



MINISTRY OF FOREIGN AFFAIRS
OF DENMARK

Danish Country Programme

Somalia

2019-2023

15 October 2018
File no. 2018-4903

Contents

Abbreviations	3
1. Introduction.....	5
2. Strategic considerations and justification	6
2.1 Programme Context	6
2.2 Strategic policy framework.....	11
2.3 Synergies; stabilisation, strategic partnerships, development and humanitarian action.....	12
2.4 Danish strengths, interest and opportunities.....	13
2.5 Lessons learned	14
2.6 Programme Justification.....	15
2.7 Partner Selection	18
2.8 Programme Strategic Objective and Results Framework.....	19
2.9 Development effectiveness.....	20
2.10 Contextual risk scenarios and response	21
3. Programme Overview	22
3.1 TP 1: Resilient, responsive and inclusive governance and service delivery	23
3.2 TP 2: Core economic institutions, inclusive private sector and diversification of livelihoods	27
3.3 TP 3: Protection, safety nets and reduction of forced displacement.....	31
3.4 Unallocated funds.....	34
4. Overview of management set-up.....	35
4.1 M&E, reviews, risks and technical advisors.....	35
4.2 Financial management	37
5. Programme budget.....	38

Abbreviations

AU	African Union
AWP	Annual Work Plan
CSO	Chief Security Officer
CSO	Civil Society Organisation
CVE	Countering Violent Extremism
DED	Development Engagement Document
DFID	Department for International Development (DFID)
DINA	Drought Impact Needs Assessment
DKK	Danish Krone
DRC	Danish Refugee Council
ECW	Education Cannot Wait
EU	European Union
EUTF	European Union Emergency Trust Fund for Africa
FAO	Food and Agriculture Organization of the UN
FGM	Female genital mutilation
FGS	Federal Government of Somalia
FIDEP	Financial Institutions Development Program (by IFC)
FMS	Federal Member State
GBV	Gender-based violence
GDP	Gross domestic product
GoSL	Government of Somaliland
GPE	Global Partnership for Education
ICRC	International Committee of the Red Cross
ICRIC	Independent Constitutional Review and Implementation Commission
ICT	Information and Communications Technology
IDP	Internally Displaced Person
IFC	International Finance Corporation
IFU	Investment Fund for Developing Countries (Investeringsfonden for Udviklingslande)
ILED	Inclusive Local and Economic Development
IMS	International Media Support
JPHR	UN Joint Programme on Human Rights
JPLG	UN Joint Programme on Local Governance and Decentralized Service Delivery
LDF	Local Development Fund
M&E	Monitoring and Evaluation
MLS	Monitoring and Learning Systems
MOCA	Ministry of Constitutional Affairs
NDP	National Development Plan
NGO	Non-governmental organisation
NHRC	National Human Rights Commission
OC	Oversight Committee

OCHA	UN Office for the Coordination of Humanitarian Affairs
OECD-DAC	The Organisation for Economic Co-operation and Development - Development Assistance Committee
PSP-HOA	Peace and Stabilisation Programme for the Horn of Africa
PWG	Pillar Working Groups
RCRF	Recurrent Cost and Reform Financing
RDE	Royal Danish Embassy of Denmark
ROI	Regions of Origin Initiative
RRF	Recovery and Resilience Framework
SCORE	Somali Core Economic Institutions and Opportunities Programme
SCP	Somalia Country Program
SDF	Somaliland Development Fund
SDG	Sustainable Development Goals
SDRF	Somalia Development and Reconstruction Facility
SICRP	Somali Investment Climate Reform Programme
SME	Small and medium-sized enterprise
SNA	Somalia National Army
TPM	Third-party monitoring
TP	Thematic Programme
TQS	Technical Quality Service Department
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNMPTF	UN Multi-Partner Trust Fund
UNSOM	United Nations Assistance Mission in Somalia
WB-MPF	World Bank Multi-Partner Fund
WFP	World Food Programme

1. Introduction

This programme document describes Denmark's Somalia Country Programme 2019-2023 (SCP). The SCP aims at pursuing Danish strategic interests in accordance with the Danish Somalia Country Policy 2018-2023. The SCP applies the approach of the Danish Development Policy and Humanitarian Action - The World 20130 taking its point of departure in the New Way of Working by engaging development, stabilisation, and humanitarian instruments in a concerted effort to enhance efficiency and effectiveness of Danish development engagements in Somalia. The SCP, is also designed to strengthen complementarity with other Danish foreign policy instruments such as the regional Peace and Stabilisation Programme for the Horn of Africa (PSP-HoA) and Danish humanitarian action. The SCP builds on more than 15 years of Danish engagement in Somalia and in particular the most recent experiences gained from the current Somalia Country Programme 2015-2018 that supported the Somalia New Deal Compact (2014-2016). The SCP takes its starting point in the new Somalia Partnership Framework endorsed by national and international conferences lastly in Brussels this year.

This SCP has a stronger focus on human rights than previous country programmes particularly targeting women's and children's rights and will further the results achieved in the areas of state building; local governance and inclusive private sector led economic growth. In line with recent global and Danish policy orientations, the SCP includes operative interlinkages between humanitarian action and development engagements as key to programming in contexts such as in Somalia. The SCP is aligned with and support the National Development Plan of Somalia 2017-19 (NDP) and the National Development Plan II of Somaliland 2017-21 (NDPII), which both emphasise poverty reduction, democratic development, private sector led growth and resilience. The Royal Danish Embassy (RDE) will, together with other international development partners, support the development of new national development plans and will adjust the SCP accordingly.

The SCP contains the following three thematic programmes:

- 1) Strengthen resilient, responsive and inclusive governance able to deliver basic services and to promote and protect fundamental human rights.
- 2) Develop an enabling economic environment through core economic institutions and regulations and strengthen inclusive private sector led development and economic growth through critical and diversified livelihoods.
- 3) Develop protection and safety nets to enhance resilience, enable durable solutions and reduce forced displacement

The SCP has defined resilience as an overarching theme and approach to the engagements included in the SCP in order to link and promote the humanitarian, development and peace nexus. Hence, the SCP aims at developing the capacities and abilities of the Somali people and local communities, private sector and government systems at federal, regional and local level, to better cope with and recover from external shocks (such as natural disasters, conflict etc.). The end goal is to contribute to the reduction of potential negative impacts of shocks for vulnerable communities, Somali women, men and children.

The SCP will contribute to, but is not limited to 6 of the SDGs; SDG 1 of No Poverty, 2 of No Hunger, 5 on Gender Equality, 8 on Decent Jobs and Economic Growth, 9 on infrastructure and 16 on Peace, Justice and Strong Institutions. The SCP has been guided by the Danida Aid Management Guidelines of January 2018.

2. Strategic considerations and justification

The following outlines key strategic contextual considerations and the justification for the SCP.

2.1 Programme Context

State building and governance: Somalia remains a country in conflict and with internal regional and clan related divisions challenging long-term development processes. Although al-Shabaab has been forced out of important urban centres and struggles to hold their ground against the combined force of AMISOM and the Somalia National Army (SNA), the lack of government control over significant parts of Somali territory provides al-Shabaab a safe-haven from which they plan and carry out terrorist attacks.

Al-Shabaab continues to control significant rural areas of the southern and central parts of Somalia and local militia with different clan allegiances challenge the government's authority and territorial control across the country. Accordingly, the planned, conditioned based handing over of security responsibilities from AMISOM to the Somali security forces in the coming years needs to be gradual and contingent on the security forces' abilities and progress on the political and security front as set out in relevant UN Security Council Resolutions (most recent the SCR 2431/2018) in order to safeguard prospects for long-term stabilisation of Somalia.

