condition	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth	Rehabilitation of Galkayo-Bosaso Tarmac road	PSG4:Priority 1	Develop a global partnership for development
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	Develop a global partnership for development
Provision of heavy duty equipment	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth	Procurement of heavy equipment	PSG4:Priority 1	Develop a global partnership for development

Encourage public-private-Partnership initiative	Accountable Governance	engage Private sector in district development programs	PSG4:Priority 1	Develop a global partnership for development
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	Develop a global partnership for development
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	Develop a global partnership for development
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	Develop a global partnership for development
Provision of modern drilling rigs	Effective and Responsive Service delivery	N/A	PSG4:Priority 1	Develop a global partnership for development
Introduce solar and wind energy in all Puntland to reduce the reliability of Diesel Engines	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth	N/A	PSG4:Priority 1	Develop a global partnership for development

OUTCOME 1: Air and Road Transportation service enhanced

The air and road transportation section are the two most important parts of Puntland infrastructure needs. Developing these two sections not only improves the economic foundations in Puntland, but creates more jobs and improves the standard of living in the entire region. 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: Port infrastructure and shipping services promoted

This strategic planning places a high priority to the improvement of port infrastructure in Puntland through the expansion of Bosasso port and construction of at least 5 jetties. Bosasso 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 reduced

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.

OUTCOME 4: Availability of essential heavy duty equipment increased

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: Alternative Source of Energy promoted

As we are planning the energy strategy in Puntland, much emphasis should be placed on heavy use of firewood and charcoal production which is of great concern due to the impact that it is having on deforestation. This means that immediate steps are required to reduce reliance on fuel source 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.

OUTCOME 6: Human resource capacity enhanced

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 labor and work in Puntland.

OUTCOME 7: Establishing Institutional Policies & Regulations

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.

STRATEGIC FRAMEWORK

VISION

By 2018, Puntland critical infrastructure is remarkably improved, contributes to economic growth and becomes 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

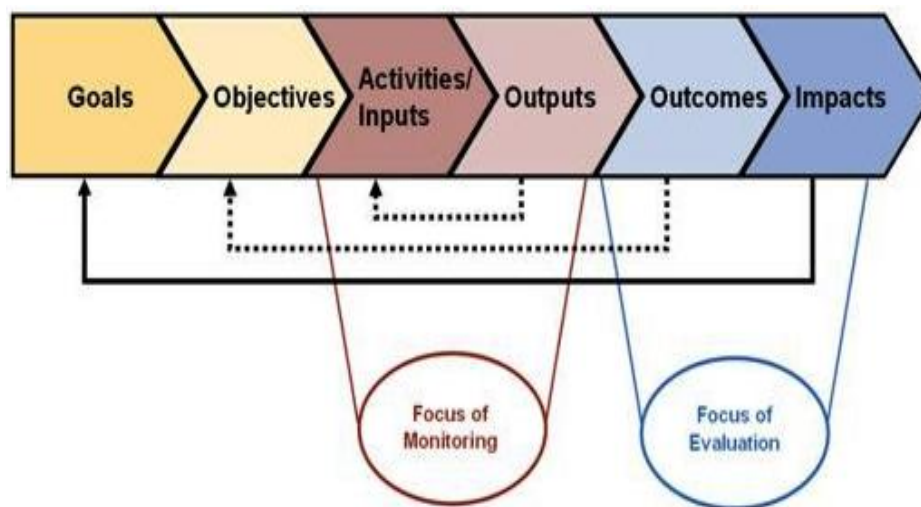
- Rehabilitate the primary tarmac road that connects major towns in Puntland
- Construction/Rehabilitation of feeder roads to improve accessibility to productive areas i.e. livestock hubs and coastal area
- Improve basic airport and air navigation infrastructure throughout Puntland i.e. major airports and airstrips
- 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
- Raining water is utilised
- 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 professional introduced.
- Civil Servant Commission empowered

ROLE OF THE STAKEHOLDERS

Ministry of Public Works and Transport (MoPW&T) is the lead Gov. agency for the infrastructure sector, it is responsible to oversee and assign 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 are primary stakeholders and ministry of ports that are significantly contributing to this sector.

CHAPTER 9:

MONITORING AND EVALUATION



THE NEED FOR AN EFFECTIVE MONITORING AND EVALUATION SYSTEM

The Puntland Five Year Development Plan (PFYDP-2) of Puntland Government of Somalia has monitoring and evaluation (M&E) mechanism for tracking achievement. M&E is an essential ingredient of any program, large or small. It can tell us whether a program is making a difference and for whom; it can identify program areas that are on target or aspects of a program that need to be adjusted or replaced. Stakeholders also can make better decisions through the M&E data collected.

The M&E on PFYDP-2 of Puntland is a great public supervision tool that can be used to enhance performance through feedback and rectification. It's a methodical collection of data to measure, demonstrate and report on execution intended in achieving expected results. It has all the essential components of any initiative to know whether the proposal plan is being implemented as planned, and to know that it is having its intended impact. In addition, effective monitoring targets and goals are important for tracking achievements, facilitating on course correction and providing policy inputs.

The overall purpose of M&E is measurement and assessment of performance. Monitoring is a continuous function that aims to provide early indication of progress or lack of it thereof in the achievement of results. Evaluation is a selective exercise that attempts to systematically assess progress towards the achievement of outcomes.

Prerequisites for a Monitoring & Evaluation

1. Strong National Bureau of Statistics
2. Strong political will and ownership
3. Feasible design
4. Cost effectiveness

5. Must be demand driven
6. Institutional capacity and resource support (financial and manpower) technical and managerial
7. Effective inter-Ministerial cooperation
8. Standardization and coordination

Based on the above considerations a proposal should be made to enable MOPIC coordinate the M&E function in collaboration with other agencies.

MOPIC should have monitoring and evaluation priorities, a shared commitment, accountability, and approaches aim for improved development results in Puntland. This is essential for in progress management decision-making to shape future strategy and action. A comprehensive M&E plan should be in place by other Puntland institutions from the start and in relation to each indicator for implementation. Programs and projects delivered by Puntland institutions have to identify priorities and matrix results that obtain baseline, milestones, target, means of verification, and assumptions on which stakeholders can monitor and evaluate.

PUNTLAND MONITORING AND EVALUATION COMMITTEE (PMEC)

The PMEC will be set up to undertake thematic, policy and program M&E, decision making and the provision of information regarding national developmental activities. The PMEC will be the steering committee and will be made up of a committee of all Director Generals of all Ministries chaired by General Director of MOPIC. The DG of Ministry of Finance shall vice-chair this committee. The technical arm of this committee shall comprise of the Director of Planning in the ministries. The PMEC will coordinate the activities of both the MMECs and PDMECs.

PLANNING AND COORDINATION UNIT (PCU)

Planning and Coordination Unit (PCU) in MOPIC will act as the secretariat of the technical committee and will coordinate the analysis, reporting and evaluation of the outputs of various ministries, regions and local authorities at District level. To be effective, the Unit under the direction of the PMEC will have the capacity and mandate to ensure compliance.

For the monitoring side, the committee shall clarifies PFYDP-2 program objectives, link activities and their resources to objectives, translates objectives into performance indicators and set target, routinely collects data on these indicators, compares actual results with targets, and reports progress to MOPIC. And for the evaluation prospective, the committee shall analyses why intended PFYDP-2 results were or were not achieved, assesses specific casual contributions of activities to results, explores implementation process, explores unintended results, highlights accomplishments or program potential, provides lessons learned, and /or offers recommendations for improvement.

THE IMPLEMENTATION PLAN FOR MONITORING AND EVALUATION

The M&E implementation guidelines and priorities are shared commitment, accountability, and approaches aim for improved development results which are essential for in progress management decision making to shape future strategy and action. It's a comprehensive guideline that needs to be in place by MOPIC from the start and in relation to each indicator for implementation.

Programs and projects delivered by Puntland institutions have to identify sector priorities and matrix results that obtain baseline, milestones, target, means of verification, and assumptions on which are measurable by stakeholders. Such matrix result system should also identifies performance indicators, which are measured quantitatively or qualitatively or has variables that provide a simple and reliable means to verify change, measure, achievement, and document performance. Indicators, in addition, should provide verifiable standards that are vital for the monitoring of progress and the tracking of actual results against the starting situation (e.g. the baseline), periodic milestones, and sector strategic plan targets. Such notion is to have the foundation of the M&E systems cooperation, which sets the stage for proper assessment and reporting of achievements as well as ensures transparency and accountability for results. And finally M&E for state level should harmonize and integrated with other ministerial Monitoring and evaluation mechanism.

IMPLEMENTATION ARRANGEMENTS

Adequate resources must be made available in time, the physical and financial targets must be achieved within the cost and time parameters, the sustainability of investments must be ensured, and developments need to be monitored and impacts evaluated. Effective monitoring and evaluation (M&E) would act as a potential tool for tracking the implementation process; the results will be used for on-course correction and as inputs for further policy formulation and development. The resources and funding requirements of M&E teams and committees will be allocated from the program budgets.

M&E FRAMEWORK

The frameworks explains the rationale for conducting M&E and provide a foundation for identifying data needs; for organizing the range of M&E activities that need to be undertaken; and, for describing the responsibilities of those conducting M&E at ministries levels of the national plan system. An important first step in M&E is to clearly describe the program of interest. A Program Logic Model can be used to describe the main elements of a program and how these work together to reach the program's goals. This framework facilitates the planning and execution of the program, but also helps setting priorities for M&E. Its data should be collected with the intention of being used; this is often referred to as the utilization-focused approach in M&E.

Furthermore, the primary use of M&E data is for program improvement; some of these data will also be used to satisfy accountability purposes and to share information and lessons learned for broader public use. Typically, the types of data needed are: inputs required for implementing the program's activities, describing the activities

themselves, and their outputs (i.e., immediate effects). For some of the programs, these outputs are then intended to lead to outcomes (i.e., intermediate effects) that in turn are intended to lead to impacts (i.e. long-term effects).

These data are gathered through routine monitoring and/or evaluation studies linked to a specific program or to the overall plan response. Not all programs need to conduct all types of M&E activities that may be part of the national plan M&E system. First, the extent and cost of M&E activities should be commensurate to the size, reach, and cost of the program. Second, not all M&E activities are appropriate for a program or the stage of development at which the program happens to be at a given time. However, all programs are expected to conduct input and output monitoring, and most programs should also conduct some process evaluations, including quality assessments. Only some programs will be able to conduct outcome monitoring and rigorous outcome evaluations. Only in a few situations would impact evaluation be warranted and impact is the responsibility of the national level. The need for an efficient M&E policy framework on ministry level is necessary for factors include to accountability, better planning, relevance, efficiency, effectiveness, result oriented, and sustainability.

Monitoring and Evaluation tables consist of number of annexes including the results matrix (indicators, baselines, targets, means of verification, and Assumptions) and budget breakdown which further describes Linking Sector Programme to Thematic Priority Areas tables, Linking Budget Programmes Medium Term Expenditure Framework to Sector Activities and Costs tables , and Annualised budget tables. One of the responsibilities for MoPIC is to ensure changes in conditions upon completion.

ANNEXES

ANNEX 1: THE RESULTS MATRIX

GOVERNANCE SECTOR

SSP Results	Indicators	Baselines	Targets	Means of Verification	Assumptions
Outcome 1: 1. Government Institutions Capacity promoted	Government institutions functions and mandates clarified and implemented.	28 Government Institutions	28 Government Institutions	Approved Mandates and structures in place.	Political will is there with government institutions collaboration
Outputs 1. Human resource capacity improved	No. of government employees trained	N/A	All trainable employees trained	Training Needs Assessment Conducted and trainable employees identified	Collaboration from the government institutions and civil service reform strategy approved by the cabinet
Output 2. Merit based recruitment system adopted.	No. of policies/laws developed	N/A	Human Resource Management system established	Policies, laws, regulations, procedures approved and adopted	Qualified competent labour available in the market
Output 3. Government institutions right sized	No. of institutions right sized	28 Government Institutions	28 Government Institutions	Approved structures and payrolls	Political will and reform programme availability
Output 4. Parliament capacity improved	No. of laws approved	Approved laws available	legislations passes and monitoring reports on oversight produced and representation and outreach mechanism developed	No. of legislations passes, oversight reports produced and representation and outreach mechanisms	Government willing to provide support to the parliament to deliver their functions
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	Collaboration from the government institutions and the community at large.
Outcome 2 : 1. Service delivery decentralized and improved.	Decentralization Reform Strategy Approved	Centralized service delivery	Decentralized service Delivery	Transition plan for decentralization developed and implemented	Capacity of districts need to be improved
Outputs Output 1. Districts development plans developed.	No. of district plans completed	4 districts	37 districts	District development plans/consultation reports	Districts are aligned with state development plans.
Output 2. Synergies between district and state level plans strengthened.	District plans linked to sector priorities and national priorities	37 districts	37 districts	Districts' plans	Strong planning units in municipalities

Output 3. Fair and Transparent Elections sponsored	% of regions elections taken place	8 regions	8 regions	Elected councillors, parliamentarians and president	New phenomena to the people may result resistance
Outcome 3 Public Finance Management restructured and strengthened	Public Sector Reform Strategy developed and approved	Outdated public finance system	Accountable and transparent public finance management	Strategy approved and implemented	Political will and donor willing to support
Outputs: 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 and presentation	Accountability is improved
Output 2. Budget preparation and execution increased	Participatory annual budget preparation.	People are not consulted	Consult with all stakeholders	Public debate, budget presentation and dissemination	Political will and resource distribution
Output 3. Procurement system established	% of government institutions using the government procurement system	N/A	Functioning procurement system	Procurement sessions for the government institutions, procurement manual	Political will on transparency and accountability
Output 4. Auditing and Reporting improved	% of government institutions audited	Weak reporting system	Professional reports	Audit reports published	Resistance from government institutions
Output 5. Taxation system reviewed and updated	% of laws/policies reviewed, updated and adapted	Outdated system	modernized taxation system	Tax education programmes held, systems established, legislations completed	Government willing to review and improve public finance
Output 6. Banking system strengthened	% of laws/policies reviewed, updated and adapted	Outdated system	Modernized banking system	Banking legislation approved and adopted	Government willing to review and improve public finance
Outcome 4 Civil Society and Media Institutions capacity enhanced	No. of registered Civil society institutions	N/A	Organized and capable Civil Society Organizations	Organized Forums, level of participation etc.	Government acceptance of constructive criticism
Output Output 1. Civil Society and media organizations capacity improved	% of Civil Society and media Institutions trained	N/A	100 organizations	Training Materials, capacity assessment report, Training Needs Assessment (TNA)	Acceptance and Collaboration between CSOs and the government
Outcome 5 • ICT infrastructure employed across all government institutions to increase the efficiency and transparency.	No. of government institutions utilizing the Information Technology	N/A	28 government institutions	Government Institutions	Government is willing to use IT equipment
Output 1. ICT programme for all the government institutions developed	% of government institutions with minimum ICT equipment	N/A	28 Government Institutions	Number of staff trained on IT with the number of equipment available in each institution	