Somalia has, however, seen progress in terms of state building with the emergence of a federal structure with the five Federal Member States (FMS) of Puntland, Jubaland, South West State, Galmaduug and lately Hirshabelle established, even though on an interim basis. The latest electoral process based on an electoral college system culminated in February 2017 with a new President and Federal Government of Somalia (FGS) being put in place. This has provided an enhanced level of legitimacy of the FGS even though the level of representation remains limited as the elections were based on clan-appointed delegates with limited inclusion of marginalised clans and minorities.¹ Regarding Somaliland see below.

The FGS has ventured into a broad range of reform processes from financial management to human rights and lately, the preparation of elections in 2020 and processes for more equitable resource sharing agreements and revenue collection at FMS level. Official reform commitments and plans are in place, but implementation remains slow and the political commitment varies. Furthermore, systems for fiscal transfer are being established and the very first transfers (even though minimal) to the FMS have taken place. In addition, the FGS and parliament have engaged in a constitutional review process aimed at formalising the federal state formation processes and

¹ The president was elected by the 328 members of the Lower and Upper Houses of Parliament. The Parliament's members were elected in the 2016 parliamentary elections which itself was limited to 14,025 clan elder-appointed delegates

providing a formal basis for future democratic development and state building. The potential success of these efforts depends on buy in from major clans and there is a need for targeted efforts to ensure the involvement of women and marginalised groups. The majority of the Somali people remain excluded from the above-mentioned policy processes and as basic services are still provided mainly by international partners, a key challenge remaining is to strengthen the social contract between the state and the people to strengthen the legitimacy of the state building process and federalism in Somalia.

Improving legitimate and accountable governance is further challenged by the fact that corruption remains pervasive and widespread across politics, justice, security and businesses in Somalia illustrated by the Transparency International Corruption Perception Index where Somalia is ranking 180 out of 180 countries. However, continuous reforms have improved budgeting and accounting processes at the FGS level as the first steps towards more transparent and accountable financial governance (for mitigating measures targeted by the SCP, consult the financial management section).

Human rights violations remain rampant throughout Somalia and in particular in conflict affected areas. Somalia is lagging behind with regard to both policies and enforcement. Out of 13 major human rights treaties, Somalia has only ratified two (the latest being the Convention of the Rights of the Child) and has acceded three others. The greatest contributor to human rights abuses is the ongoing conflict with al-Shabaab in terms of, but not limited to, civilian casualties², extensive and increasing forced recruitment of children and sexual and gender based violence. In addition to human rights violations related to violent conflict, other significant violations occur in the field of Female Genital Mutilation (FGM) and Gender Based Violence (GBV) across Somalia (see below) and forced evictions. While human rights reforms might be underway, there is limited knowledge, awareness and attention to these issues among duty bearers at all governance levels as well as among security forces, which require targeted and additional action particularly with regard to the rights of women, children, Internally Displaced People (IDPs) and socially excluded groups. Recommendations from the latest Universal Periodic Review (UPR) of the Human Rights Council PR from 2016 include ensuring an inclusive state formation process, that key pieces of legislation should be drafted and approved and that the FGS should formulate policies to improve the enjoyment of rights for all people in Somalia and enact human rights-based policies. In cooperation with UNSOM's Human Rights Working Group, the FGS has developed a road map and action plan for implementing UPR recommendations. Implementation requires substantial support, commitment and priority by international partners. Denmark is committed to this agenda, including the preparation and follow-up of the next UPR scheduled for 2020.

Overall Somaliland remains stable, with functioning government institutions at all levels. The main trend of peaceful transfer of power from the last two presidential elections continued with the election of Muse Bihi Abdi as president in November 2017. The new Government of Somaliland (GoSL) seems eager to deliver on economic and political reforms and to lead the development of Somaliland and deliver services to its people. While revenue has increased,

² 1,228 civilian casualties by al-Shabaab registered between January and September 2017

particularly at the local level, and the capacity of the government in Hargeisa to execute has improved, the need for government led service delivery still requires enhanced capacity development support and funding. Although the election were assessed as overall free and fair, post elections concerns regarding reduced political space and intimidation of the major opposition party have emerged. In addition, Somaliland has lately seen a clamp down on individuals and journalists that promote Somali national unity or publicly disclose corrupt government practices. The human rights space is thus shrinking, underscoring the need for strengthening the voice of the rights holders in parallel with strengthening the GoSL's ability to deliver services in a transparent and accountable manner.

Economy, private sector development and structural transformation: The economic situation is largely mirroring the security context. In general, the farther north the more secure, sophisticated and developed is the economy. Thus, in Somaliland, a basic regulatory framework is in place and although compliance and enforcement are uneven, the GoS manages to collect more than 7 pct. of Gross Domestic Product (GDP) against an all-Somalia level of only 2 pct.³ Moreover the revenue base in Somaliland is also more diverse. This relative stability has also begun to attract larger and more long-term investors. In 2017, Somaliland signed agreements with the United Arab Emirates to build a new port and a military base at the coastal town of Berbera. The deal, valued at over USD 400 million, is Somaliland's largest-ever investment and has increased the concerns about the influence of some of the external international actors in Somalia. While performing relatively well, there are concerns about well-connected monopolies dominating the major sectors. Everywhere, remittances play a crucial role in both consumption but increasingly also in financing investments.⁴

In Somalia, not least in the southern and central parts, the institutional framework of economic governance is only now emerging partly because the FGS was only established in 2012 and partly because the political, economic and security instability had prevented any meaningful economic policy, let alone its enforcement. While the FGS has made some progress in specific areas (e.g. on the Companies Act in the fields of procurement and audits) there is still a substantial implementation and enforcement gap. This is not only a question of capacity but also an issue of physical access, as the reach of the FGS is mainly limited to Mogadishu and, in terms of revenue generation, Mogadishu port in particular.

The financial sector is severely underdeveloped with Somalia being excluded from many international financial transfer mechanisms. Financial institutions, such as Dahabshiil, do operate in Somalia, but they are mainly involved in the remittance business and provide virtually no investment capital, undermining the capacity of the emerging private sector to make longer-term

³ Figures from 2015. Recent efforts to improve revenue mobilization in especially south and central Somalia may soon improve these figures. See World Bank: Economic Update, July 2017.

⁴ Remittances are estimated to account for 23% of GDP and 80% of investments, the highest in Africa. See World Bank: 'Progress to Support Remittance Flows' June 2016

investments that could promote the much-needed structural transformation. Moreover, many groups, in particular women, minorities and the politically marginalised are de facto excluded from accessing finance.

Somalia has experienced a rapid and arguably pre-mature urbanisation, driven not primarily by pull factors (e.g. urban job opportunities) but rather by push factors, such as conflicts, droughts and floods.⁵ However, 49 % of the population still live in rural areas, with 46% of employed people working in agriculture. Agriculture is the sector most susceptible to climate shocks and given its dominance in the economy accounting for 75 % of the GDP and 93 % of exports, it is of critical importance to poverty reduction and growth.⁶ However, core agricultural value chains, including the key livestock chain, are characterised by weak integration, low productivity, low compliance with export standards and increased competition over natural resources, most notably water and land. Accelerating climate change will entail more frequent and severe occurrences of extreme weather events, such as droughts, floods and temperature increases. This will put additional stress on especially livestock, but also crop-production. Consequently, there is an urgent need to accelerate climate resilient and productivity enhancing investments in agriculture. Moreover, farmers will also need to adapt their farming and pastoralist practices in terms of better irrigation regimes (e.g. drip irrigations), accessing water points for livestock, adopt less water consuming practices (e.g. conservation agriculture) and integrate into commercial value chains, that can improve their incomes. This will also help diversify the rural economy that in turn may contribute to decelerate the rural-urban migration rate.

International Finance Institutions (IFIs). As Somalia remains heavily indebted and does currently not meet the conditions for debt relief, one of the main priorities of the FGS is the normalisation with IFIs, and the subsequent unlocking of funding from the World Bank's International Development Association (IDA) and other concessional financing sources. As Somalia's development trajectory has clearly improved in the last decade there is a real possibility that Somalia will reach the Heavily Indebted Poor Country (HIPC) Decision Point during the implementation of the SCP. However, this will require sustained and strong commitment to reform. Nevertheless, the recent decision by the World Bank in September 2018 to grant Somalia access to IDA Pre-Arrears Clearance Financing (potentially up to US\$140 million) is an indication of the progress made so far. Even more so, the successful implementation of two consecutive International Monetary Fund (IMF) Staff Monitored Programmes (SMPs) has contributed to building a sound track-record and a third SMP is currently being developed. In addition, the EU Member States in May 2018 approved a budget support programme for Somalia. Benchmarks for implementation are currently being developed.

Protection, displacement, and poverty: Social and legal protection is an overall concern in Somalia from a humanitarian, human rights and development perspective. The protection needs stem from a combination of conflict, natural disasters intensified by climate change, and

⁵ A typical coping strategy is to keep some family members in the rural areas while others seek employment/safety in cities.

⁶ World Bank and FAO: *Country Economic Memorandum - Rebuilding Resilient and Sustainable Agriculture*, Rome, April, 2018

marginalisation of women, children, young people, ethnic groups and/or minority clans as a consequence of the political-economy dynamics and social norms.

Conflict and disasters, in particular drought and floods, has contributed to a displacement crisis in Somalia with more than 2 million Somalis living as IDPs. As the majority of the IDPs has moved to urban and peri-urban areas with refugee returnees from Kenya and other countries, Somalia is now facing one of the fastest urbanisation rates on the continent. Mogadishu is currently housing more than half a million IDPs, but also other cities in the southern part of Somalia are facing a rapid influx such as Baidoa and Kismayo. In total 74 pct. of Somalia's IDPs are located in the south and central regions, and 36 % live in or around Mogadishu. UNHCR estimates that 58% of Somalia's IDP population consists of children under the age of 18 and 23% of women. Only 45% of all IDP settlements are planned and 64 % have no land tenure agreement. In the first five months of 2018, 171.000 IDPs were subject to forced evictions. Many of the IDPs have lived in the urban centres for more than a decade and are *de facto* urban poor, yet still classified as IDPs and primarily targeted with traditional humanitarian aid. The IDP classification of large parts of the urban poor is partly a consequence of the reluctance from local urban and national authorities to let IDPs settle permanently which in turn make the introduction of durable solutions more challenging. The IDPs as well as returnees face immediate protection needs and should be provided with the opportunity to either return to their places of origin or become part of the host communities on equal terms. This will require enhanced physical safety measures and additional livelihood opportunities. The low level of resilience among the IDPs and the returnees make Somalia dependent on recurrent humanitarian aid and provides few pathways for populations to escape cyclical humanitarian shocks.

The vulnerability to shocks is also a consequence of the high chronic levels of poverty across the country; in 2016 before the latest drought, the World Bank assessed that 1 in 3 face extreme poverty and 7 out of 10 IDPs face extreme poverty. In addition, the Humanitarian Response Plan 2018 estimates that 5.4 million have humanitarian needs of which 2.9 million are estimated to have urgent life-saving needs - a figure which has tripled since 2014. Currently, humanitarian needs are addressed either immediately through a plethora of humanitarian interventions or through long-term development interventions targeting the structural causes of poverty. There are, however, limited use of more coordinated short- to medium-term safety nets that can provide a more continuous measure for these populations. In addition to the need of an immediate coordinated humanitarian response, there is also a more development-oriented need for creating a resilient 'poverty floor'. Such an arrangement may allow the targeted population to lift themselves out of immediate poverty and gain confidence in making longer term investments in the future such as micro-enterprise investments and investments in human capital.

The high poverty levels and insecurity expose young girls and women to gender-based violence (GBV) and according to UNFPA in 2016 74% of GBV survivors were IDPs and 99% of these were women. GBV is particularly high in the domestic sphere, but it is further exacerbated in situations of enhanced displacement and poverty. Furthermore, according to UNICEF an estimated 98.5% of all girls and women above 15 years of age have been subject to female genital mutilation (FGM). FGM continues to be practiced across all states and ethnicities underscoring the importance of working with norm change, acknowledging that this is a long-term endeavour.

The high levels of GBV and FGM illustrate the importance of enhancing the focus on women's and girls' rights and protection needs.

Moreover, the conflict puts children, and in particular young boys, at risk of being abducted or recruited by al-Shabaab, other militia, or in some instances the Somali National Army. According to UNICEF more than 2,000 children were forcefully recruited or used by the warring sides in 2017, underscoring the need to enhance the protection of children in armed conflict.

Furthermore, the conflict and internal displacement influence the already ethnically eschewed power balances in Somalia. A significant number of displaced people come from marginalised sections of the Somali society such as the Bantus, who face increased protection needs when residing in areas like Mogadishu, where they have no or limited clan protection.

2.2 Strategic policy framework

The SCP is aligned with the *'The World 2030'* and its 4 strategic priorities: (1) Freedom and development - democracy, human rights and gender equality, (2) Inclusive, sustainable growth and development, (3) Security and development – Peace, stability and protection and (4) Migration and development. It also responds to the Danish Foreign and Security Policy Strategy's focus on migration, security and terrorism. The SCP aims at contributing to the achievement of Denmark's three main policy objectives as described in the Danish Somalia Country Policy Paper 2018-2023:

1. Promote stabilisation and security, state building and strengthen respect for human rights, with particular focus on women's and children's rights.
2. Strengthen resilience and support Somalia's management of internally displaced and returning refugees to prevent refugee flows and irregular migration, as well as promoting constructive cooperation on readmission
3. Contribute to poverty reduction through inclusive and sustainable private sector driven economic development and job creation with a particular focus on women and youth.

In accordance with Denmark's international commitments, the SCP will contribute to the SDGs. The following six goals and particular sub-goals are found to be of particular relevance:

- 1) Goal 1: No poverty. Especially sub-goal 1.3 creating a floor for the poor, and 1.5 focusing on resilience of the poor and vulnerable
- 2) Goal 2: Zero hunger. Especially sub-goal 2.3 doubling agricultural productivity, and 2.4 sustainable food production systems
- 3) Goal 5: Gender equality. Especially sub-goal 1.2 on combatting violence against women and girls, and 5.3 focusing on the eradication of FGM and child marriages
- 4) Goal 8: Economic growth: Especially sub-goal 8.6, youth employment, and 8.10 domestic financial institutions
- 5) Goal 9: Industry, Innovation and Infrastructure. Especially investment in infrastructure is crucial drivers of economic growth and development in a Somali context.
- 6) Goal 16: Peace and justice: Especially sub-goal 16.1 reduce all forms of violence and related deaths, and 16.6 develop accountable and transparent institutions at all levels

With regard to alignment with the Somali NDPs, the SCP will focus on the objective of socio-economic transformation, justice and gender equality. More particularly, the SCP is aligned with the NDP's sub-goals on open politics and reconciliation, reduced abject poverty, more resilient communities that can withstand internal and external shocks, a vibrant economic sector with particular focus on agriculture, livestock and fishing, increased employment opportunities and decent work particularly for women and the youth and a federal political and economic framework that empowers the FMS to deliver services and economic opportunities to the people of Somalia in a secure environment. Regarding alignment with the Somaliland NDP II, the SCP aims at contributing to the priority areas of investing in people through improved social services, establishing an enabling environment for poverty reduction and sustained growth by expanding opportunities for employment and improving food security and deepening peace, improving security, and establishing good governance. The SCP will be managed according to the aid architecture of Somalia (see 2.7).