SECURITY SECTOR

Expected Outcome	Indicators	Baseline2013	Target 2018	Means of Verification	Assumption
OUTCOME 1: Puntland security institutions are established, equipped, built capacity, and reformed through well organized, well trained, and motivated security forces. OUTPUT 1 Human resources capacity of all security institutions are operational everywhere in Puntland. OUTPUT 2 All stations are established and fully functional for all six security forces.	Number of security forces' skills developed and Implemented.	All security forces need to be trained	80% of all security forces are using their skills everywhere in Puntland	Government reports and Existence of the Security Forces service delivery in all districts.	Security sub-sectors has greater expectations to receive fund development budget from all international community; such as UN Agencies and INGOs
	Number of stations, sub-stations restructured and reformed.	All 49 existing Police Stations need full reform. All existed Police Stations are not fully operational.	66 stations in all Districts plus 41 sub-stations will be operational	New stations and sub-stations that established and operated. Reports from the security forces and relevant institution	Reformed Security forces using their new skills reduced crimes, conflicts, piracy, and Terrorism. All stations in the district are functional.
OUTCOME 2 Community Policing OUTPUT 1 Community Policing law passed by the Puntland parliament and enforced. OUTPUT 2.2 Community Policing Program designed.	Adoption & enforcement of the law.	No law enforcement mechanisms in 40 cities	70% increase of the cities abiding the law	Official Publications and reports of its effectiveness	UNDP has been allocated enough funding to the implementation of the program. Adoption of the law enhanced safety and stability.
	Number of volunteers and community police trained and actively working with the security forces.	No law enforcement mechanisms in 40 cities	70% increase of the number of cities and communities united and participated in community policing.	Government reports & program reports	Confidence between communities and security forces were improved and received more calls that prevented crimes

	<ul style="list-style-type: none"> Number of communities that fully incorporated the program of the Community Policing. 	<ul style="list-style-type: none"> Community policing program in 40 cities are not fully functional 	70% increase of cities and villages performed the community policing program and fully functional.		
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Expected Outcome	Indicators	Baseline2013	Target 2018	Means of verification	Assumption
OUTCOME 3 Hostility and conflict reduced and traditional values are restored and revitalized. Output 1 Elderly involvement of solving conflicts encouraged and accepted Output 2 Youth at risk demobilized and rehabilitated	Number of disputes and conflicts within clans. Number of disputes and conflicts solved through elders mediation. Number of agreements signed. Number of demobilized youth	50% of the conflicts resolved. More than $\frac{1}{5}$ of the conflicts are successfully solved by the elders. More than $\frac{1}{5}$ of the agreements signed is fulfilled. Around 2,000 Puntland armed youth and 3,771 ex-combatants need to be demobilized.	75% of the communities are in peace and harmony. $\frac{3}{4}$ of disputes are resolved. $\frac{3}{4}$ of agreements are fulfilled. More than 2,000 Puntland armed youth and more than 3,771 ex-combatants trained and demobilized.	Academic studies and statistics made from all districts. Government reports, civil society reports and media reports. Government reports, civil society reports and media reports. Government reports; implementing partner's reports.	Security sub-sectors has greater expectations to receive fund development budget from all international community; such as UN Agencies and INGOs. Peace and harmony between communities. <ul style="list-style-type: none"> International funding increase. Communities becoming aware of managing their affairs Elder involvement reduced conflicts UNDP has been allocated enough funding to the implementation of the program.

OUTCOME 4 Counter terrorism operations are strengthened and improved. Output 1 <ul style="list-style-type: none"> Strong counter terrorism law of Puntland updated and endorsed Harbouring murders and criminals reduced 	<ul style="list-style-type: none"> Counter terrorism law Number of clan groups harbouring criminals. 	<ul style="list-style-type: none"> Only 40% of the counter terrorism law is enforced 75% criminals and murders found in their clan group's shelter. 	<ul style="list-style-type: none"> 70% of comprehensive law of counter terrorism is adapted and enforced. 75% of clan groups realized the consequences of harbouring criminals. 	Government reports and publications reports.	Security sub-sectors has greater expectations to receive fund development budget from all international community; such as UN Agencies and INGOs. Adoption of the Counter Terrorism law reduced terrorism, killings, suicide bombs, and harbouring criminals. Security sub-sectors has greater expectations to receive fund development budget from all international community; such as UN Agencies and INGOs Registration and control of weapons reduced crimes and conflicts and enhanced security and stability.
	Output 2 <ul style="list-style-type: none"> 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. Output 3 <ul style="list-style-type: none"> Database for small arms and light weapon registration have established and put in operation across Puntland 	<ul style="list-style-type: none"> Number of planned missions detected. Number of killings and suicide bombs reduced. Number of arms and weapon owners registered Number armoured vehicles restored Number of established and operated database unit offices. 	<ul style="list-style-type: none"> At least 50% of all terrorizing missions are noticed. Security forces activities reduced 50% of killings and suicide bombs. Less than 1% of Puntlanders are registered Around 350 armoured vehicles are in the civilian hands No operational Database. 	<ul style="list-style-type: none"> 75% of the terrorizing missions prevented 75% of killings and suicide bombs reduced. 80% are registered in all regions, districts and communities 80% of heavy weapons and armoured vehicles are in government control. Database units established and operational in all districts. 	Government report; media reports. Data-base reports Data-base reports

Expected Outcome	Indicators	Baseline2013	Target 2018	Means of verification	Assumption
OUTCOME 5	Number of Functional Teams for all areas	One team	Six regional teams are functioning	Demining reports from INGO: Danish Demining Group DDG	Adequate funds from international community are highly expected.
Mine-action program reduced deaths and cleared mines from all Puntland territory and the UXO items are cleared from Puntland territory.	<ul style="list-style-type: none"> Number of victims of mine explosion. 	<ul style="list-style-type: none"> 16 deaths in a year 	<ul style="list-style-type: none"> Less than 5 deaths in a year. 	Demining reports from INGO: Danish Demining Group DDG	Trained teams and clearing mines reduced amputees
Output 1	<ul style="list-style-type: none"> Number of roads and areas cleared 	<ul style="list-style-type: none"> Six roads and ten rural areas and villages are cleared. 	<ul style="list-style-type: none"> All Puntland districts are free from mines. 		Adequate funds from international community are highly expected.
All demining teams are trained and equipped.	<ul style="list-style-type: none"> Number communities, villages, and rural land assessed 	<ul style="list-style-type: none"> Few urban villages and rural sites assessed. 	<ul style="list-style-type: none"> 1545 urban villages and 95 rural sites assessed. 		
<ul style="list-style-type: none"> The deaths and injuries caused by mines are reduced. Mine areas are cleared 	<ul style="list-style-type: none"> Number of UXO's items collected 	<ul style="list-style-type: none"> Few items collected. 	<ul style="list-style-type: none"> 3,000 – 4,500 UXO items kept in a safe place. 		UXO kept in a safe place reduced mine accidents.
Output 2					
<ul style="list-style-type: none"> UXO's in the communities both urban and rural eliminated. 					

Expected Outcome	Indicators	Baseline 2013	Target 2018	Means of verification	Assumption
OUTCOME 6 Puntland immigration service delivery in all borders: ports, airports and land improved and counter Human trafficking and smuggling initiatives are improved Output 1 All immigration check points, seaports, airports, land borders are fully equipped and Puntland immigration database of travellers and passengers is interconnected and functional	Number of check points functional and has scanning systems (Passport Readers, Finger Print device etc.)	All borders and check points need modern equipment	All check points are equipped and immigration system is fully functional.	Government reports;	The expectation of International funding is very high. Equipping all border check points helped control of Puntland immigration
	The quality of the operational database of Puntland immigration	No database exist	Good quality of international standard immigration database established	Government reports;	The expectation of International funding is very high. Criminals can easily be detected.
Output 2 Puntland human trafficking law is adopted and enforced. Output 3 Human trafficking practices eradicated	Puntland immigration law.	The drafting of the Puntland immigration law is not processed.	Immigration law passed and enforced in all border check points	Government reports;	The expectation of International funding is very high.
	Number of human trafficking reduced.	25 – 30 cases reported per year.	Less than 5 cases reported per year.	Government reports;	The expectation of International funding is very high. Border check points and enforcing the law reduced human trafficking.

Expected Outcome/Output	Indicators	Baselines	Targets	Means of Verification	Assumptions
Outcome 1: Judiciary systems and processors enhanced	Number of reformed laws applied	Few laws (30%) reformed	Effective application of reformed laws in place	Reports on how the reformed laws effectively applied at different levels	If laws and policies are reformed, there would be an effective application of laws
Output 1: Penal code and criminal procedures amended	Number of amended penal code and criminal procedures in place	No amended penal code and criminal procedures	Number of amendments made by Puntland parliament	Reports on the progress made of amended penal and criminal procedures	If the Penal Code and Criminal procedures are amended, offences would decrease
Output 2: Justice institutions including religious policies restructured	Number of sector institutions restructured	10% of sector institutions restructured	45% of sector institutions restructured	Reports by the Puntland government	If the Justice institutions are restructured there would be a smooth delivery of justice
Output 3: Islamic, Formal and customary (XEER) laws coordinated/aligned	% of the coordinated/aligned laws	Lack of alignment between the three laws	Effective and aligned legal system in place	Surveys conducted on the quality of justice services delivery by parliament	If laws aligned/coordinated, there would be a smooth delivery of justice
Outcome 2: Sector Human Resources Such as MoJRAR Staff, Judges, PCC, Prosecutors and Lawyers Professionalized	Number of sector staff improved their legal capacity. % of the professionals retained in the sector	Limited number of qualified professionals	Capacity of sector staff developed, remuneration and retention system designed	Reports on sector development conducted	If the capacity of sector staff developed there would be better skilled professionals
Output 1: Judges, Prosecutors, lawyers, court registrars trained.	Number of special trainings provided for all sector professionals	Over 50% trained legal professionals	75% increase of trainings provided for all legal professional	Reported on how much the performance of Legal professionals improved after trainings	If sector professionals trained, there would be a smooth delivery of justice
Output 2: Judicial Training Centre established.	Number of legal professionals got trained in the judicial centre	No Judicial Training Centre	3 more Judicial Training Centres established	Data collected on training needs of legal professionals	If judicial training centres established, it will increase the number of qualified professionals
Output 3: Number of PCCs staff increased, equipped, and trained of special skills.	Number of PCC staff trained of special skills	There are only 774 PCCs in Puntland	Number of trained PCCs in service increased to 2000	Programme reports on PCC personnel provided with the necessary competencies	If PCC trained with necessary skills, they would be in a better position to train prisoners with skills and guide them on behavioural change
Output 4: The courts, office of attorney general, and MoJRAR rehabilitated and constructed.	Number of sector institutions improved	There are no law enforcement mechanism in 20 districts	10 courts and prisons rehabilitated and constructed	Reports by the government	If the Justice infrastructures constructed/rehabilitated, there would be a smooth delivery of justice
Outcome 3: Access to	Justice services brought	Limited access to justice	Lawyers and defenders present in all	Surveys conducted on the	If justice services brought closer to all there

Justice Enhanced	closer to all		districts	quality and quantity of justice services delivery	would an increase of access to justice
Output 1: Courts including mobile courts expanded in all districts.	Number of courts including mobile courts at district level	There are 19 first instance courts	Courts including mobile ones available in all 39 districts in Puntland	Reports on the expansion of courts across Puntland	If justice services brought closer to all there would be an increase of access to justice
Output 2: Legal Aid and Office of the Public Defender strengthened.	Number of services provided particularly for vulnerable groups.	1 legal aid centre and 1 Public Defender's Office with low capacity	Legal aid providers strengthened with 8 more centres	Data collected on needs of legal aid services	If the number of legal aid providers increased, there would be an increase of access to justice
Output 3: Inspection of courts by the High Judiciary Council conducted	Number of inspections conducted,	No effective inspections by the High Judiciary Council	Inspections by the High Judiciary Council enhanced at regional levels	Reports on how much the quality of services improved the justice delivery	If justice services brought closer to all there would an increase of access to justice
Output 4: Alternative Dispute Resolution systems and justice for children improved	Number of cases negotiated and resolved in the ADR mechanism	No effective Alternative Dispute Resolution system	System of Alternative Dispute Resolution and justice for children enhanced	Surveys on the quality and quantity of justice services delivery by ADR mechanism	With the effective application of laws crimes would decrease
Outcome 4: Legal Education Improved	Number of legal practitioners in the justice sector increased	There are 3 law Faculties in Puntland that produced only 23 law graduates including 7 female in 2012.	50% increase of Law graduates	Data collected on legal education	If legal education is improved there would be an enhanced delivery of justice
Output 1: Law Schools capacity enhanced	Resource library established. Experienced legal professionals recruited.	Low capacity law schools	75% increase of Enrolment in the law faculties	follow up surveys on employment of graduates Conducted	When law schools are advanced there would be a smooth delivery of justice
Output2: Internship program and PUWLA capacity improved.	Number of skilled and competent legal professionals in the sector	No Legal Aid Clinic, inefficient internship program	Effective system of recruitment established that will contribute to 85% increase in skills and capacities of law graduates	Surveys on the quality and quantity of justice services delivery	If Legal Aid Clinic established, capacities of law graduates would improve delivery of justice
Output 3: Law Graduates recruited under justice sector based on equal opportunities	Number of female students enrolled and graduated with required skills. Number of female legal professionals recruited and retained in the justice sector	Only five male graduates in the justice sector. No female prosecutor or court support staff currently serving.	50% increase of qualified female professionals such as judges, prosecutors in the justice sector	Data collected on enrolment and recruitment based on equal opportunities	If legal education is improved there would be an enhanced delivery of justice
Outcome 5: Human Rights situation Improved	Human rights protected as enshrined in the constitution. Number of reported human rights abuses	The constitution of Puntland guarantees the protection and promotion of fundamental human rights	Appropriate laws for enforcement passed.	Annual reports by the government on human rights situation	If Human Rights Commission Act implemented, human rights violations would be monitored and reduced
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	Annual reports by the government on human rights situation	If Human Rights Commission Act implemented, human rights violations would be monitored and reduced

			monitoring		
Output 2: Human Rights Commission established	Number of human rights violations monitored by HRC	No Human Rights Commission	Implementing the Human Rights Commission Act	Reports on how much human rights situation improved after Human Rights Commission established	If Human Rights Commission Act implemented, human rights violations would be monitored and reduced
Output 3: Fundamental rights specially child protection promoted	% of protected human rights	Low public awareness on Fundamental human rights	"know your rights" awareness at all levels ensured	Researched and reported of limitations on basic human rights	If Human Rights Commission Act implemented, human rights violations would be monitored and reduced
Outcome 6: Prison Services and Social Rehabilitation Enhanced	Number of prison officers trained on legal procedures and human rights	Overcrowded prisons	Prison officers monitored in legal procedures and human rights at every prison	Reports on offenders' rights	If prison officers monitored on legal procedures, there would be an enhanced delivery of justice for persons in custody
Output 1: Prisons rehabilitated and constructed	Number of prisons constructed at district level	There are 4 Main prisons	8 district and 2 regional prisons constructed/rehabilitated	Surveys on the quality and quantity of prisons	If prisons constructed/rehabilitated there would be an enhanced delivery of justice
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	If prisons constructed/rehabilitated there would be an enhanced delivery of justice
Output 3: Prison justice services including probation and parole delivered.	% enhancement of prison justice delivery	There is limited justice services for prisoners	Enhanced prison services including probation and parole	Reports on how much the quality of prison services improved	With the effective application of laws, crimes would decrease
Output 4: Prisoners rehabilitated	Number of ex-offenders rehabilitated after serving sentences. Training and forums on rehabilitation conducted for prisoners	Limited social rehabilitation programmes for prisoners	Prisoners' skills and chances of successful reintegration to society after release improved	Reports on the ex-prisoners' reintegration into society after release	If prisoners trained on skills and offered necessary social rehabilitation, chances of reintegrating to society would improve