The SCP is based on the Concept Note approved by the DANIDA Programme Committee April 4 2018. The SCP has integrated its recommendations of further explaining the selection of partners by further focusing on working with the youth, consider “scalability” when finalising the various development initiatives, providing a robust case for the engagement with the Danish Investment Fund for Development Cooperation (IFU) and including flood mitigation in the risk matrix.⁷

2.3 Synergies; stabilisation, strategic partnerships, development and humanitarian action

The SCP is one of several instruments used in the Danish support for stability, resilience and development in Somalia and together they create synergies across the development-humanitarian-peace nexus. They include, but are not limited to; diplomacy and policy dialogue and the following instruments:

- 1) The regional *Peace and Stabilisation Programme 2018-2022 for the Horn of Africa* (PSP-HoA) that supports enhanced security and stability across Somalia. The PSP-HoA thus enables implementation of the SCP in new geographical areas. There are particular synergies between the support to the PSP-HoA Somalia Stability Fund's (SSF) work on district council formation and the support to local governance under the SCP. In addition, the support to disengagement of low-level al-Shabaab combatants under PSP-HoA is complementary to the SCP support to disengagement of children associated with al-Shabaab.
- 2) *Strategic partnership agreements with Danish NGO*: The Danish strategic partners for 2017-2021 in Somalia are the International Media Support (IMS), Danish Refugee Council (DRC) and Save the Children (SC). There are particular synergies between their programmes and the SCP particularly in the areas of increased inclusion, improving human rights, freedom of expression and media and resilience. Coordination and complementarity are ensured through some joint engagements, continuous dialogue and strategic partner meetings on a semi-annual basis.

⁷ Summary of Conclusions of Danida Programme Committee Meeting on April 4th 2018

- 3) *Danish humanitarian assistance to Somalia* is provided on an annual basis. In 2017, Denmark contributed DKK 177 million in humanitarian assistance, mainly for famine prevention and cash programmes. This is in addition to the strategic partnerships that are also implementing programmes in the humanitarian field in Somalia.
- 4) *Migration*. Denmark is supporting several funds and programmes on migration supporting engagements such as the Migration Head Quarters in Mogadishu, EU's *Better Migration Management Programme* focusing on strengthening migration management across the region and the EU Trust Fund for the Horn of Africa. The SCP's engagement on the rights of vulnerable groups and durable solutions contributes to providing opportunities for returnees to reintegrate into the Somali society.
- 5) The support through the *Africa Programme for Peace (APP)*, focuses on capacity development of the African Union (AU) and Regional Economic Communities (RECs) with regard to their peace and stabilisation interventions across Africa, including the Horn of Africa and Somalia.
- 6) *Global Partnership for Education (GPE)* and *Education Cannot Wait (ECW)* to which Denmark is a major contributor, support primary and secondary education across Somalia. The initiatives support education services on cooperation with the FGS and the GoSL complementing SCP's efforts to improve the social contract between the state and the people.
- 7) *Somali Diaspora in Denmark*; the SCP will ensure a stronger dialogue with the Somali Diaspora in Denmark through selected joint engagements, engagement in ongoing research programmes, continuous dialogue and regular meetings in Denmark and in Somalia.

2.4 Danish strengths, interest and opportunities

Danish position of strength, agenda-setting and expertise: The Danish support in the SCP follows a long standing Danish peace, stabilisation and development cooperation with Somalia. As one of the top ten development partners and due to Denmark's long-term commitment to Somalia, a strong platform has been established for policy dialogue and development programming. Denmark's continued commitment to align with and support Somali led development, provides a comparative advantage. This includes the Danish policy of promoting a multilateral approach to Somalia through the multilateral funding mechanisms. Another Danish strength is the extensive number of Danish NGOs and consultancy companies operating across Somalia and their presence provides value in terms of policy dialogue and legitimacy. Lastly, Denmark is globally known for its work on human rights and gender equality, that features more strongly in the SCP than previously.

Danish interests and values: From a Danish perspective, the support to the peace-development-humanitarian nexus is over time expected to be a catalyst for a more stable region and may help reduce the risk of violent extremism in other parts of the world, including Europe. Economic growth, improved governance, stronger security, and poverty reduction are also expected to have some causal effect on reducing the number of refugees from Somalia and motivate return of those residing outside Somalia. With the new focus on private sector investments, Denmark is in principle paving the way also for Danish investments in Somalia and can potentially serve as a bridgehead for Danish companies.

2.5 Lessons learned

As this is the third Danish Country Programme for Somalia, the design and intervention logic is based on lessons learned from previous phases.

One key lesson is that in spite of decades of development assistance to Somalia, the country remains exposed to conflict and climatic induced shocks, which have led to massive displacement and created a dependence on immediate humanitarian assistance. There is a strong need to focus more explicitly on resilience and durable solutions by the government, by the private sector and the in population to prevent, plan, prepare and act on these recurrent shocks.

Another lesson learned is that the informal political economy emerging out of economic opportunities, clan structures and practices across the country including the application of the oral customary law (*xeer*) has significant influence on reform processes and the human rights situation. The majority of the Somali people continue to identify themselves with the clan structures and the *xeer* that they view as the legitimate system often in contradiction to the FGS. Against this backdrop, the SCP is designed to contribute to build and strengthen governance systems and practices cognisant of the complexities of these engagements and the need to ensure the inclusion of these aspects. As such, state- and institution building need to enhance transparency and accountability, ensure delivery of services and focus on inclusion especially of women, youth and marginalised groups.

Denmark has long been engaged in reform processes in Somalia. Whereas results have been achieved in the areas of governance and economic development, human rights and gender inequality have not been at the forefront and need greater attention moving forward.

From a private sector perspective, there has been less direct involvement in the past. As the Mid-Term Review (MTR) of the SCP 2015-2018 finds: Stronger private sector involvement, possibly coupled with capacity development, can be instrumental in a) securing ownership of the political processes, b) build new partnerships and c) strengthen the sustainability of the interventions. The suggested engagement with the World Bank (WB), IFC and IFU aims to promote exactly this.

From a modality perspective, there also is a continued need to coordinate and ensure alignment and harmonisation where feasible. As identified by the MTR the UN Multi-Partner Trust Fund (UN-MPTF) and the World Bank Multi Partner Fund (MPF) offer such opportunities as they provide a joint basis to support risk management and coordination and constitute the main financing mechanisms for international support to the NDP. In light of Denmark's current limited physical presence in Somalia beyond Somaliland, there is a need to use these joint mechanisms with significant capacities on the ground. However, experience from the last phase has also shown that these engagements need significant attention from Programme Management in terms of monitoring, focusing, ensuring that the right agency engages in its field of mandate and expertise and on promoting UN reform etc. This will continue to be a priority of the SCP.

Finally, there has been challenges related to getting implementing partners, authorities, informal institutions and the private sector to buy into activities and goals, which specifically target gender

equality, women's empowerment and the rights and involvement of marginalised groups. Several programme documents only contain few gender related indicators and no indicators specifically related to marginalised groups. A key lesson learned is therefore to ensure the design of results frameworks that explicitly include such indicators and their related budgets. This is an issues that is raised in continuous dialogues with the partners.