SOCIAL SECTOR

Expected Outcome/Output	Indicator	Baseline	Target	Means of Verification	Assumptions
Outcome1: Access and equity to education at all level improved 1. Access of primary education including early childhood education enhanced	% of primary school aged children enrolled and % of girls enrolled No. of primary schools built and fully functioning No. of early childhood schools constructed with full capacity	44% of primary school aged children are enrolled out of which 43.5% are girls, 613 primary school are in place and there are no early childhood schools	At least 84% of school aged children have got access to primary schools and again 50% of them are girls	MoE reports, Survey's publications	Government funding of primary education and donor support increased
2. Access and equity in secondary education enhanced	% of students getting to secondary education including % girls and No. of schools built and rehabilitated	There are 11,979 students enrolled in secondary schools, of which 70.4% are male and 29.6% are female students. At present there is no enough school facilities which meets the demand of growing enrolments	85% of primary levers are enrolled in secondary schools and 50% of them are girls	MoE official documents and publications	Families are willing to send their girls in to secondary schools
3. Access to higher education improved	No. of state owned universities constructed and No. of students getting enrolled in universities	There are 4,058 students enrolled in the 8 universities, of whom 3,286 (81%) are male, and only 771 (19%) are female. The 6 colleges currently enrolment 1,260 students of whom 970 (77%) are male and 290 (23%) female	At least 75% of secondary leavers get access to hire education and 50% of them are girls	Survey, reports, and publication	Higher Education development funding increased
4. TVET programmes are enhanced	No. of poly technical schools functioning	There are 4 Institute Based Vocational Training Centres and nearly 24 training centres	At least the 4 IBVTC are upgraded to upgraded to poly technical school	Periodic reports, surveys publication of MOE	Support of TVET programmes increased
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	Communities are willing to participate in literacy programme
Strategic objective: Improve quality of education at all level and promote science and technology in education					
Outcome2: Quality of education at all level improved and science technology and innovation promoted 1. Capacities of the teaching staff developed	% of teachers received appropriate trainings	Teacher receive inadequate trainings to serve for primary, secondary and non-formal education	50% of teachers receive trainings and development	MoE reports, publications	Funding of government and donors increased
2. Lower and higher education curriculum reviewed	Primary and secondary curriculum reviewed and higher education curriculum developed	There are formal and non-formal education curriculum	All formal and non-formal education curriculum is review each year	MoE reports, publications	Expertise are hired and retained
3. Science and technology are integrated in to education curriculum	No. of secondary school with science laboratory and ICT equipment	Currently the science and technology in education are minimal	At least 60 secondary schools have science labs and ICT equipment	MoE reports, publications	Use of technology encouraged

Strategic objective : Revitalize health infrastructure and strengthen health service delivery					
Outcome3: Public sector health services and Quality of medicine improved 1. Access of health services across Puntland improved	% of people got access of health service	30% of the Puntland population has access to health services	75% of population got access to primary health care across Puntland	Puntland government reports, publications programme reports	Government budget allocation to health sector increased and donor support maintained
2. Health facility and infrastructures are improved	No. of tertiary hospitals, referral health centres, health centres primary health units rehabilitated equipped and constructed	290 health providers including tertiary hospitals, referral health centres, health centre and primary health units are	40% increase of health facilities	MoH reports publications and surveys	
3. The quality and safety of medicines and consumables improved	% of sub-standard drugs identified No. of wholesalers certified	There is no quality assurance system and medicine sellers are unregulated	At least 80% of medicine are controlled and 80% medicine traders are certified	Evaluation surveys, programme reports.	Government quality control system is functioning
Strategic objective : Develop equitable health care financing and information system					
Outcome4: Health care financing and information system improved 1. Government health care financing enhanced	% of total budget allocation to health services	Less than 3% are allocated to health sector	12% increase of budget allocation for health sector		Government budget allocation increased
2. Health information improved	No. data consistently collected from health information units in districts and regions	There is health information system	At least 80% of health information are consistently collected and reported	Evaluation Surveys, Programme reports.	Community support maintained
Strategic objective : Promote gender equity					
Outcome5: Gender mainstreaming policies and programmes enhanced and women's development promoted 1. Gender sensitive plans, policies, programmes and laws in place	% women representation at all level in government and private sectors	Less than 10% of women are in government offices	40% increase of women in government offices and private sector	Puntland government reports,	Support of government maintained
2. Gender responsive budgeting promoted	% of total budget allocation to women development programmes	Less than 1% of total budget is allocated for women development	15% Increase of budget allocation for women development	publications and programme reports	Government budget for gender development increased
3. Women enterprise funds established	No. of women who got alternative financial services	There is no financial services available for women	At least 5000 poor women got access to financial services	Reports, surveys and publications	Women development funding increased
Strategic objective : Institute socioeconomic empowerment programmes for all vulnerable groups					
Outcome6: Livelihood of all vulnerable groups improved	No. of disabled and orphanage centres	There are limited orphanage and	At least 8 orphanage centres and 8 disability are built across Puntland	Puntland government reports,	Support of local communities and development partners maintained

1. Disability centres and orphanage centres are established	constructed	disability centres		publications and programme reports	
2. Social integration of young disabled people improved	No. of disabled persons who have been educated, employed and integrated within the society	There are limited programs tailored for social inclusion	1000 of disabled persons have got access to trainings and job markets		
3. Internally displaced people are integrated with host communities	No. of IDPs integrated with the in the society	There are ... of IDPs camps across Puntland	At least 10,000 IDP families received integration programmes		
Strategic objective: Provide economic empowerment to the youth and encourage programmes that support development and nature the talent of youth					
Outcome7: Youth employment scheme and Sports Program designed	No. of skill trainings provided	5072 youth are being trained	50% increase of skill trainings	Surveys and reports	Government and donor support increased
1. Technical vocational trainings are improved					
2. Youth employment bureau established	No. of youth registered and placed for jobs	80% of youth are unemployed according to MOYLSY	At least 60% of youth are employed at the end of 2018	Reports and publications	Youth, community participation increased
3. Improved sporting facilities and 5 stadiums developed	No. of multipurpose centres, playgrounds and stadiums built	There are 4 multipurpose centres and 8 stadiums	50% increase of multipurpose and stadiums	Puntland government reports,	Criminal and violence activities decreased
4. Sports academy and sports & culture fund established	No. of sports academy built	There are no sports academy	At least 2 sports academy are established	Publications and reports	Government and donor support increased
5. Centre for art and culture for youth developed	No. of youth participating the arts and culture programs and No. of performance arts are held	Currently there are no performance arts held	At least 2 performance arts are held in each year	Reports and publications	Public perception, and government support increased

LIVELIHOOD SECTOR

Outcomes and Outputs	Indicators	Baselines	Targets	Means of Verification	Assumptions
Outcome 1. Animal health enhanced	Significant increase of livestock production and decreased illness (controlled disease)	Medium level of Animal health	60% of health enhancement, and livestock production achieved	Monitoring and evaluation to measure animal health and productivity of livestock	Livestock health enhancement and financial resources availability will increase productivity
Output 1 Disease control system designed	At least 50% of disease control system in place for the livestock	Low level of disease control system is in place	Achieved 60% of diseases control system in place	Surveys or qualitative and quantitative methods conducted	If disease controlled, the livestock productivity will increase significantly
Output 2 Rangeland and water management improved	Effective and efficient method of management for rangeland and water management required	Very low level of management for rangeland and water agreement	Effective service deliveries and cooperation between all the stakeholders	Survey and other means of verification conducted	If effective management and cooperation with stakeholders in place, the objectives will be achieved
Output 3 Animal products and environmental hygiene improved	50% achievement of animal productivity and environmental hygiene increased	Unsatisfactory level of productivities for animal productivities and hygiene	Medium level of animal productivity and hygiene	Monitoring and evaluation or other means of measurement used to verify	If animal productivity and hygiene issues addressed, the animal productivity and hygiene will improve as well
Output 4 Qualified technicians and professionals placed	Enough number of technicians and professionals required to be placed for capacity building	Small number of junior technicians available for work	50% of required technicians and professionals placed within the institutions	Surveys, follow ups, and other means of verifications conducted	If professionals and technicians placed in the institution, effective management and production will take place
Output 5 Livestock export market diversified	Significant increase of livestock export to different countries to generate income	Low level of livestock export market diversified (much more market diversification required)	50% increase of diversified market export for livestock	A number of countries got export livestock from Puntland	If livestock exports increase, the income generation would grow as well
Outcome 2 Marine resource management promoted	Effective and efficient level of managerial skills shown to remove bureaucracy practices	Poor management practices dominated in a day to day operations	Achieved 60% of goal settings in semi-annual operations	Surveys, monitoring and evaluation could be measured demanding on management effectiveness	If effective and efficient management in place, marine production would improve significantly
Output 1 Illegal and unregulated international fishing in Puntland waters protected	Significant reduction of illegal international fishing in Puntland waters	High level of illegal International fishing happens in Puntland waters	To eliminate illegal international Fishing activities in Puntland waters	Quantitative survey conducted to verified the result of the programme	If illegal international fishing stops, the stock of the marine resources will increase
Output 2 Piracy activities in Puntland eliminated	Elimination of piracy activities in Puntland waters	Considerable number of piracy activities occurs in Puntland waters	100% of piracy reduction of Puntland waters at the end of the programme	Monitoring and evaluation procedures conducted	The elimination of piracy increases safety and fisheries productivities in Puntland waters
Output 3 Fishing infrastructure constructed	50% of fishing infrastructure built in five years	Poor infrastructure exists in the fishing industries	Fishing infrastructure built in all the fishing locations in Puntland to maximize fishing outputs	Qualitative and quantitative methods conducted	If infrastructure built in all the main fishing locations, the fishing industries would improve and more fishermen would joint with the industry
Output 4 Marine resource educational facilities developed	Two functioning educational centres built in the main fishing ports of Puntland	No functioning educational institution for marine studies	Complete and functioning educational centres	How many functioning educational facility centres set up were set up	Functioning Educational centres help to increase capacity of the fishery industries as well as production of the marine resources

Outcome 3 Watershed management developed	Increased considerable number of watershed and effective management operations	Low level of watershed management exists	50% of goal set achieved for watershed management	Surveys, qualitative and quantitative methods conducted	If watershed management developed, bureaucracy methods of work would be reduced
Output 1 Dams and water catchments constructed	50% of dams and water catchments established in five years period	No dams and water catchment constructed yet	Achieved objectives of the project and its criteria	Quantitative and qualitative measurement for how many dams and water catchment established	If the dams and water catchment established, it would have greater positive impact on both livestock and environment
Outcome 4 Local crop productions increased to reduce poverty and hunger	Significant increased of local crop production and encouraged growing stable foods	Low production taking place but not significant amount of production	Gained medium level of local production	Surveys, qualitative and quantitative methods conducted	In case the local production increased, the import foods would be reduced
Output 1 Farms for crop production established	farming production doubled and farming techniques to produce more yields adapted	Low level of production occurs in the farming field to produce more seeds for stable food	Considerable crop production achieved through farming establishment	Quantitative , qualitative, and survey performed	If farm crop production established, the food security would be enhanced and maintained
Output 2 outlets (markets) established	Local crop production sold in the local markets as well as international markets	Considerable amount of crop production sold in the local markets but a few locally produced crops sold in the international markets	Much more quantity of locally produced crops sold in both local and international markets	Surveys and other measurement conducted to evaluate the products in markets	If locally produced crops sold in both local and international markets farmers would be encouraged to invest more in farming
Outcome 5 Water harvesting and conservation for environmental rehabilitation and drought resilience improved	Significant increased water harvesting in the designed areas of the region	A number of such water harvesting in the region (i.e. Berkads)	Increased water availability for irrigation, livestock, and human consumption	Monitoring quality and quantity of water increment	No prolonged drought recurring in the region
Outputs 1 Watershed dams constructed	30% of water shed dams constructed	No major watershed dams constructed so far	Achieved all the Objectives of the watershed dams project	Measured how many watershed dams constructed and how many operational	Watershed dams construction helps many aspects water consumption.
Outcome 6 Wildlife and conserved marine ecology and biodiversity protected	Prevented wildlife and marine ecology from harmful activities to the highest level	A number of wildlife got killed and unsatisfactory state of marine ecology and biodiversity	Wildlife protected areas created and marine ecology and biodiversity conserved	Monitoring, evaluation, and survey conducted	Protected wildlife and conserved marine population helps natural resources preserve
Output 1 Wildlife protection programme developed	Maximum protection given to wildlife using all the available tools and techniques to safeguard	No wildlife protection mechanisms set up for safeguarding	Created sanctuary or Zoo for the wildlife to safeguard them	Quantitative and qualitative methods performed	If wildlife protection implemented, tourists may come to see Somali wildlife
Output 2 Marine pollution protection programme for climate change and land deforestation	Significant controlled of sea pollution, climate change and land deforestation; and took all the necessary steps to safeguard the environment	No major protection programmes have completed for protecting and controlling pollution, deforestation	Full pollution protection for marines as well as climate change and deforestation	Surveys, monitoring and evaluation methods conducted to measure achievements	If marine pollution controlled; and other climate change, land deforestation protected the environment would be cleaner and safer for living