2.6 Programme Justification

The SCP thematic priorities and its design directly supports the vision of Denmark's Policy Paper for Somalia 2018-2023 and its three adjacent main policy objectives in Somalia (cf. section 2.2). Essentially that is to promote a stable, peaceful and resilient Somalia and inclusive economic growth that can offer its people a positive future, and where the government is able to exercise its authority to an extent that the situation in Somalia does not constitute a threat to regional and international peace, security and welfare. This justifies the focus on governance and state-building, inclusive economic growth, and protection with resilience and human rights as prominent crosscutting priorities. Other instruments such as the regional Peace and Stabilisation PSP-HoA will support other elements of the policy.

As mentioned above, the SCP is designed in line with the SDGs to promote poverty reduction, peaceful and inclusive societies, infrastructure, ensuring human rights, gender equality, accountable and inclusive institutions at all levels, and at the same time strengthening the linkages between humanitarian, development cooperation and peace. Hence, the SCP focuses on vulnerable groups from human rights based perspective, and on strengthening their resilience to enable them to cope with plethora of crises (economic shocks, climate, food security etc.) on a longer-term basis.

Resilience as the overarching theme and approach

Resilience is an overarching theme and approach of the SCP. Hence, the Thematic Programmes (TPs) are designed to operationalise this approach with the aim of supporting the government(s) at all levels, the private sector and the Somali population with stronger means and capacities to enable them to prevent and/or overcome shocks, be they natural or man-made disasters and/or conflict. While clearly connected and interdependent, for operational reasons, the SCP distinguishes between different aspects of resilience in the programme:

Most evident and directly felt is **climate resilience**, which responds to the need to adapt extreme weather events such as droughts and floods, both of which are projected to increase in frequency and intensity as a consequence of climate change. The dominance of rain-fed agriculture and livestock in the economy makes Somalia highly vulnerable to climate change and hence the SCP engagements in those sectors will aim at promoting better water and land access, and governance hereof, as well as promoting more resilient agricultural practices (e.g. conservation agriculture). In addition, the SCP will invest in infrastructure, where accelerated efforts will be encouraged in terms of climate-proofing roads, water harvesting structure, irrigation and river/flood management.

Related to climate resilience is **economic resilience**. With the ultimate objective to improve resilience of individuals and targeted groups through independent income generation, the SCP

will provide support to value chains to allow for more sustainable agriculture, livestock and fisheries production. It will furthermore encourage diversification of the economy through long-term investments in especially Small and Medium Enterprises (SMEs) that will create jobs and help to increase the sophistication of the Somali economy and make it less susceptible to e.g. price fluctuation for agricultural produce. The SCP will support improvements in the institutional and regulatory frameworks that shape the business environment, providing predictable and conducive incentives for making long-term investments that are critical for promoting inclusive private sector-led growth, which in turn will also promote economic resilience. Similarly, investments in infrastructure often entails growth inducing benefits to the private sector in terms of better market access (e.g. roads and the markets themselves), power supply and a more productive workforce (health, training and education investments).

By providing capacity development and funding to central government level institutions, the SCP intends to contribute to enhancing capacities to plan and execute mandates in a way that better may prevent external shocks and/or react to and manage them. Furthermore, investments in improving the institutional framework for the private sector intend to contribute to strengthened economic resilience by providing predictable and conducive incentives with the aim of inducing longer-term investments focused on inclusive private sector growth.

Finally, there is core **individual resilience**, which encompasses physical resilience in all its aspects: nutritional, food security, physical integrity and absence of violence. Hence, the SCP intends to support those most in need and enable safer livelihood opportunities and coping-mechanisms. This on the one hand is supported through engagements with right holders, such as women and girls subject to FGM and GBV and children in armed conflict and with duty bearers through capacity development of key human rights institutions. Investments in durable solutions will help meet the protection needs of IDPs, returnees and host communities and provide them with new livelihood opportunities and justice services.

Human Rights Based Approach – discrimination, participation and inclusion, transparency and accountability

Discrimination is a major concern in Somalia to the extent that women, marginalised and minority groups are rarely considered as specific target groups even in human rights programming. The SCP specifically targets these groups and continuous political dialogue to engage partners on these matters will be pursued. Furthermore, the SCP will actively work with partners that have it as their mandate to ensure the participation and inclusion of excluded groups. SCP will also work with all partners to ensure the inclusion of specific indicators that will concretely measure the situation of these groups. In the economic sphere only few segments of the population have access to finance and jobs and limited elite levels influence economic reforms. Through direct interventions in terms of access to finance, business development and capacity development and at the policy and reform level, SCP aims at counteracting structural issues impeding engaging these groups with a particular focus on women, youth and minority clans. Also, the SCP aims at supporting measures to counter discrimination of these groups in relation to engagements specifically focusing on enhanced resilience in relation to livelihoods and preparedness with regard to recurrent natural or manmade shocks.

The SCP aims at promoting **participation and inclusion** of marginalised groups both with regard to decision-making processes as well as in the economic and political spheres. The preparation phase of the SCP has demonstrated that the need to focus on human rights has been quite unattended by both national and international partners for too long and this is therefore included explicitly as part of the SCP. For instance, the main expected outcome of the constitutional review process is to ensure the inclusion of all of Somali society in political processes as a constitutional right. Also, there is a particular focus on including local communities in programme development and prioritisation. With regard to the private sector engagements, the SCP aims at turning vulnerability to opportunity by providing access to finance to broader segments of the population while at the same time working towards an enabling business environment for micro and SMEs. Furthermore, with regard to engagements focusing specifically on resilience and durable solutions for the individual and local communities, target groups are included in the formulation, implementation and evaluation of the programme design.

The SCP has identified engagements such as the UN-joint programme for human rights as new comers in order to ensure a specific focus on basic human rights, including access to information and freedom of expression. The SCP as a whole aims at enhancing **transparency** of government systems around i.e. elections, legislative processes, budgeting and service delivery. In addition to the SCP, Denmark has a strategic partnership agreement with the IMS that works on ensuring access to free quality information and on security and safety of journalists and the media. Focus on advocacy and transparency related to governmental budgeting, budget-allocation and service delivery is crucial taking into account the potential risks for increased instability due to possible discontent with regard to distribution of resources throughout the country. The use of unallocated programme funds will be considered to for instance further support the civil society in accessing and analysing budgets.

Access to information furthermore remains an issue in Somalia, especially for children, girls, women and IDPs. Hence, SCP partners will conduct awareness raising on issues such as FGM and GBV. Partnerships with the strategic partner IMS will be explored around information campaigns on durable solutions, FGM, SGBV and safety nets.

Accountability represents a specific outcome of several engagements such as the UN-joint programme for human rights, which will focus on capacity development of key human rights institutions to support measures to ensure the principles of rule of law and respect for human rights. The SCP also support the establishment of an Independent National Human Rights Commission. There is also an explicit focus on increasing accountability in the financial sector, on economic reform, enabling regulatory frameworks, domestic revenue mobilisation, taxation and fiscal transfers to member states. The latter is a key aspect with regard to the relationship between FGS and the FMS. The engagements particularly focusing on resilience and durable solution mainly target rights-holders, but clear linkages are made to duty-bearers in terms of local authorities, police, courts and elders – and in relation to policy development for rights of children and women at the national level.