		and climate changed			
Outcome 7 Adverse impact of the climate change and land deforestation reduced	Significant reduction of adverse climate (deforestation)	Deforestation had been going in the region	Reforestation programmes and environmental protection	Monitoring and survey for the rehabilitation of the land	Reforestation programmes mitigates adverse climate change
Output 1 Early warning and protection programme for climate change and land deforestation designed and implemented	Effective and operational early warning system for climate change and land deforestation implemented	No major early warning system for climate change, land deforestation placed as functioning system	Achieved all the objectives of the programme for climate change and deforestation	Surveys, monitoring and evaluation tools conducted	Having placed functioning early warning system for climate and deforestation then could be averted the effects of famine in the region
Outcome 8 Private sector business enabling environment promoted	Security of both urban and rural areas improved; loans, credits, and incentives available for small and large businesses to generate profits and to create job opportunities	Security concerns exists; credits, loans, and incentive not received by the private sectors (i.e. small as well as large businesses)	Private sector expanded; loans, credits, and incentives received by the private sectors (l. e. large and small businesses)	Surveys, quantitative and qualitative methods performed to measure the results	If private sector expanded and businesses receive credits, loans, incentives, as a result employment opportunities created and profits generated
Output 1 Trade legislations developed	Domestic trade as well as international trade developed and enacted in all Puntland territories	Little legislations existed and no major laws enacted for both domestic trade as well as international trade	Legislation passed and enacted for both domestic trade and international trade and then businesses expanded	Quantitative and qualitative as well as surveys conducted to conclude if the objectives of the project met	It would be a great beneficial to have functioning laws passed to modernize the domestic as well as international trade to expand businesses in the private sector
Output 2 Public private partnership improved	Created effective public private partnership entity that work with private sectors and other business owners	Very limited public private partnership existed in Puntland territories	Having a great number of public private partnership in all major cities and towns of Puntland (expanded in number and capacity)	Surveys, quantitative and qualitative tools conducted to verified project goals and objectives	If public private partnership created, then the private sector and business owners would benefit from it
Output 3 International trade and local production improved	Local production increased in both quality and quantity and then sold in Puntland markets and to export qualified products into the international markets	Small amount of locally produced products goes into international markets	To maximize locally produced products with a good quality to meet international standard, and to engage in other countries to markets in their respective countries	Surveys, qualitative and quantitative methods conducted to measure the results of the project	If the international trade enhanced the local products would have niche at the international markets, and then producers would earn much needed hard currency through the marketing improvement

Infrastructure Sector Result Matrix					
Results	Indicators	Baselines	Target	Means of Verification	Assumptions
Outcome 1: Improve Air and Road Transportation Output1: rehabilitate the primary tarmac road that connects major towns in Puntland accessibility and ...					Puntland Gov., private sector and international community are willing to invest in improving air and road transportation in Puntland
Output 1: Improve basic airport and air navigation infrastructure throughout Puntland i.e. major airports and airstrips	1. Jet aircrafts are able to land and use the airport. 2. Increased freight services 3. the 3 main airports have a paved runways and terminals 4. Number of commercial flights increased	-No paved runways for the 3 functioning airports. However, Bosasso Airport runway construction is currently underway -Garowe airport terminal building under construction -No terminal for Galkayo airport Some coastal towns have airstrips but needed rehabilitation	1. Construction of one runway for each airport (Bosasso, Garowe and Galkayo airports). 2. Functioning and Fully furnished terminal building in Garowe and Galkayo Functioning airstrips in coastal towns	Physical progress reports Prepared by contractors and consultants	Funds are available to improve Puntland airports
Output 2: Rehabilitation of the major Tarmac Road in Puntland	- 50% Improvement of road transportation in Puntland i.e. less time to travel, and easy access to main towns and cities alongside the tarmac road - Number of accidents reduced by 20%	Garowe- Galkayo tarmac road is in a "very bad" condition.	- Garowe- Galkayo tarmac road resurfaced and rehabilitated - Improve Tarmac road connecting major cities and towns such as Galkayo, Garowe, Lasanod, Qardho and Bosasso.	Visual condition surveys by road agencies and consultants	Gov. as well as the private sector are committed to improve tarmac road condition
Output 3: Feeder roads that connect coastal area to mainland are constructed/rehabilitated	Access to coastal towns and off road districts is easy and reachable	Most of them are in bad condition and some non-existent.	Improve access to coastal area i.e. - Bandar Beyla - Aluula - Eyl- - Gara'ad - Qandala To reduce pricy and preserve the historical coastal towns.	Visual condition surveys by road agencies and consultants	Gov. as well as the private sector are committed to improve tarmac road condition
Outcome 2: Improve Port infrastructure and shipping services. Output 1: Construction of Additional 2 Berths	Port's capacity to handle the number of ships and cargo increased.	Bosasso port deals with increased volume of cargo ships with only one berth; it is the only major port in Puntland.	Construction of 2 Berths.	Visual condition surveys by Monastery of Ports and consulting firms	Puntland has longest coastal area in Somalia, hence exploiting this opportunity will be a priority for Puntland Gov.

Output 2: improve Port facilities	Port will have the capacity to safely store perishable goods.	No warehouses in the port whatsoever.	Construction of 3 warehouses	Visual assessment and survey by Monastery of Ports and consulting firms	Funds are available and allocated to improve port services and facilities
Output 3: procurement of port equipment	. Improve port operations efficiency and reduce the amount of time ships stay in port Improve the safety of the port	No safety equipment. Port has no Heavy lifting equipment such as cranes and forklifts, it is rented from private companies	Procurement, 1 Tugboat with fire-fighting capabilities. 1 Fire-fighting Motor Vehicle. 10 Fire-fighting suits. 10 Oxygen Cylinders. 4 Oxygen Filling stations.	Physical field visits and Visual assessment by Ministry of Ports and consulting firms	Funds are available
Output 4: Construct jetties in the economically active coastal towns.	Improve fishery business in economically active coastal towns	No data available	Construction of 8 jetties	Physical field visits.	Puntland Gov. and fishery business community collaborate in finding the necessary fund to construct jetties in appropriate coastal towns
Outcome 3: Reduce water shortage in Puntland.					Looking every possible option to alleviate water shortage is a priority for Puntland people and Go.
Output 1: Drilling & equipping fifty strategic boreholes in overall regions.	Drilling & equipping fifty strategic boreholes in Puntland. Procurement of 5 modern drilling rigs with drilling capacity of up to 700 meters depth.	112 functioning boreholes	Clean water for urban and rural communities is improved	Field visit and visual assessment	Funds are available and most vulnerable areas are identified by PSWEN
Output 2: Water supply systems and sanitation facilities are improved	Reduce the drought effect especially on the rural communities	No water supply system in most of the rural towns	Construction of water supply systems and sanitation facilities in ten selected major towns in Puntland.	Conduct water availability surveys in selected towns and villages	Funds are available and most vulnerable areas are identified by PSWEN
Output3: Rain and stream water catchments in Puntland valleys.	At least 2 water catchments are constructed and used.	No water conservation initiatives in Puntland.	Establish 3 water catchment facilities.	Physical field visits.	Funds are available and suitable valleys are identified
Output 4: Provision of 15 water-tanker-trucks	- At least 10 water tanker trucks are available to serve drought affected areas. - Drought effect reduced especially on the rural communities	No extent is rented from the private sector.	Procurement of 15 water-tanker-trucks	Physical field visits.	Funds are available
Outcome 4: Provision of Heavy Duty Equipment				Physically field visit	Heavy equipment is priority for the Gov., it is essential for improving infrastructure sector

Output 1: Procurement of Essential Heavy equipment	Improve Gov.'s institutional capacity.	Non-existent, basic infrastructure equipment is rented from the private sector.	Grader Front Load-966 Roller-20tone Roller- 10tone Bulldozer D11 Bulldozer D8 Bulldozer D6 3 Cranes 3 Forklift 5 modern drilling rigs with drilling capacity of up to 700 meters depth.		Funds are available
Outcome 6: Alternative Energy.					Puntland Gov. is committed and willing to promote the use of alternative energy
Output 1: Public and private sector partnership improved	25% of households is using the liquefied petroleum gas (LPG) for cooking	Limited number of households now uses LPG for domestic cooking in major cities and towns	Affordable and easily available LPG and kerosene.	Conduct yearly survey on the percentage increase or decrease of LPG and kerosene use in Puntland.	-Taxes on LPG is lowered. -Public awareness toward the consequences of use of charcoal is increased
Output 2: Introduction solar and wind energy in all Puntland to reduce the reliability of Diesel Engines	Increase use 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	Public and private sector are collaborating in finding funds to promote the use of alternative energy
Outcome 6: Improve staff capacity in the infrastructure sector.					Puntland Gov. is determined to address the issue of weak human capacity in the Infrastructure sector
Output 1: On-the-job or trainings for the current staff for all sub-sectors in the infrastructure sector.	Increase number of trainings and technically qualified staff in the sector.	Very weak human capacity in the sector (specially technical capacity)	50% improvement in staff capacity	Yearly employee appraisal exercise by third part.	Needs assessment is conducted to identify the area of needs in the staff
Output 2: Establishment of human resource division	Functioning human resource department in the infrastructure subsectors	Have limited role	Establish a human resource departments in each subsector in infrastructure sector	Physical field visits	Funds and professionals are available
Outcome 7: Establishing Institutional Policies & Regulations					Design and enforce sector institutional policies and regulatory frameworks are essential for all infrastructure development activities

Output 1: Construction industry policy development	Construction industry policy developed is used	Not available	Construction industry policy developed and implemented		
Output 2: Puntland land policy development	Land policy in place	Not available	Land policy developed and implemented		
Output 3: Puntland Building Codes development	Building codes are available	Not available	Building codes made		

ANNEX 2: LINKING SECTOR PROGRAMMES TO THEMATIC PRIORITY AREAS

GOVERNANCE SECTOR

Programme	Implementing agency	Total cost 2014/ to 2018	Percentage (%)	Thematic priorities contributed to:
Outcome 1: government Institutions Capacity promoted	Office of the President, Ministry of Labour, Civil Service Commission, Good Governance Bureau, Ministry of Planning and International Cooperation, Parliament, Ministry of Finance	4,450,000	19	<u>Accountable Governance</u>
Outcome 2: Service delivery decentralized and improved.	Ministry of Interior, Ministry, Ministry of Security, Ministry of Education, Ministry of Health	7,100,000	31	<u>Service Delivery</u>
Outcome 3: Public Finance Management restructured and strengthened	Ministry of Finance, Office of the Auditor General, Office of the Accountant General, Tender Board Office.	7,900,000	34	<u>Accountable Governance</u>
Outcome 4: Civil Society Institutions capacity enhanced	Ministry of Planning and International Cooperation	500,000	2	<u>Accountable Governance</u>
Outcome 5: ICT infrastructure tools employed across all government institutions to increase the efficiency and transparency.	Ministry of Information and Telecommunication, Ministry of Finance, Ministry of Planning	3,000,000	13	<u>Accountable Governance</u>
		22,950,000	100	

SECURITY SECTOR

Programme	Implementing agency	Total cost 2014/ to 2018	Percentage (%)	Thematic priorities contributed to:
Outcome 1: Puntland security institutions are established, reformed, and equipped	Ministry of Security & DDR	285,000,000	58	Maintaining Peace and Stability
Outcome 2: Community policing; Hostility and conflict reduced; the traditional values are restored and revitalized	Ministry of Security & DDR	30,000,000	6	Maintaining Peace and Stability
Outcome 3: Counter terrorism and piracy operations are strengthened and improved.	Ministry of Security & DDR	30,000,000	6	Maintaining Peace and Stability
Outcome 4: The private owned small arms and light weapon are controlled and the program of youth demobilization enhanced.	Ministry of Security & DDR	50,000,000	10	Maintaining Peace and Stability
Outcome 5: Mine-action program reduced deaths and cleared mines from all Puntland territory and the UXO items are cleared from Puntland territory.	Ministry of Security & DDR	50,000,000	10	Maintaining Peace and Stability
Outcome 6: Puntland immigration service delivery in all borders: ports, airports and land improved. Counter human trafficking and smuggling initiatives is improved	Ministry of Security & DDR	50,000,000	10	Maintaining Peace and Stability
Total	Ministry of Security & DDR	495,000,000	100	

JUSTICE SECTOR

Programmes	Implementing agency	Total cost 2014 to 2018	Percentage (%)	Thematic priorities contributed to:
Outcome1: Reformed laws and policies applied	MoJRAR	1,850,000	13	Ruling justly Effective service delivery
Outcome2: Sector Human Resources Such as MoJRAR Staff, Judges, PCC, Prosecutors and Lawyers Professionalized	MoJRAR, High Judiciary Council, OAG and PCCs	3,650,000	26	Ruling justly Effective service delivery

Outcome3: Access to Justice Enhanced	MoJRAR, High Judiciary Council and OAG	1,600,000	11	Ruling justly Effective service delivery
Outcome4: Legal Education Improved	MoJRAR and Law faculties	1,180,000	8	Ruling justly Effective service delivery
Outcome5: Human Rights situation Improved	MoJRAR and HRC	3,000,000	21	Ruling justly Effective service delivery
Outcome6: Prison Services and Social Rehabilitation Enhanced	MoJRAR and PCCs	2,800,000	20	Ruling justly Effective service delivery
Total		14,080,000	100	

SOCIAL SECTOR

Programme	Implementing agency	Total cost 2014 to 2018	Percentage (%)	Thematic priorities contributed to:
Outcome1: Outcome1: Access and equity to education at all level improved	MOE	176,444,250	34	Effective and Responsive Service Delivery
Outcome2: Quality of education at all level improved and science technology and innovation promoted	MOE	6,000,000	1	Effective and Responsive Service Delivery
Outcome3: Public sector health services and Quality of medicine improved	MOH	276,500,000	53	Effective and Responsive Service Delivery
Outcome4: Health care financing and information system improved	MOH	4,500,000	1	Effective and Responsive Service Delivery
Outcome5: Gender mainstreaming policies and programmes enhanced and women's development promoted	MOWDFS	21,750,000	4	Effective and Responsive Service Delivery
Outcome6: Livelihoods of all vulnerable groups improved	MOWDFS/PASWA	5,100,000	1	Effective and Responsive Service Delivery
Outcome7: Youth Employment scheme and Sports Program designed	MOLYS	31,000,000	6	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth
Grand total		521,294,250		

LIVELIHOOD SECTOR

Programme	Implementing Agency	Total Cost 2014 to 2018	Percentage (%)	Thematic priorities contributed to:
Outcome 1: Animal health enhanced	Ministry of Livestock	195,363,200	43	-Eradicating Extreme Poverty and Hunger
Outcome 2: Marine resource management promoted	Ministry of Fisheries and Sea Resources	85,471,400	19	-Developing a Global Partnership for Development
Outcome 3: Watershed management developed	Ministry of Agriculture and Irrigation	9,157,650.00	2	-Developing a Global Partnership for Development - Eradicating Extreme Poverty and Hunger
Outcome 4: Local crop productions increased to reduce poverty and hunger	Ministry of Agriculture and Irrigation	12,762,800.00	3	-Eradicating Extreme Poverty and Hunger
Outcome 5: Water harvesting and conservation for environmental rehabilitation and drought resilience improved	Ministry of Environment, Wildlife and Tourism	60,051,000.00	13	-Ensuring environmental sustainability
Outcome 6: Wildlife and conserved marine ecology and biodiversity protected	Ministry of Environment, Wildlife and Tourism	24,420,400.00	5	-Ensuring environmental sustainability
Outcome 7: Adverse impact of the climate change and land deforestation reduced	Ministry of Environment, Wildlife and Tourism	17,930,000.00	4	-Ensuring environmental sustainability
Outcome 8: Private sector business enabling environment promoted	Ministry of Commerce	45,177,740	10	-Developing a Global Partnership for Development
Total		450,334,190	100	

INFRASTRUCTURE SECTOR

Programme	Implementing agency	Total Cost 2013/14 to 2017/18	Percentage (%)	Thematic priorities contributed to:
Outcome 1: Improve Air and Road Transportation	MoPW&T, PHA and MoCA&A	76,880,907.4	42	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth
Outcome 2: Improve Port infrastructure and shipping services	Ministry of Maritime Transport, Ports and Counter piracy	30,923,000.0	17	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth
Outcome 3: Reduce water shortage in Puntland	PSAWEN	17,067,500.0	9	Effective and Responsive Service Delivery
Outcome 4: Improved availability of essential heavy duty equipment	MoPW&T	20,302,200.0	11	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth
Outcome 5: Promotion of Alternative Energy.	MoPW&T	17,750,000.0	10	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth

Outcome 6: Lack of qualified and trained work force in the infrastructure sector reduced	MoLYS and Civil Service Commission	9,500,000.0	5	Effective and Responsive Service Delivery
Outcome 7: Establishing Institutional Policies & Regulations	MoPW&T	12,500,000.0	7	Establishing and Strengthening Economic Foundation for Accelerated Sustainable Growth
Total		184,923,607.4	100.00	

ANNEX 3: LINKING BUDGET PROGRAMMES MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF) TO SECTOR ACTIVITIES AND COSTS

GOVERNANCE SECTOR

Programme	Output statement	Key Activities	Implementing agency	
			Total	
Outcome 1: government Institutions Capacity promoted			4,450,000	
Output 1	Government institutions right sized	<ul style="list-style-type: none"> Conduct functional review Develop clear mandates of all government institutions 	2,250,000	Office of the President, Ministry of Labour, Civil Service Commission.
Output 2	Merit based recruitment system adopted	<ul style="list-style-type: none"> Develop and implement recruitment and selection policy Develop civil service employment contracts 	200,000	Office of the President, Ministry of Labour, Civil Service Commission.
Output 3	Human resource capacity improved	<ul style="list-style-type: none"> Develop training programme. Conduct training for civil servants to professionalize 	500,000	Office of the President, Ministry of Labour, Civil Service Commission.
Output 4	Parliament capacity improved	<ul style="list-style-type: none"> Develop oversight and representation capacity Develop legal drafting and administrative ability 	500,000	Parliament, Office of the President, MOPIC, CSC and MoLYS
Output 5	Planning and Statistics System Improved	<ul style="list-style-type: none"> Establish statistics bureau and vital registration Develop strong M&E system Coordinate aid effectively 	1,000,000	MoPIC, Office of the President, MoLYS and CSC
...				
Outcome 2 Service delivery decentralized and improved.			7,100,000	
Output 1	Districts development plans developed	Prepare participatory district development plans	2,000,000	Ministry of Interior, Municipalities, Ministry of Planning
Output 2	Synergies between district and state level plans strengthened	Develop Planning and Monitoring & Evaluation guideline	100,000	Ministry of Interior, Municipalities, Ministry of Planning
Output 4	Output 2.4. Fair and Transparent Elections sponsored	<ul style="list-style-type: none"> Organize municipal, parliament and presidential elections 	5,000,000	Ministry of Interior, Municipalities, Ministry of Planning
Outcome 3 Public Finance Management restructured and strengthened			7,900,000	
Output 1	Accounting and Reporting improved	<ul style="list-style-type: none"> Automate the accounting system Establish accounting manuals 	1,500,000	Ministry of Finance, Office of the Auditor General, Office of the Accountant General, Tender Board Office.
Output 2	Budget preparation and execution increased	<ul style="list-style-type: none"> Develop participatory budgeting system 	200,000	Ministry of Finance, Office of the Auditor General, Office of the Accountant General, Tender Board Office.

Output 3	Procurement system established	<ul style="list-style-type: none"> Develop standardized procurement system Implement the procurement system across all government institutions 	3,000,000	Ministry of Finance, Office of the Auditor General, Office of the Accountant General, Tender Board Office.
Output 4	Auditing and Reporting improved	<ul style="list-style-type: none"> Develop auditing system Implement effective and efficient auditing across government institutions 	200,000	Ministry of Finance, Office of the Auditor General, Office of the Accountant General, Tender Board Office.
Output 5	Taxation system reviewed and updated	<ul style="list-style-type: none"> Review taxation system Conduct tax education programme 	2,000,000	Ministry of Finance, Office of the Auditor General, Office of the Accountant General, Tender Board Office.
Output 6	Banking System strengthened	<ul style="list-style-type: none"> Develop legislative 	1,000,000	
Outcome 3: Civil Society Institutions and Media capacity enhanced			500,000	
Output 1	Civil Society and Media Institutions capacity strengthened	<ul style="list-style-type: none"> Organize and strengthen the civil society capacity. 	500,000	Ministry of Planning and International Cooperation, Ministry of Information
Outcome 4: ICT infrastructure tools employed across all government institutions to increase the efficiency and transparency.			3,000,000	
Output 1	ICT programme for all the government institutions developed	<ul style="list-style-type: none"> ICT system is established for all government institutions 	3,000,000	Ministry of Information and Telecommunication

SECURITY SECTOR

Programme	Output statement	Key Activities	Implementing agency	
			Total	
Outcome 1: Puntland security institutions are established, equipped, built capacity, and reformed through well organized, well trained, and motivated security forces.			285,000,000	
Output 1	Reforming, equipping, building new and old buildings, capacity building of all six security institutions are operational everywhere in Puntland.	<ul style="list-style-type: none"> A comprehensive reform will be exercised on each existing state force and all military bases including establishing police and military training facilities, restructuring, retraining staff including commanding officers, reforming the legal role and responsibilities. Information networking and sharing operations will be emphasized Attracting, developing, and retaining competent and motivated staff 	185,000,000	
Output 2	All stations are established and fully functional.		100,000,000	

Outcome 2 Community Policing			30,000,000	
Output 1	Community Policing law passed by the Puntland parliament and enforced.	<ul style="list-style-type: none"> Establishing an over reaching peace building and community safety framework and laws and policy that details the role of government and civil society on every level of the political and societal structure. 	6,000,000	
Output 2	Community Policing Program designed.		24,000,000	
Outcome 3: Hostility and conflict reduced and the traditional values are restored and revitalized			30,000,000	
Output 1	Elderly involvement of solving conflicts encouraged and accepted		11,000,000	
Output 2	Youth at risk demobilized and rehabilitated		19,000,000	
Outcome 4: Counter terrorism operations are strengthened and improved.			50,000,000	
Output 1	<ul style="list-style-type: none"> Strong counter terrorism law of Puntland have updated and endorsed Harbouring murders and criminals reduced 		15,000,000	
Output 2	<ul style="list-style-type: none"> 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. 		25,000,000	
Output 3	<ul style="list-style-type: none"> Database for small arms and light weapon registration 		10,000,000	
Outcome 5: Mine-action program reduced deaths and cleared mines from all Puntland territory and the UXO items are cleared from Puntland territory.			50,000,000	
Output 1	<p>All demining teams are trained and equipped.</p> <ul style="list-style-type: none"> The deaths and injuries caused by mines are reduced. Mine areas are cleared 		20,000,000	
Output 2	<ul style="list-style-type: none"> UXO's in the communities both urban and rural eliminated 		30,000,000	

Outcome 6: Puntland immigration service delivery in all borders: ports, airports and land improved			50,000,000	
Output 1	All immigration check points, seaports, airports, land borders are fully equipped and Puntland immigration database of travellers and passengers is interconnected and functional		30,000,000	
Output 2	Puntland human trafficking law is adopted and enforced.		10,000,000	
Output 3	Human trafficking activities are lessened		10,000,000	
Note: Rec (recurrent cost, including wages and salaries), Cap (capital cost including development spending)				

JUSTICE SECTOR

Programme	Output s	Key Activities	Total	Implementing agency
Outcome 1: Reformed laws and policies applied			1,850,000	MoJRAR
Output 1	Islamic, Formal and customary (XEER) laws coordinated/aligned	<ul style="list-style-type: none"> Apply reformed laws effectively Clarify respective of roles of different laws 	523,333.4	MoJRAR
Output 2	Penal code and criminal procedures amended	<ul style="list-style-type: none"> Amend penal code and criminal procedures 	666,666.6	MoJRAR
Output 3	Justice institutions restructured		660,000	MoJRAR
Outcome 2: Sector Human Resources Such as MoJRAR Staff, Judges, PCC, Prosecutors and Lawyers Professionalized			3,650,000	MoJRAR, High Judiciary Council, OAG and PCCs
Output 1	Judges, Prosecutors, lawyers, court registrars trained.	Develop capacity of sector staff Design remuneration and retention system	932,000	MoJRAR, High Judiciary Council and OAG
Output 2	Number of PCCs increased, equipped, and trained of special skills.	Increase the skills and number of PCC staff correspondingly in order to cope with the demands of critical situations and sudden threats	108,0210	MoJRAR and PCCs
Output 3	Judicial Training Centre established.		718,215	MoJRAR
Output 4	The courts, office of attorney general, and MoJRAR constructed.	<ul style="list-style-type: none"> Equip courts and POAG with necessary material and manpower 	919,575	MoJRAR, High Judiciary Council and OAG
Outcome 3: Access to Justice Enhanced			1,600,000	High Judiciary Council and MoJRAR
Output 1	Courts including mobile courts expanded in all districts.	<ul style="list-style-type: none"> Expand law enforcement mechanism to remote areas Bring justice closer to all 	431,352	High Judiciary Council and MoJRAR
Output 2	Legal Aid and Public Defenders Office strengthened.	Strengthen legal aid providers to increase of access to justice particularly for vulnerable groups.	387,500	MoJRAR, PLAC, OPD
Output 3	Alternative Dispute Resolution systems and justice for children improved	<ul style="list-style-type: none"> Bring effective Alternative Dispute Resolution system under the High Judiciary Council Improve Alternative Dispute Resolution system across Puntland 	376,675	MoJRAR
Output 4	Inspection of courts by the High Judiciary Council conducted		404,473	High Judiciary Council

Outcome 4: Legal Education Improved			1,180,000	
Output 1	Law Schools capacity strengthened	Provide qualified lecturers, teaching aids, scholarships for law institutions. Establish resource library	386,938.2	MoJRAR and Law faculties
Output 2	Law Graduates recruited under justice sector based on equal opportunities	Promote women's legal education, recruitment into the legal profession, and women's equal access to justice.	384,361	MoJRAR and Law faculties
Output 3	Law Graduates recruited Internship program and PUWLA capacity improved.		408,701.2	Law faculties and MoJRAR
Outcome 5: Human Rights situation Improved			3,000,000	HRC, MoJRAR, High Judiciary Council, OAG and PCCs
Output 1	Human rights advocacy enhanced	• Ensure "know your rights" awareness at all levels through training and monitoring	1,260,000	HRC, MoJRAR, High Judiciary Council, Law faculties and PCCs
Output 2	Human Rights Commission established		955,000	MoJRAR
Output 3	Fundamental rights, especially child protection promoted		785,000	MoJRAR
Outcome 6: Prison Services and Social Rehabilitation Enhanced			2,800,000	
Output 1	Prisons rehabilitated and constructed		629,146	MoJRAR and PCCs
Output 2	Specialized prisons for juvenile established.		621,439	MoJRAR and PCCs
Output 3	Prison justice services including probation and parole delivered.	Train prison officers on legal procedures and human rights	765,900	MoJRAR and PCCs
Output 4	Prisoners rehabilitated	Improve necessary social rehabilitation services of ex-offenders and increase chances of reintegrating them to society	783,515	MoJRAR and PCCs

SOCIAL SECTOR

Outcome	Output	Key Activities	Implementing agency	
			Total	
Outcome1: Access and equity to education at all level improved	Access of primary education including early childhood education enhanced	<ul style="list-style-type: none"> • Provide text books and learning materials, • Employ 2450 more teachers. • Introduce school feeding program for poor and disabled children • Construct 245 new schools with specially need facilities and rehabilitate 200 schools • Establish 8 early childhood development centres 	129,444,250	MoE
	Access and equity in secondary education enhanced	<ul style="list-style-type: none"> • Promote gender sensitive environments such as building 8 separate secondary schools with boarding for girls • Provide scholarship awards for poor and disadvantaged people • Establish girls education fund 	33,500,000	MoE
	Access and equity to higher education improved	<ul style="list-style-type: none"> • Build 3 gender sensitive state owned university with hostels and equip them with modern technology 	7,500,000	MoE
	TVET programmes are enhanced	<ul style="list-style-type: none"> • Transform current 4 IBVT to ploy technical institution 	4,000,000	MoE
	Non formal education improved	<ul style="list-style-type: none"> • Start national campaign to eradicating illiteracy 	2,000,000	MoE
			176,444,250	
Outcome2: Quality of education at all level improved and science technology and innovation promoted	Capacities of the teaching staff developed	<ul style="list-style-type: none"> • Provide 3000 teacher for trainings and development of which 50% are women 	1,500,000	MoE
	Lower and higher education curriculum reviewed	<ul style="list-style-type: none"> • Implement a periodic development of education curriculums 	500,000	MoE
	Enhanced use of knowledge in science and technology and science laboratory constructed	<ul style="list-style-type: none"> • Provide science laboratory and ICT for secondary schools 	4,000,000	MoE
			6,000,000	
Outcome3: Public sector health services and Quality of medicine improved	Improved access of health services across Puntland	<ul style="list-style-type: none"> • Ensure access to sustainable, high-quality health care services • Provide trainings to health care professionals • Provide doctor service scheme (offer scholarships to junior doctors in exchange of serving to remote areas and villages) • Provide modern equipment 	150,000,000	MoH
	Health facility and infrastructures are improved	<ul style="list-style-type: none"> • Build and equip health facilities and regional offices 	125,000,000	MoH
	Improved the quality and safety of medicines and consumables	<ul style="list-style-type: none"> • Provide quality control • License medicine traders • Provide training for medicine traders 	1,500,000	MoH
			276,500,000	