Thematic justification

State building processes and the social contract: State building remains a key priority and the programme will work to enhance the FGS and FMS capacity to perform as per their mandate as the primary duty bearers. It is expected that the engagements supporting state functions and reform processes will enhance state capabilities to move beyond planning and security and become a viable service provider to the people of Somalia. The state building support will thus enhance the footprint of the state with the aim of eventually improving the social contract between the state and the people of Somalia and thus enhance its legitimacy. The SCP will increase the attention to the demand-side of state building and specifically support the promotion of community-led approaches and consultations between the state and the population through localised and area based dialogue between people and local authorities. Finally, state building is also a key driver for the increased emphasis on working with and through the core economic institutions (e.g. revenue mobilisation, budget execution and expenditure management) that are crucial for establishing the fiscal nexus between the population as willing tax payers and the government as legitimate and accountable service provider. This also marks a major step forward on the development trajectory, away from purely humanitarian, short-term crises management.

Inclusive private sector led growth: The SCP will contribute to provide credible pathways out of poverty for Somalia's poor and vulnerable, by leveraging the entrepreneurial and innovative capacities of the private sector. It will support promotion of the structural transformation of the economy by focusing on resilience and productivity focused on job creation and revenue contribution. It will work both with public institutions of core importance for inclusive private sector growth as well as complementary engagements directly with the private sector, in particularly with micro and small enterprises. A key lesson from the previous SCPs is the importance of leveraging the competencies of specialised entities to ensure that the engagements fit their focus and mandates (as opposed to e.g. more generalised UN agencies as previously done). Hence, the SCP will engage with experienced investment agencies in the area of finance and training of Somali SMEs such as the IFU including the promotion of women-led enterprises.

Human rights and social protection especially of women, children, youth, IDPs and minority clans: Human rights and social protection have not previously constituted specific engagements under the SCP. Hence, this SCP will focus on improving human rights and protection at a) the institutional level through capacity development and by supporting the executive in performing its mandate sensitive to human rights. At b) the policy level by supporting the alignment of Somali legislation with the country's UN obligations. And at c) the individual level by providing protection to victims of FGM, GBV and children in armed conflict and capacity strengthening of civil society. As such, it is the intention to strike a sound balance between right holders and duty bearers. For engagements not specifically targeting women, youth and minorities, the SCP will work to strengthen partners and programme documents with regard to these aspects i.e. with formulating specific indicators.

2.7 Partner Selection

Selecting the right partners in Somalia is challenged by fragility, access and substantial operational costs. In addition, successful implementers will need to be well abreast with the political economy of Somalia and understand how best to deliver on Danish priorities, including alignment with

Somali development priorities and the current aid architecture. With these considerations in mind, the SCP has selected partners against the following key criteria (see Annex 2 for more detail with reference to individual engagements):

- 1) *Ability to deliver in a fragile context.* The extent to which partners in the past have been able to deliver results in areas challenged by insecurity, and whether the partner has the capacity to ensure monitoring and risk management in this environment.
- 2) *Partner effectiveness.* The extent to which the implementing partner has a high probability of meeting programme objectives.
- 3) *Risk management.* Partners that have a strong risk management system, which ensures monitoring, management and mitigation of fiduciary as well as programmatic risks.
- 4) *Danish comparative advantages and influence.* Partners and programmes where Denmark can take a lead role make a difference in the form of technical support, policy dialogue and finance.
- 5) *Danish interests and values.* Partners supporting programmes, which specifically contribute to Danish interests and values, such as paving the way, enhanced economic cooperation between Denmark and Somalia, contributing to the prevention of displacement or supporting the *human rights based approach, gender equality and women’s empowerment and youth.* The SCP will prioritise partners that have strong attention to these key Danish priority areas, not only in the programme description, but also equally in indicators and targets, which the programme will be measured against.
- 6) *Alignment and ownership.* Partner arrangements where the support is provided on budget and thus is fully aligned with the Somalia NDP and the Somaliland NDP II, and where the government has a lead role in the prioritisation and implementation of the support. This includes use of the SDRF structure.

2.8 Programme Strategic Objective and Results Framework

The overall objective of the SCP is: “*Basic building blocks put in place for the development of a resilient, stable and peaceful Somalia based on responsive and inclusive governance and a growing and poverty-reducing economy*”. This overall objective is supported by the objectives, outcomes and indicators of the three thematic programmes:

Thematic Programme 1		Strengthen resilient, responsive and inclusive governance and service delivery, and fundamental human rights		
Thematic Programme Objective		Government ability at state and local level enhanced to respond to the development and resilience needs of in particular women, youth and marginalised groups in an equitable, transparent, accountable and participatory manner		
Impact Indicators		<ol style="list-style-type: none"> 1. Political Participation (Ibrahim Index of African Governance, IIAG) 2. Civil Society Participation (IIAG) 3. Women’s Political Empowerment (IIAG / VDem) 4. Gender (IIAG’s overall gender indicator) 5. Socio-economic and political status of young people and support their engagement in the leadership and decision-making portfolio at all levels (FGS NDP indicator) 6. Human Rights Violations (IIAG) 7. Capacity of GSL to prioritise development objectives and to plan and budget development activities (SDF) 		
Baseline	Year	2016	1. Score: 25.5	Rank: 50/54
			2. Score: 33.5	Rank: 43/54
			3. Score: 29.6	Rank: 50/54

			4. Score: 18.2 Rank: 54/54 5. TBD 6. Score: 0.0 Rank: 39/54 7. TBD
Target	Year	2023	Improvement on all indicators

Thematic programme 2		Develop core economic institutions and strengthen inclusive private sector driven growth and economic development to diversify livelihoods	
Thematic objective		Improved framework conditions for inclusive and resilient private sector led growth, especially in critical value chains, and strengthened economic management.	
Impact Indicator		<ol style="list-style-type: none"> World Bank Ease of Doing Business Score – Distance to Frontier/rank (WB IDA) Domestic revenue (FGS), and % of GDP, plus external revenue (WB) Foreign Direct Investments, and % of GDP (WB) 	
Baseline	Year	2018 2017 2016	<ol style="list-style-type: none"> 19.98 / 190 of 190 USD 142.4M; 2.2%; USD 103.9M USD 756M
Target	Year	2023	Improvements on all indicators

Thematic programme 3		Develop protection and safety nets for enhanced resilience, enabling durable solutions and reducing forced displacement	
Thematic objective		Improved livelihoods, protection and human rights for women, children, IDPs, returnees, and host communities through support to durable solutions, establishing social protection systems and safety nets	
Impact Indicator		<ol style="list-style-type: none"> % of women in Somalia having undergone FGM % of women in Somalia who believe FGM should be discontinued Welfare score (IIAG) % of population living on < US\$ 1.9 per day (WB) 	
Baseline	Year	2013 2006 2016 2017	<ol style="list-style-type: none"> 98%⁸ 33% (rural 26%, urban 43%)⁹ 2.9 of 100 51.6%¹⁰
Target	Year	2023	Improvements on all indicators

Note, that the engagement results framework will be developed and refined in the beginning of the SCP and the TP indicators and engagement indicators are likely to change over the lifetime of the SCP where relevant and in a timely fashion. The global indicator framework for the SDGs looks promising but as it is still under development the SCP is not basing its results framework on this framework yet. The SCP will monitor the development of the SDG indicator framework and consider including indicators as and when appropriate. For an overview of the timeframe of the individual development engagements, see Annex 9.