Outcome4: Health care financing and information system improved	Improved health sector financing	<ul style="list-style-type: none"> Lobby for increase of health sector budget. Provide an effective and efficient financial management for health sector 	500,000	MoH
	Health information enhanced	<ul style="list-style-type: none"> Provide accurate and up to date information and provide trainings to information management units 	4,000,000	MoH
			4,500,000	
Outcome5: Gender mainstreaming policies and programmes enhanced and women's development achieved	Gender sensitive plans, policies, programmes and laws in place	<ul style="list-style-type: none"> Reform constitutional and other legal provisions in order to achieve gender equality and equity Ensure women's participation in all government offices Ensure women participation in decision making process including the participation of high level committee such the new deal, international aid coordination and development programmes 	1,500,000	MOWFSA
	Gender responsive budgeting promoted	<ul style="list-style-type: none"> Promote equity in government budgeting 	250,000	MOWFSA
	Women development funds established	<ul style="list-style-type: none"> Establish development funds for women to have access to lines of credit for women khat traders as an alternative livelihood Ensure women's access to justice and social inclusion including political inclusion Promote women employment programmes Promote women's agenda at all level 	20,000,000	MOWFSA
			21,750,000	
Outcome6: Livelihoods of all vulnerable groups improved	Disability centres and orphanage centres are established	<ul style="list-style-type: none"> Build and equip 8 orphanage and 8 disability centres 	4,000,000	MOWFSA/ PASWA
	Improved social integration of young disabled people	<ul style="list-style-type: none"> Educate and train for around 1,000 disabled people of which 50% are women 	100,000	PASWA
	Internally displaced people are integrated with host community	<ul style="list-style-type: none"> Integrate and rehabilitate for 10,000 IDPs of which 50% of them are female headed house held 	1,000,000	PASWA
			5,100,000	
Outcome7: Youth employment scheme and Sports Program designed	Technical vocational trainings for youth are improved	<ul style="list-style-type: none"> Expand educational and vocational training facilities to adequately prepare the youth 	1,500,000	MoLYS
	Youth employment bureau established	<ul style="list-style-type: none"> Reduce unemployment amongst the youth by creating jobs such as youth investment projects Provide equal access to employment opportunities to youth and provide counselling and guidance to youth 	6,000,000	MoLYS
	Improved sporting facilities and 4 stadiums developed	<ul style="list-style-type: none"> Build 4 gender sensitive stadiums and 2 multipurpose centres with full capacity and specially needs and also 30 play grounds 	18,500,000	MoLYS
	Sports academy and sports & culture fund established	<ul style="list-style-type: none"> Establish 2 sports academy of performance athletics and professional 	4,000,000	MoLYS
	Centre for art and culture for youth developed	<ul style="list-style-type: none"> Build centre for art and culture Host seasonal performance arts show 	1,000,000	MoLYS
			31,000,000	

LIVELIHOOD SECTOR

Programme	Outputs	Key activities (key activities will be stated when the programmes begin)	Implementing agency	
			Total	
Outcome 1: Animal health enhanced			195,338,200	Ministry of livestock and facilitating agency
Output 1	Disease control system designed		41,067,640	== ==
Output 2	Rangeland and water management improved		37,060,600	== ==
Output 3	Animal products and environmental hygiene improved		39,074,680	== ==
Output 4	Qualified technicians and professionals placed		39,068,280	== ==
Output 5	Livestock export market diversified		39,067,000	== ==
Outcome 2: Marine resources promoted			85,471,400	Ministry of Fishery and Natural Resources and facilitating agency
Output 1	Illegal and unregulated international fishing in Puntland waters protected		21,360,000	== ==
Output 2	Piracy activities in Puntland eliminated		20,000,000	== ==
Output 3	Fishing infrastructure constructed		22,735,700	== ==
Output 4	Marine resource educational facilities developed		21,374,700	== ==
Outcome 3: Watershed management developed			9,157,650	Ministry of Agriculture and facilitating agency
Output 1	Dams and water catchments constructed		9,157,650	== ==
Outcome 4: Local crop productions increased to reduce poverty and hunger			12,762,800	== ==
Output 1	Farms for crop production established		6,761,800	Ministry of Agriculture and facilitating agency
Output 2	Crop production outlets (markets) established		6,000,000	== ==
Outcome 5: Water harvesting and conservation for environmental rehabilitation and drought resilience improved			60,051,000	Ministry of Environment and facilitating agency

Output 1	Watershed dams constructed		60,051,000	== ==
Outcome 6: Wildlife and conserved marine ecology and biodiversity protected			24,420,400	== ==
Output 1	Wildlife protection programme developed		11,210,000	== ==
Output 2	Marine pollution protection programme for climate change and land deforestation		13,210,400	Ministry of Environment and facilitating agency
Outcome 7 Adverse impact of the climate change and land deforestation reduced			17,930,000	== ==
Output 1	Early warning and protection programme for climate change and land deforestation designed and implemented		17,930,000	== ==
Outcome 8 Private sector business enabling environment promoted			45,177,740	Ministry of Commerce and facilitating agency
Output 1	Trade legislations developed		10,237,540	== ==
Output 2	Public private partnership improved		14,400,200	== ==
Output 3	International trade and local production improved		20,540,000	== ==

INFRASTRUCTURE SECTOR

Programme	Outcome/Output Statement	Key Activities	Total \$	Implementing agency
Outcome: 1 Improve Air and Road Transportation			76,880,907	MoPW&T/Puntland Highway Authority
Output 1.1	Rehabilitate the primary tarmac road that connects major towns in Puntland	Rehabilitation of Garowe –Galkayo road Garowe-Lasanod road Garowe- Bosasso road	25,102,052	MoPW&T/Puntland Highway Authority
Output 2.2	Construction/Rehabilitation of feeder roads	Rehabilitation of Bandar Bayla – Qardho - Feeder road Gara'ad – Galkayo - Feeder road Bosasso – Qandala	17,044,000	MoPW&T/Puntland Highway Authority
Output 3	Improve basic airport and air navigation infrastructure throughout Puntland	improve and develop: Bosasso airport Garowe airport Galkayo airport Qardho Airport	34,734,855	MoPW&T/Ministry of Civil Aviation and Airports
Outcome 2: Improve Port infrastructure and shipping services			30,923,000	Ministry of Maritime Transport, Ports and Counter piracy
Output 2.1	Sea Port infrastructure improved	<i>Construction of two more berths</i>	15,000,000	Ministry of Maritime Transport, Ports and Counter piracy
Output 2.2	Ports facilities enhanced	Construction of Warehouses	2,010,000	Ministry of Maritime Transport, Ports and Counter piracy

Output 2.3	Safety of ports improved	Procurement of 1 Tugboat with fire-fighting capabilities. 1 Fire-fighting Motor Vehicle. 10 Fire-fighting suits. 10 Oxygen Cylinders. 4 Oxygen Filling stations.	1,913,000	Ministry of Maritime Transport, Ports and Counter piracy
Output 2.4	Jetties are Constructed in the economically active coastal towns.	Construction of 8 jetties	12,000,000	Ministry of Maritime Transport, Ports and Counter piracy
Outcome 3: Reduce water shortage in Puntland		Drilling & equipping 90 strategic boreholes in Puntland	17,067,500	MoPW&T/PSAWEN
Output 3.1	Number of fully equipped boreholes increased		9,050,000	MoPW&T/PSAWEN
Output 3.2	Improve water supply systems and sanitation facilities in Puntland	Improvement of access to piped water in ten selected towns	3,017,500	MoPW&T/PSAWEN
Output 3.3	Raining water is utilised	Establish 3 water catchment facilities.	5,000,000	MoPW&T/PSAWEN
Outcome 4: Improved availability of essential heavy duty equipment			20,302,200	Ministry of Public Works and Transport

Output 4.1	Provision of heavy duty equipment		20,302,200	Ministry of Public Works and Transport (MoPW&T)
Outcome 5: Promotion of Alternative Energy.			17,750,000	MoPW&T/PSAWEN
Output 5.1	Public and private sector partnership to improve alternative energy established	Puntland government encourage the use of alternative energy by exempting/reduce taxes on imports such as LPG and Kerosene	7,500,000	MoPW&T/PSAWEN
Output 5.2	Introduction of solar and wind energy in all Puntland to reduce the reliability of Diesel Engines	Public private partnership promoted by the government	4,500,000	MoPW&T/PSAWEN
Output 5.3	Explore Ocean Energy Potential		5,750,000	PSAWEN
Outcome 6: Lack of qualified and trained work force in the infrastructure			9,500,000	Civil Servant Commission
Output 6.1	Job trainings by professionals introduced	Introduction of "On-the-job training" for the current staff for all sub-sectors in the infrastructure sector.	5,500,000	Civil Servant Commission
Output 6.2	Build the capacity of all Puntland Institution	Enactment of Civil Servant Commission Policy	4,000,000	Civil Servant Commission
Outcome 7: Establishing Institutional Policies & Regulations	Design and enforce sector institutional policies and regulatory frameworks	Land Policy Building Code Construction Policy code	12,500,000	MoPW&T
Total			184,923,607	

ANNEX 4: PFYDP-2 ANNUALISED BUDGET

GOVERNANCE

Outcome 1: government Institutions Capacity promoted	2014	2015	2016	2017	2018	Total
Output 1. Government institutions right sized	337,500	562,500	787,500	337,500	225,000	2,250,000
Output 2. Merit based recruitment system adopted	30,000	50,000	70,000	30,000	20,000	200,000
Output 3 Human resource capacity improved	75,000	125,000	175,000	75,000	50,000	500,000
Output 4 Parliament capacity improved	75,000	125,000	175,000	75,000	50,000	500,000
Output 5 Planning and Statistics System Improved	150,000	250,000	350,000	150,000	100,000	1,000,000
Total						4,450,000
Outcome 2: <u>Service delivery decentralized and improved.</u>	2014	2015	2016	2017	2018	Total
Output 1: Districts development plans developed.	300,000	500,000	700,000	300,000	200,000	2,000,000
Output 2. Synergies between district and state level plans strengthened	15,000	25,000	35,000	15,000	10,000	100,000
Output 3: Fair and Transparent Elections sponsored.	750,000	1,250,000	1,750,000	750,000	500,00	5,000,000
Total						7,100,000
Outcome 3: <u>Public Finance Management restructured and strengthened</u>	2014	2015	2016	2017	2018	Total
Output 1: Accounting and Reporting improved	22,500	37,500	52,500	22,500	15,000	1,500,000
Output2. Budget preparation and execution increased.	30,000	50,000	70,000	30,000	20,000	200,000
Output 3: Procurement system established	45,000	75,000	10,500	45,000	30,000	3,000,000

Output 4: Auditing and Reporting improved	30,000	50,000	70,000	30,000	20,000	200,000
Output 5 Taxation system reviewed and updated	300,000	500,000	700,000	300,000	200,000	2,000,000
Output 6 Banking System strengthened	15,000	25,000	35,000	15,000	10,000	1,000,000
Total						7,900,000
Outcome 4: <u>Civil Society Institutions and Media capacity enhanced</u>	2014	2015	2016	2017	2018	Total
Output 1: Civil Society and Media Institutions capacity strengthened	75,000	125,000	175,000	75,000	50,000	500,000
Total						500,000
Outcome 5: <u>ICT infrastructure tools employed across all government institutions to increase the efficiency and transparency</u>	2014	2015	2016	2017	2018	Total
Output 1: IT programme for all the government institutions developed	450,000	750,000	1,050,000	450,000	300,000	3,000,000
Total						3,000,000

SECURITY SECTOR

	2014 15%	2015 25%	2016 25%	2017 25%	2018 10%	Total
Total Funds	74,250,000	123,750,000	123,750,000	123,750,000	49,500,000	495,000,000
Outcome 1 Puntland security institutions are established, reformed, and equipped.	42,750,000	71,250,000	71,250,000	71,250,000	28,500,000	285,000,000
Output 1 Human resources capacity of all security institutions are operational everywhere in Puntland.	27,750,000	46,250,000	46,250,000	46,250,000	18,500,000	185,000,000
Output 2 All stations are established and fully functional for all six security forces.	15,000,000	25,000,000	25,000,000	25,000,000	10,000,000	100,000,000
Outcome 2 Community policing; Hostility and conflict reduced; the traditional values are restored and revitalized	4,500,000	7,500,000	7,500,000	7,500,000	3,000,000	30,000,000

Output 1 Community Policing law passed by the Puntland parliament and enforced.	900,000	1,500,000	1,500,000	1,500,000	600,000	6,000,000
Output 2 Community Policing Program designed.	3,600,000	6,000,000	6,000,000	6,000,000	2,400,000	24,000,000
Outcome 3 Counter terrorism and piracy operations are strengthened and improved.	4,500,000	7,500,000	7,500,000	7,500,000	3,000,000	30,000,000
Output 1 Elderly involvement of solving conflicts encouraged and accepted	1,650,000	2,750,000	2,750,000	2,750,000	1,100,000	11,000,000
Output 2 Youth at risk demobilized and rehabilitated	2,850,000	4,750,000	4,750,000	4,750,000	1,900,000	19,000,000
Outcome 4 Counter terrorism and piracy operations are strengthened and improved.	7,500,000	12,500,000	12,500,000	12,500,000	5,000,000	50,000,000
Output 1 Strong counter terrorism law of Puntland updated and endorsed; Harboring murders and criminals reduced	2,250,000	3,750,000	3,750,000	3,750,000	1,500,000	15,000,000
Output 2 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.	3,750,000	6,250,000	6,250,000	6,250,000	2,500,000	25,000,000
Output 3 Database for small arms and light weapon registration have established and put in operation across Puntland	1,500,000	2,500,000	2,500,000	2,500,000	1,000,000	10,000,000
Outcome 5 Mine-action program reduced deaths and cleared mines from all Puntland territory and the UXO items are cleared from Puntland territory.	7,500,000	12,500,000	12,500,000	12,500,000	5,000,000	50,000,000
Output 1 All demining teams are trained and equipped. <ul style="list-style-type: none">The deaths and injuries caused by mines are reduced.Mine areas are cleared	3,000,000	5,000,000	5,000,000	5,000,000	2,000,000	20,000,000
Output 2 UXO's in the communities both urban and rural eliminated.	4,500,000	7,500,000	7,500,000	7,500,000	3,000,000	30,000,000

Outcome 6 Puntland immigration service delivery in all borders: ports, airports and land improved. Counter human trafficking and smuggling initiatives is improved	7,500,000	12,500,000	12,500,000	12,500,000	5,000,000	50,000,000
Output 1 All immigration check points, seaports, airports, land borders are fully equipped and Puntland immigration database of travellers and passengers is interconnected and functional	4,500,000	7,500,000	7,500,000	7,500,000	3,000,000	30,000,000
Output 2 Puntland human trafficking law is adopted and enforced.	1,500,000	2,500,000	2,500,000	2,500,000	1,000,000	10,000,000
Output 3 Human trafficking practices eradicated	1,500,000	2,500,000	2,500,000	2,500,000	1,000,000	10,000,000

JUSTICE SECTOR

Outcome 1: Reformed laws and policies applied	2014	2015	2016	2017	2018	Total
Output 1. Penal code and criminal procedure amended	120000	133333.3	133333.3	180000	100000	666,666.6
Output 2. Justice institutions including religious policies restructured	100000	140000	140000	160000	120000	660,000
Output 3 Islamic, Formal and customary (XEER) laws coordinated/aligned	80000	126666.7	126666.7	110000	80000	523,333.4
Total	300,000	400,000	400,000	450,000	300,000	1,850,000
Outcome 2: Sector Human Resources such as MoJRAR Staff, Judges, PCC, Prosecutors and Lawyers Professionalized	2014	2015	2016	2017	2018	Total
Output 1: Judges, Prosecutors, lawyers, court registrars trained.	262500	291250	131250	138250	108750	932,000
Output 2. Judicial Training Centre established.	171100	195000	158750	98990	94375	718,215
Output 3: PCC equipped, upgraded and trained of special skills.	353950	263750	185000	167510	110000	108,0210
Output 4: The courts, office of the Attorney General and MoJRAR rehabilitated and constructed.	262450	235000	160000	140250	121875	919,575
Total	1,050,000	985,000	635,000	545,000	435,000	3,650,000
Outcome 3: Access to Justice enhanced	2014	2015	2016	2017	2018	Total
Output 1: Courts including mobile courts expanded in all districts.	120000	88625	88875	68325	65527	431,352
Output2. Legal Aid and Public Defenders Office strengthened.	90000	87500	85000	62500	62500	387,500

Output 3: Inspection of courts by the High Judiciary Council conducted	110000	85000	87500	53648	68325	404,473
Output 4: Alternative dispute resolution systems and justice for children improved	80000	88875	88625	65527	53648	376,675
Total	400,0000	350,000	350,000	250,000	250,000	1,600,000
Outcome 4: Legal Education Improved	2014	2015	2016	2017	2018	Total
Output 1: Law Schools capacity enhanced	72650	73456.4	86667	80608.4	73556.4	386,938.2
Output 2: Law Graduates recruited under justice sector	86666.6	93525	76666.6	62725	64777	384,360
Output 3: Internship program and PUWLA capacity improved.	100683	93018.6	66666.4	71666.6	76666.6	408,701.2
Total	260,000	260,000	230,000	215,000	215,000	1,180,000
zOutcome 5: Human Rights situation improved	2014	2015	2016	2017	2018	Total
Output 1: Human rights advocacy enhanced	210000	315000	310000	300000	125000	1,260,000
Output 2: Human Rights Commission established	150000	275000	125000	305000	100000	955,000
Output 3: Fundamental rights specially child protection promoted	90000	160000	165000	295000	75000	785,000
Total	450,0000	750,000	600,000	900,000	300,000	3,000,000
Outcome 6:Prison Services and Social Rehabilitation Enhanced	2014	2015	2016	2017	2018	Total
Output 1: Prisons rehabilitated and constructed	53500	72646	125550	115000	262450	629,146
Output 2: Specialized Prisons for juvenile established.	74000	60714	131250	184375	171100	621,439
Output 3: Prison justice services including probation and parole delivered.	60000	65625	108200	178125	353950	765,900
Output 4: Prisoners rehabilitated	62500	63515	160000	235000	262500	783,515
Total	250,000	262,500	525,000	712,500	1,050,000	2,80,0000

SOCIAL SECTOR

Programmes	Total	2013/14	2014/15	2015/16	2016/17	2017/18
Outcome1: Access and equity to education at all level improved	176,444,250	17,644,425	52,933,275	61,755,487.5	26,466,637.5	17,644,425
Output 1: Access of primary education including early childhood education enhanced	129,444,250	12,944,425	38,833,275	45,305,488	19,416,638	12,944,425
Output 2: Access and equity in secondary education enhanced	33,500,000	3,350,000	10,050,000	11,725,000	5,025,000	3,350,000
Output 3: Access and equity to higher education improved	7,500,000	750,000	2,250,000	2,625,000	1,125,000	750,000
Output 4: TVET programmes are enhanced	4,000,000	400,000	1,200,000	1,400,000	600,000	400,000
Output 5: Non formal education improved	2,000,000	200,000	600,000	700,000	300,000	200,000
Outcome2: Quality of education at all level improved and science technology and innovation promoted	6,000,000	600,000	1,800,000	2,100,000	900,000	600,000
Output 1: Capacities of the teaching staff developed	1,500,000	150,000	450,000	525,000	225,000	150,000
Output 2: Lower and higher education curriculum reviewed	500,000	50,000	150,000	175,000	75,000	50,000
Output 3: Enhanced use of knowledge in science and technology and science laboratory constructed	4,000,000	400,000	1,200,000	1,400,000	600,000	400,000
Outcome3: Public sector health services and Quality of medicine improved	276,500,000	27,650,000	82,950,000	96,775,000	41,475,000	27,650,000
Output 1: Improved access of health services across Puntland	150,000,000	15,000,000	45,000,000	52,500,000	2,500,000	15,000,000
Output 2: Health facility and infrastructures are improved	125,000,000	12,500,000	37,500,000	43,750,000	18,750,000	12,500,000
Output 3: Improved the quality and safety of medicines and consumables	1,500,000	150,000	450,000	525,000	225,000	150,000
Outcome4: Health care financing and information system improved	4,500,000	450,000	1,350,000	1,575,000	675,000	450,000
Output 1: Improved the quality and safety of medicines and consumables	1,500,000	150,000	450,000	525,000	225,000	150,000

Output 2: Improved health sector financing	500,000	50,000	150,000	175,000	75,000	50,000
Output 3: Health information enhanced	4,000,000	400,000	1,200,000	1,400,000	600,000	400,000
Outcome:5 Gender mainstreaming policies and programmes enhanced and women's development promoted	21,750,000	2,175,000	6,525,000	7,612,500	3,262,500	2,175,000
Output 1: Gender sensitive plans, policies, programmes and laws in place	1,500,000	150,000	450,000	525,000	225,000	150,000
Output 2: Gender responsive budgeting promoted	250,000	25,000	75,000	87,500	37,500	25,000
Output 3: Women development funds established	20,000,000	2,000,000	6,000,000	7,000,000	3,000,000	2,000,000
Outcome:6 Livelihoods of all vulnerable groups improved	5,100,000	510,000	1,530,000	1,785,000	765,000	510,000
Output 1: Disability centres and orphanage centres are established	4,000,000	400,000	1,200,000	1,400,000	600,000	400,000
Output 2: Improved social integration of young disabled people	100,000	10,000	30,000	35,000	15,000	10,000
Output 3: Internally displaced people are integrated with host community	1,000,000	100,000	300,000	350,000	150,000	100,000
Outcome7: Youth Employment scheme and Sports Program designed	31,000,000	3,100,000	9,300,000	10,850,000	4,650,000	3,100,000
Output 1: Technical vocational trainings for youth are improved	1,500,000	150,000	450,000	525,000	225,000	150,000
Output 2: Youth employment bureau established	6,000,000	600,000	1,800,000	2,100,000	900,000	600,000
Output 3: Improved sporting facilities and 4 stadiums developed	18,500,000	1,850,000	5,550,000	6,475,000	2,775,000	1,850,000
Output 4: Sports academy and sports & culture fund established	4,000,000	400,000	1,200,000	1,400,000	600,000	400,000
Output 5: Centre for art and culture for youth developed	1,000,000	100,000	300,000	350,000	150,000	100,000

LIVELIHOOD SECTOR

	2014 15%	2015 25%	2016 25%	2017 25%	2018 10%	Total
Total funds available:	67,546,378.50	112,577,297.50	112,577,297.50	112,577,297.50	45,030,919	450,309,190
Outcome 1 Animal health enhanced	29,300,730	48,834,550	48,334,550	48,334,550	19,533,820	195,338,200
Output 1 Disease control system designed	6,160,146	10,266,910	10,266,910	10,266,910	4,106,764	41,067,640
Output 2 Rangeland and water management improved	5,559,090	9,265,150	9,265,150	9,265,150	3,706,060	37,060,600
Output 3 Animal products and environmental hygiene improved	5,861,202	9,768,670	9,768,670	9,768,670	3,907,468	39,074,680
Output 4 Qualified technicians and professionals placed	5,860,242	9,767,070	9,767,070	9,767,070	3,906,828	39,068,280
Output 5 Livestock export market diversified	5,860,050	9,766,750	9,766,750	9,766,750	3,906,700	39,067,000
Outcome 2 Marine resource management promoted	12,820,710	21,367,850	21,367,850	21,367,850	8,547,140	85,471,400

Output 1 Illegal and unregulated international fishing in Puntland waters protected	3,204,000	5,340,000	5,340,000	5,340,000	2,136,000	21,360,000
Output 2 Piracy activities in Puntland eliminated	3,000,000	5,000,000	5,000,000	5,000,000	2,000,000	20,000,000
Output 3 Fishing infrastructure constructed	3,410,355	5,683,925	5,683,925	5,683,925	2,273,570	22,735,700
Output 4 Marine resource educational facilities developed	3,206,205	5,343,675	5,343,675	5,343,675	2,137,470	21,374,700
Outcome 3 Watershed management developed	1,373,647.50	2,289,412.50	2,289,412.50	2,289,412.50	915,765	9,157,650
Output 1 Dams and water catchments constructed	1,373,647.50	2,289,412.50	2,289,412.50	2,289,412.50	915,765	9,157,650
Outcome 4 Local crop productions increased to reduce poverty and hunger	1,914,420	3,190,700	3,190,700	3,190,700	1,276,280	12,762,800
Output 1 Farms for crop production established	1,014,270	1,690,450	1,690,450	1,690,450	676,180	676,180
Output 2 outlets (markets) established	900,000	1,500,000	1,500,000	1,500,000	600,000	600,000
Outcome 5 Water harvesting and conservation for environmental rehabilitation and drought resilience improved	9,007,650	15,012,750	15,012,750	15,012,750	6,005,100	60,051,000
Output 1	9,007,650	15,012,750	15,012,750	15,012,750	6,005,100	60,051,000

Watershed dams constructed						
Outcome 6 Wildlife and conserved marine ecology and biodiversity protected	3,663,060	6,105,100	6,105,100	6,105,100	2,442,040	24,420,400
Output 1 Wildlife protection programme developed	1,681,500	2,802,500	2,802,500	2,802,500	1,121,000	11,210,000
Output 2 Marine pollution protection programme for climate change and land deforestation	1,981,560	3,302,600	3,302,600	3,302,600	1,321,040	13,210,400
Outcome 7 Adverse impact of the climate change and land deforestation reduced	2,689,500	4,482,500	4,482,500	4,482,500	1,793,000	17,930,000
Output 1 Early warning and protection programme for climate change and land deforestation designed and implemented	2,689,500	4,482,500	4,482,500	4,482,500	1,793,000	17,930,000
Outcome 8 Private sector business enabling environment promoted	6,776,661	11,294,435	11,294,435	11,294,435	4,517,774	45,177,740
Output 1 Trade legislations developed	1,535,631	2,559,385	2,559,385	2,559,385	1,023,754	10,237,540
Output 2 Public private partnership improved	2,160,030	3,600,050	3,600,050	3,600,050	1,440,020	14,400,200
Output 3 International trade and local production improved	3,081,000	5,135,000	5,135,000	5,135,000	2,054,000	20,540,000

INFRASTRUCTURE SECTOR

	2014	2015	2016	2017	2018	Total
Outcome 1: Improve Air and Road Transportation	23,064,272.22	19,220,226.85	19,220,226.85	7,688,090.74	7,688,090.70	76,880,907
Output 1. Government institutions right sized	7,530,616	6,275,513	6,275,513	2,510,205	2,510,205	25,102,052
Output 2. Construction/Rehabilitation of feeder roads	5,113,200	4,261,000	4,261,000	1,704,400	1,704,400	17,044,000
Output 3 Improve basic airport and air navigation infrastructure throughout Puntland	10,420,457	8,683,714	8,683,714	3,473,486	3,473,486	34,734,855
Outcome 2: Improve Port infrastructure and shipping services	9,276,900.00	7,730,750.00	6,184,600.00	4,638,450.00	3,092,300.00	30,923,000
Output 1 Sea Port infrastructure improved	4,500,000	3,750,000	3,750,000	1,500,000	1,500,000	15,000,000
Output 2: Ports facilities enhanced	603,000	502,500	502,500	201,000	201,000	2,010,000
Output 3: Jetties are Constructed in the economically active coastal towns.	573,900	478,250	478,250	191,300	191,300	1,913,000
Outcome 3: Reduce water shortage in Puntland	5,120,250.00	4,266,875.00	3,413,500.00	2,560,125.00	1,706,750.00	17,067,500
Output 1: Number of fully equipped boreholes increased	2,715,000	2,262,500	2,262,500	905,000	905,000	9,050,000
Output 2: Improve water supply systems and sanitation facilities in Puntland						3,017,500
Output 3: Rain water is utilised						5,000,000
Outcome 4: Improved availability of essential heavy duty equipment	6,090,660	5,075,550	4,060,440	3,045,330	2,030,220	20,302,200

Output 1: Provision of heavy duty equipment	6,090,660	5,075,550	5,075,550	2,030,220	2,030,220	20,302,200
Outcome 5: Promotion of Alternative Energy.	5,325,000	4,437,500	3,550,000.00	2,662,500	1,775,000	17,750,000
Output 1 Public and private sector partnership to improve alternative energy established	2,250,000	1,875,000	1,875,000	750,000	750,000	7,500,000
Output2: Introduction of solar and wind energy in all Puntland to reduce the reliability of Diesel Engines	1,350,000	1,125,000	1,125,000	450,000	450,000	4,500,000
Output 3: Explore Ocean Energy Potential	1,725,000	1,437,500	1,437,500	575,000	575,000	5,750,000
Outcome 6: Lack of qualified and trained work force in the infrastructure sector reduced	2,850,000.00	2,375,000.00	1,900,000.00	1,425,000.00	950,000.00	9,500,000
Output 1: Job trainings by professionals introduced	1650000	1375000	1375000	550000	550000	5,500,000
Output 2: Build the capacity of all Puntland Institution	1200000	1000000	1000000	400000	400000	4,000,000
Outcome 7: Establishing Institutional Policies & Regulations	3,750,000.00	312,500,000.00	250,000,000.00	1,875,000.00	1,250,000.00	12500000

Output 1: Design and enforce sector institutional policies and regulatory frameworks

3,750,000

3,125,000

3,125,000

1,250,000

1,250,000

12,500,000

ANNEX 5: THE MACROECONOMIC TECHNICAL PAPER⁸

INTRODUCTION

In this report we present an analysis of some macroeconomic variables in the plan period. We will first introduce the concept the macroeconomic injections to see the total income derived from injecting the economy additional resources from Government expenditures, private investment and private export earnings.