2.9 Development effectiveness

The SCP is guided by the Somalia NDP and Somaliland NDP II and on the long-term commitments given at various Somalia Partnership Forums (SPF) both national and

⁸ United Nations Children's Fund, *Female Genital Mutilation/Cutting: A statistical overview and exploration of the dynamics of change*, UNICEF, New York, 2013 and UNFPA Female Genital Mutilation Dashboard <https://www.unfpa.org/data/fgm/SO/> / [Multiple Indicator Cluster Survey 2006](#)

⁹ UNFPA Female Genital Mutilation Dashboard <https://www.unfpa.org/data/fgm/SO/> / [Multiple Indicator Cluster Survey 2006](#)

¹⁰ WB 2017 MPF report

international. The SPF divides aid coordination into two main pillars: 1) the Somalia Development and Reconstruction Facility (SDRF), which oversees the implementation of the NDP and is chaired by the Deputy Prime Minister and an international development partner on a rotating basis; and 2) the Comprehensive Approach to Security (CAS), which oversees security and stabilisation efforts in Somalia.

The aid architecture is based on the assumption that it will lead to a path towards further use of country systems. At the moment the main funding mechanism of the international development partners supporting the NDP are the two multilateral partnership frameworks that were set up to support the Somalia New Deal Compact.

The SDRF provides strategic guidance to all development actors and ensures implementation of the Mutual Accountability Framework (MAF) as adopted at the SPF in London in 2017. The SDRF is supported by the Aid Coordination Unit, nine Pillar Working Groups (PWGs) and a number of technical sub-groups, which support implementation, approves, monitors, evaluates development programmes, and ensures synergies. Denmark is co-chairing the PWG on Economic Development together with the Ministry of Planning and UK. It remains a Danish priority to support, strengthen and improve the SDRF structure and it is a Danish ambition to channel all engagements under the SCP through the SDRF to counter the current trend of only 10-15 pct. of official Development Assistance being channelled through the structure.

In Somaliland, the Ministry of Planning leads development coordination but the limited international presence means that development cooperation with Somaliland is *de facto* coordinated bilaterally and in joint development partner meetings in Hargeisa and Nairobi.

2.10 Contextual risk scenarios and response

Except for the relative stability of Somaliland, Somalia will remain a fragile and conflict-ridden country in the short to medium-term and the programme has been designed accordingly. The fragility of the context however also means that changes to the expected development trajectory will not be unlikely. Three potential scenarios and responses are presented in the table below:

Scenarios	SCP response
<p>Continued incremental progress. The Constitutional Review Process will reach some formal agreements on federalisation but the process will need continued support also beyond the next election to consolidate. The FGS will continue its reform process and incremental improvements for the private sector combined with the implementation of livelihood opportunities and safety nets will have a positive effect on reducing the poverty level and improve resilience to external shocks, although poverty levels will remain high throughout the SCP. Steps towards normalisation with the IFI's will continue, but will need constant monitoring and dialogue. The conditional transition of responsibilities from AMISOM to the Somali Security Forces will progress gradually but potentially be prolonged. Human rights violations will still take place, but there will be a slow change in attitudes towards rights violations and FGM and improved use of formal referral systems by victims, including vulnerable groups. During the course of the SCP there will be setbacks in this scenario, but the overall trajectory remains positive. Somaliland will remain stable without significant deterioration in the human</p>	<p>This is the scenario used to formulate the SCP. In addition to the engagements identified below, programme management will need to allocate funding for opportunities, which may be transformative to the Somalia development trajectory.</p>

rights situation and will increase revenue and expand service delivery over time.	
Significant improvement in the situation. The constitutional review process leads to formal agreements with all member states (bar Somaliland) on the federal arrangements and clarity on the status of Mogadishu. The progress leads to normalisation with IFIs, enhanced implementation of the reform processes, revenue generation and even state financed service delivery in social sectors. The enhanced service delivery, stability and the systemic improvements supporting private sector growth leads to enhanced Somali and foreign investments improving job creation for in particular women and youth and ethnically excluded groups. There is a reduction in human rights abuses as reforms are implemented and an increased movement towards the use of government systems to seek justice against rights abusers. The SCP engagements manages to lift a considerable number of people out of poverty allowing these to graduate to livelihood opportunities leading to an increased self-reliance.	Prioritise unallocated funding to further motivate the FGS reform processes.
Significant deterioration in the situation. A range of complementary setbacks significantly reduces security in the country. The draw-down of AMISOM and limited capacity of the SNA provides room for al-Shabaab to expand its operations exacerbated by a breakdown in the constitutional review process which enhances inter-state grievances and lack of unity in the fight against al-Shabaab. Development partner withdraws funding for key state functions, the dialogue on normalisation process with the IFI's breaks down and drought will contribute to mass displacement and famine. The deteriorating situation limits opportunities for investment, increases unemployment, and increases the internal displacement, again leading to deterioration in the human rights situation with increased protection needs.	Enhanced focus on the humanitarian side of the humanitarian-development nexus. Increase in the policy dialogue for getting the states to the negotiation table. Increased emphasis on NGO service delivery.

The SCP builds on the overall assumption that the FGS and the GoS will demonstrate capacity and willingness to comply with international principles of rule of law and that they affirm continued commitment to legislative reform processes including their enforcement. It is furthermore assumed that the capacity and willingness to create an enabling environment for inclusive private sector development will proceed and that individual development partners will continue to coordinate activities through joint funding, reporting and Monitoring and Evaluation (M&E) mechanisms. While rule of law principles constitute an enabling factor, it is not considered an assumption or pre-condition for programme success. Adherence to rule of law principles continues to be weak and volatile in Somalia. This is the reality all engagements are implemented under - a reality that is not likely to change considerably during the lifespan of the SCP.

3. Programme Overview

The overall objective of the SCP is: “*Basic foundation in place for the development of a resilient, stable and peaceful Somalia based on responsive and inclusive governance and a growing and poverty-reducing economy*”. The SCP is divided into three thematic programmes with eight development engagements covering twelve projects and/or programmes. To ensure a lean programme management, projects/programmes with the same implementing partner has been integrated into a single development engagement document (DED) (the DED with UN-MPTF includes engagement 1a-1e and the DED with the EU includes engagement 6a and 6b). The individual interventions are presented under each TP below.

3.1 TP 1: Resilient, responsive and inclusive governance and service delivery

TP1 focuses first and foremost on enhancing the governments' ability to deliver as per their mandate and on the promotion and protection of human rights. The objective of TP1 is defined as: *“Government ability at state, regional and local level enhanced to respond to the development and resilience needs of in particular women, youth and marginalised groups in an equitable, transparent, accountable and participatory manner.”*

Theory of Change and justification

The Danish support under TP1 will contribute to further improve the ability of the FGS, the FMS and the GoS to deliver services in a transparent and accountable manner and contribute to the increased protection and respect of human rights. This in turn is believed to enhance legitimacy and strengthen political institutions. Stronger political institutions will also improve Somalia's capacity to manage political conflict and divisions in a peaceful manner. The policy processes around the constitutional reform is believed to provide a better and consolidated basis for a more coherent federal structure where FMSs and FGS jointly can plan for and react to emerging crisis through economic and institutional resilience. Based on this, the theory of change for TP1 is as follows:

If Denmark together with other like-minded partners provide assistance for; (a) strengthening the reform processes of the different levels of governments of Somalia through capacity development, upstream policy work such the constitutional processes and regulatory reform at the local level and funding for government led service delivery, and (b) strengthening key human rights institutions at state and civil society level to enable them to perform in accordance with their mandate; *then* (a) the different levels of government will manage and dispose of enhanced incentives, capacities, budgets and policy frameworks enabling them to better plan for and deliver services in a more transparent and accountable manner, and (b) the government at all levels will be further encouraged to perform on the human rights agenda by a stronger voice and pressure emerging from the civil society and independent state actors monitoring and promoting human rights across Somalia - over time *leading to* a more inclusive and accountable government which better responds to the demands from women, children, youth, and men across ethnicities on a day-to-day basis as well as towards longer-term democratic governance beneficial to strengthen resilience and furthering sustainable development.