We will then relate these injection to the economy with the total income projections at 2.5% and 5% on the baseline GDP to evaluate with the gaps that might incur by using various methods of estimations.

We will also estimate the income earning due to employment generation during the plan period.

PUNTLAND MACROECONOMIC INJECTIONS

Injections are the sources of amounts added to domestic production that are do not result from domestic consumption expenditures. These injections include amounts that come from government spending and subsidies, investment spending and amounts received for exports.

Every time there is an injection of new demand into the circular flow there is likely to be a multiplier effect. This is because an injection of extra income leads to more spending, which creates more income, and so on. The multiplier effect refers to the increase in final income arising from any new injection of spending.

THE INVESTMENT MULTIPLIER EXPRESSED AS LQ

This plan uses the location quotient technique, the most widely used and compelling method for estimating the export employment or income (MoPIC 2007, MoPIC 2011c).

These are defined as follows:

$$dY/dX = 1/[1 - (c - m)], \text{ and } dY/dI = 1/[1 - (c - m)]$$

The Location Quotient (LQ) is computed through the above multiplier or $1/[1 - (c - m)]$

Where:

LQ=1: the sector has the same proportion of its investment

LQ<1: the sector is not producing enough to meet income

LQ> 1: the sector has a larger proportion of its income

⁸ Prepared by Dr Mohamed Said Samantar with the assistance of Hamdi Abdirahman Salad (MoPIC), Sahra Abdullahi Jama (MoPIC), Abdilatif Ali (MoPIC), and Abshir Mohamed Abshir (MoF)

Sector	Location Quotient	Classification
Agriculture (CL)	0.18	L<1
Livestock(CL)	1.74	L>1
Construction (CL)	0.18	L<1
Wage Employment	1.08	L>1
Business/Trade	1.10	L>1
Other (CL)	2.07	L>1

Source: MoPIC 2007, MoPIC 2011c

The highest coefficients of specialization are in the category “others” (2.07) followed by Livestock (1.74), Business/Trade (1.10), and Wages Employment (1.08). This is indicative of areas that Puntland can develop as niche “centre of expertise” or “engines of growth”. However, the region is not producing enough to meet local needs in agriculture and construction growth is not meeting local needs. These are key indicators for the removal of constraints that impinge on the development of local agricultural supplies and construction. Coefficients of specialization for others, Livestock, Business/Trade and Wage Employment all meet local demand and generate some export-related jobs.

Economic Base Theory posits that the local economy is strongest when it develops those economic sectors that are not closely tied to the local economy. By developing economic activities that rely on sales to external markets, the local economy can better insulate itself from economic instability or recession.

AGGREGATE INCOME BASED ON INVESTMENT CHANGES

Results of Calculations of aggregate income based on LQ at 2.5% and 5% investment are shown in following Table:

INCOME (5% Investment)							
Year	Agriculture 0.18	Livestock 1.74	Construction 0.18	Wage Empl 1.08	Bus/Trade 1.1	Other 2.07	TOTAL
2014	23,664,514	228,756,966	23,664,514	141,987,082	144,616,473	272,141,908	834,831,456
2015	24,847,739	240,194,814	24,847,739	149,086,436	151,847,296	285,749,003	876,573,029
2016	26,090,126	252,204,555	26,090,126	156,540,758	159,439,661	300,036,453	920,401,680
2017	27,394,633	264,814,783	27,394,633	164,367,796	167,411,644	315,038,276	966,421,764
2018	28,764,364	278,055,522	28,764,364	172,586,186	175,782,226	330,790,190	1,014,742,853
TOTAL	130,761,377	1,264,026,640	130,761,377	784,568,259	799,097,301	1,503,755,830	4,612,970,783
INCOME (2.5% Investment)							
Year	Agriculture 0.18	Livestock 1.74	Construction 0.18	Wage Employment 1.08	Business/Trade 1.1	Other 2.07	TOTAL
2014	3,868,195	37,392,551	3,868,195	23,209,170	23,638,969	44,484,242	136,461,322
2015	22,027,221	212,929,806	22,027,221	132,163,328	134,610,797	253,313,045	777,071,418
2016	22,577,902	218,253,051	22,577,902	135,467,411	137,976,067	259,645,871	796,498,204
2017	23,142,349	223,709,377	23,142,349	138,854,096	141,425,468	266,137,018	816,410,659
2018	23,720,908	229,302,112	23,720,908	142,325,449	144,961,105	272,790,443	836,820,926
TOTAL	95,336,576	921,586,898	95,336,576	572,019,454	582,612,407	1,096,370,620	3,363,262,529

Source: MoPIC, 2011a, MoPIC, 2011b

AGGREGATE INCOME BASED ON EXPORT CHANGES

EXPORT (5%)							
Year	Agriculture 0.18	Livestock 1.74	Construction 0.18	Wage Employment	Business/Trade 1.1	Other 2.07	TOTAL
2014	35,699,951	345,099,528	35,699,951	214,199,707	218,166,368	410,549,438	1,259,414,944
2015	37,484,949	362,354,504	37,484,949	224,909,692	229,074,687	431,076,910	1,322,385,691
2016	39,359,196	380,472,230	39,359,196	236,155,177	240,528,421	452,630,756	1,388,504,976
2017	41,327,156	399,495,841	41,327,156	247,962,936	252,554,842	475,262,294	1,457,930,225
2018	43,393,514	419,470,633	43,393,514	260,361,083	265,182,584	499,025,408	1,530,826,736
TOTAL	197,264,766	1,906,892,736	197,264,766	1,183,588,595	1,205,506,902	2,268,544,807	6,959,062,572
EXPORT (2.5%)							
Year	Agriculture 0.18	Livestock 1.74	Construction 0.18	Wage Employment	Business/Trade 1.1	Other 2.07	TOTAL
2014	32,419,468	313,388,193	32,419,468	194,516,810	198,118,973	372,823,885	1,143,686,797
2015	33,229,955	321,222,898	33,229,955	199,379,730	203,071,947	382,144,482	1,172,278,967
2016	34,060,704	329,253,471	34,060,704	204,364,223	208,148,746	391,698,094	1,201,585,941
2017	34,912,221	337,484,807	34,912,221	209,473,329	213,352,464	401,490,547	1,231,625,590
2018	35,785,027	345,921,927	35,785,027	214,710,162	218,686,276	411,527,810	1,262,416,230
TOTAL	170,407,376	1,647,271,297	170,407,376	1,022,444,253	1,041,378,406	1,959,684,818	6,011,593,525

Source: MoPIC, 2011a, MoPIC, 2011b

AGGREGATE INCOME BASED ON GOVERNMENT EXPENDITURE CHANGES

GOV.EXP (5%)					
Year	Livestock 1.74	Wage Employment 1.08	Business/Trade 1.1	Other 2.07	TOTAL
2014	6,474,654	39,567,333	74,458,526	74,458,526	194,959,040
2015	6,798,387	41,545,700	78,181,453	78,181,453	204,706,992
2016	7,138,307	43,622,985	82,090,525	82,090,525	214,942,342
2017	7,495,222	45,804,134	86,195,052	86,195,052	225,689,459
2018	7,869,983	48,094,340	90,504,804	90,504,804	236,973,932
TOTAL	35,776,553	218,634,491	411,430,361	411,430,361	1,077,271,766
GOV.EXP (2.5%)					
Year	Livestock 1.74	Wage Employment 1.08	Business/Trade 1.1	Other 2.07	TOTAL
2014	5,879,696	35,931,475	67,616,502	67,616,502	177,044,175
2015	6,026,688	36,829,762	69,306,915	69,306,915	181,470,280
2016	6,177,355	37,750,506	71,039,588	71,039,588	186,007,037
2017	6,331,789	38,694,268	72,815,578	72,815,578	190,657,213
2018	6,490,084	39,661,625	74,635,967	74,635,967	195,423,643
TOTAL	30,905,613	188,867,635	355,414,550	355,414,550	930,602,348

Source: MoPIC 2007, MoPIC 2011a, MoPIC, 2011c

TOTAL INJECTIONS

AGGREGATE INCOME Injections (2.5 Percent)					
Year	H.H EXPEND	INVESTMENT	GOV.EXPENSE	NET EXPORT	INCOME
2014	2,014,679,288	119,388,733	32,664,977	(325,142,645)	1,841,590,353
2015	2,065,046,270	122,373,452	33,481,601	(333,271,211)	1,887,630,112
2016	2,116,672,427	125,432,788	34,318,641	(341,602,992)	1,934,820,865
2017	2,169,589,238	128,568,608	35,176,608	(350,143,066)	1,983,191,387
2018	2,223,828,969	131,782,823	36,056,023	(358,896,643)	2,032,771,171
TOTAL	10,589,816,191	627,546,404	171,697,850	(1,709,056,557)	9,680,003,888
AGGREGATE INCOME Injections (5 Percent)					
Year	H.H EXPEND	INVESTMENT	GOV.EXPENSE	NET EXPORT	INCOME
2014	2,218,542,008	131,469,521	35,970,303	(358,043,397)	2,027,938,434
2015	2,329,469,108	138,042,997	37,768,818	(375,945,567)	2,129,335,355
2016	2,445,942,563	144,945,147	39,657,259	(394,742,845)	2,235,802,123
2017	2,568,239,691	152,192,404	41,640,122	(414,479,988)	2,347,592,229
2018	2,696,651,676	159,802,024	43,722,128	(435,203,987)	2,464,971,841
TOTAL	12,258,845,046	726,452,092	198,758,628	(1,978,415,785)	11,205,639,981

Source: Our elaborations

INCOME EXPRESSED AS TOTAL AGGREGATE DEMAND

AGGREGATE INCOME (2.5 Percent)					
Year	H.H EXPEND	INVESTMENT	GOV.EXPENSE	NET EXPORT	INCOME
2014	2,014,679,288	119,388,733	32,664,977	(325,142,645)	1,841,590,353
2015	2,065,046,270	122,373,452	33,481,601	(333,271,211)	1,887,630,112
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AGREGATE INCOME (5 Percent)					
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2014	2,218,542,008	131,469,521	35,970,303	(358,043,397)	2,027,938,434
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2018	2,696,651,676	159,802,024	43,722,128	(435,203,987)	2,464,971,841
				TOTAL	11,205,639,981

Source: Our Elaborations

INCOME BASED ON EMPLOYMENT CHANGES

An important finding is that the base multiplier for Puntland is at 3.234. This means that for every one basic job created, over three non-basic sector jobs are created. Notably in the “others” category, Livestock, Business/Trade and Wages Employment, in that ranking, the objective of poverty-reducing growth, if it takes place in the medium-term, would thus be served well by the strength of the multiplier. The employment and incomes would benefit most the category “Others”, which contains small-scale operators and probably low-income group in the economy- fishermen, salt miners, tailors, repairmen etc, Sectors that gain little from basic sector economic activity are agriculture and construction. The basic sector thus is a major factor in the development of the Puntland economy.

To estimate the aggregate income based at 5% and 2.5% employment increase we need to make another estimation of the level and scale of employment remunerations in Puntland. We gathered some qualitative data based on interviews with key informants and the findings are shown in following

TABLE:

Sector	Average Wages	Daily	Average Wages	Yearly
Agriculture	6.7		2400	
Livestock (CL)	5.0		1800	
Construction (CL)	7.5		2700	
Wage Employment	5.5		1980	
Business/Trade	7.0		2520	
Other (CL)	5.5		1980	

Source: our elaborations

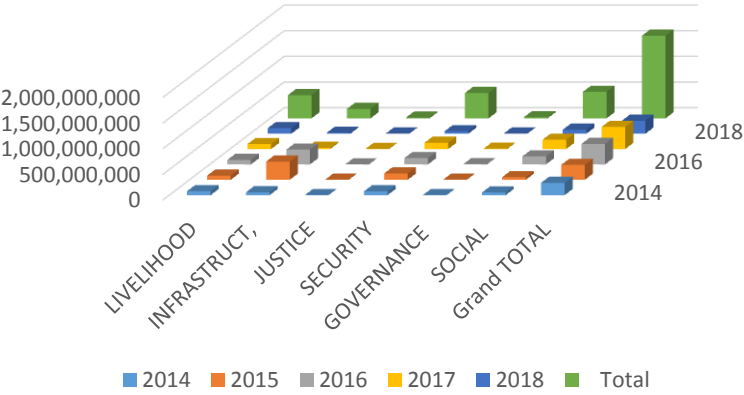
Results of estimations of aggregate income based on LQ at 5% and 2.5% employment are shown in following Table:

Total Jobs (2.5%) 20142018	Total Jobs (5%) 20142018	Income (2.5% Employment)	Income (5% Employment)
109922.32	121259.60	263,813,556.82	291,023,041.58
884278.02	975481.64	1,591,700,440.97	1,755,866,943.28
7021.22	7745.38	18,957,287.76	20,912,524.78
139479.47	153865.25	276,169,342.63	304,653,191.63
368268.78	406251.68	928,037,317.45	1,023,754,222.78
216896.21	239266.68	429,454,486.35	473,748,022.44
	TOTAL	3,508,132,431.98	3,869,957,946.49

PFYDP2 YEARLY COST B REAKDOWN BY SECTOR

SECTOR	2014	2015	2016	2017	2018	Total	(%)
LIVELIHOOD	75,900,000	82,040,000	88,394,000	98,334,400	108,166,740	452,835,140	26.8309
INFRASTRUCTURE	55,477,082	355,605,901	288,328,766	23,894,495	18,492,360	184,923,607	10.9569
JUSTICE	2,710,000	3,007,500	2,740,000	3,072,500	2,550,000	14,080,000	0.8343
SECURITY	74,250,000	123,750,000	123,750,000	123,750,000	49,500,000	495,000,000	29.3292
GOVERNAN CE	2,295,000	3,442,500	5,737,500	8,032,500	3,442,500	22,950,000	1.3598
SOCIAL	52,129,425	52,129,425	156,388,275	182,452,988	78,194,138	517,950,000	30.689
Grand TOTAL	239,822,307	291,484,327	398,701,696	431,911,329	252,699,338	1,611,274,746	100

Yearly Sector Development Budget 2014-2018



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