The theory of change is built on a number of key assumptions. These include:

1. The FGS, the FMS and the GoS and remain committed to democratic reform processes that enhance performance in a transparent and accountable manner. This includes continued commitment to local government election processes and a reduction in oppressive practices against the Somali people.
2. The constitutional review process is progressing without significant instability and tensions between FGS and the FMS.
3. AMISOM and the Somalia National Army (SNA) continues to minimise the influence and geographical control of al-Shabaab and other militias to avoid the undermining ongoing state building processes.

4. The mutual accountability nexus between people and governments will continue to be strengthened, as both increasingly perceive this as being in their own long-term interest.
5. The rights of women, youth and marginalised groups are recognised and attended to and seen as key to democratic development and sustainable development.
6. Civil society and state institutions will enhance their ability to absorb development assistance and perform on their mandates increasing the knowledge of the state(s) performance.

From a resilience perspective, TP1 will provide capacity development and funding to central government level institutions and contribute to enhancing capacities to plan and execute mandates in a way that prevents external shocks and/or react to and manage them,

The support is justified against the OECD-DAC quality criteria as presented in table 3.1 below.

OECD-DAC criteria	Assessment
Relevance	TP1 is aligned with the Somalia NDP as well as the NDP II of Somaliland. It furthermore supports the strengthening of civil society and independent institutions in a situation where the space for civil society is severely challenged. The support thus enables duty bearers to perform and rights holders to hold them to account. Specific attention has also been given to women and youth throughout the SCP.
Effectiveness	The effectiveness across the engagements is expected to be high, though depending on the political will of the government. The engagements are to be implemented by multilateral agencies or other agencies with a proven track record of implementing development programmes. The design of the programme emphasising duty bearer capacity and rights holder watchdog function is expected to motivate change.
Efficiency	All the funding provided in TP1 will be through joint arrangements particularly through the UN-MPTF as well as through delegated cooperation with likeminded development partners enhancing the level of harmonisation and limiting transaction costs. Furthermore, by supporting four different projects through one funding mechanism (the UNMPTF) the programme is limiting transaction costs for the RDE as well as the UN.
Impact	The likelihood of impact will vary across the engagements. Some will produce a steady contribution to impact as in the past, while others depend on political will amongst especially government partners.
Sustainability	There is across all engagements in TP1 significant emphasis on capacity development but with no support for recurrent costs. The design is thus aimed at enhancing accountability without establishing unsustainable mechanisms. The aim is to ensure exit strategies for all engagements.

Table 3.1 Justification against the OECD-DAC quality criteria

Thematic Programme summary

In support of the thematic objective and the theory of change, TP1 will support four UN-Programmes under the UN-MPTF working across Somalia and the Somalia Development Fund in Somaliland.

Engagement 1: Support to the UN-Multi-Partner Trust Fund

The engagement supports four earmarked projects/programmes under the UN-MPTF. The DED has been crafted together with the relevant implementing UN-Agencies, the UN-MPTF fund manager and the Resident Coordinators Office (RCO), as signatory to the DED. The RCO is responsible for the monitoring and reporting based on inputs from implementing partners.

Engagement 1a: Strengthening local governance

Denmark will continue its long-term engagement with the Joint Programme for Local Governance (JPLG), which has delivered good results under previous SCPs. The support aims at strengthening local governance across Somalia by (i) improving the legislation and policies around local governance in Somaliland and all FMS, (ii) building the capacities of the local governments (district administrations and relevant state line ministries) and (iii) providing funding for development projects/service delivery at local level through the Local Development Fund (LDF). In addition, the programme aims at strengthening the targeted communities to enhance their influence of service delivery through a participatory prioritisation and planning process, and by strengthening their role as oversight mechanism of the local governments.

The JPLG will support the graduation of initial district administration in parts of Somaliland and possibly Puntland and thus start the phase-out from these areas, and turn the attention to support of government-led expansion in districts not previously covered by the programme in Somaliland and Puntland and in other FMS to the extent the security situation allows. JPLG will move further towards enhanced use of national staff and national institutions for the capacity development work. The support will contribute positively towards combatting misuse of funds and corruption at local level by enhancing transparency in budgeting, planning and procurement processes based on the experience from previous phases of the programme.

When it comes to women and youth as crosscutting priorities, the JPLG among other initiatives, work with a young graduates programme for civil servants working on local governance. Young Graduates receive a monthly stipend through JPLG/UNDP. After a year, Young Graduates who receive a successful performance review are given the opportunity to apply for a “permanent staff” position in line with a transparent merit based recruitment process and within the budget limits. JPLG works towards a gender balanced uptake of candidates for the programme. Another example is the focus on gender inclusivity when it comes to district prioritisation processes when allocating project under the LDF.

The support to JPLG compliments the engagements with the Somalia Stability Fund (SSF) and AMISOM’s civilian affairs under the PSP-HOA, which contribute to basic state building at FMS, local and community level, including support to district council formation, which is a prerequisite for JPLG to operate. As such, Danish engagements provide broad support to the implementation of the Somalia Government’s framework for stabilisation and responds to the UNs approach to stabilisation, the Community Recovery and Extension of State Authority and Accountability Strategy.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	40	30	30	20	10	130

Engagement 1b: Human rights reforms and monitoring

Denmark will support the FGS commitment to human rights reforms through the UN Joint Programme on Human Rights (JPHR), which has been developed in a close partnership with especially the Somalia Ministry of Human Rights and Gender. The JPHR aims at 1) strengthening the institutional capacity of key Somali security and justice institutions, 2) ensuring

implementation of Somalia’s international human rights commitments (Universal Periodic Review (UPR) and ratification of human right treaties and protocols), and 3) strengthening the link and cooperation with these institutions and the Somali human rights civil society. The engagement supports the establishment of the Somali National Human Rights Commission (NHRC). Other international partners are Sweden and Norway.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	2	2	2	2	2	10

Engagement 1c: CSO human rights monitoring, awareness and advocacy

While the JPHR does have a civil society component, the majority of the interventions are targeting government institutions at FGS and FMS level. To balance the need for holding the duty bearers to account, the SCP will provide more targeted civil society support through UNSOM. UNSOM will provide capacity development assistance to networks and individual human rights CSOs (including women organisations) across Somalia including Somaliland. Support will also be provided to enhance the capacity and independence of the Somaliland National Human Rights Commission. This engagement also complements Denmark’s strategic partnership with IMS and their work on media, freedom of expression and human rights.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	1	1	1	1	1	5

Engagement 1d: Constitutional review

The SCP will continue to support the constitutional review process with the FGS, Parliament and the Ministry of Constitutional Affairs (MOCA), the Independent Constitutional Review and Implementation Commission (ICRIC) and the Oversight Committee (OC) in their implementation of the Constitutional Review Road Map. The roadmap provides support against three key objectives:

- Having a national constitution completed within the mandated timeframe by end 2019.
- Ensuring that the review process is based on national dialogue and public consultation with the Somali people and key stakeholders.
- Educating Somali people about the process through broader civic education programmes that empowers society to contribute and engage in the review process

The constitutional review process includes targeted activities for consultation with the civil society, women, youth and marginalised groups to make the process broad-based and inclusive.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	6	0	0	0	0	6

Engagement 2: Capacity development and service delivery in Somaliland

Denmark was the instigator of the SDF and since its design and rollout together with DFID as the lead, Norway and the Netherlands, it has been the main platform for providing fully aligned and government owned service delivery in Somaliland. With the NDP II, Somaliland now has an

improved planning framework against which the SDF can deliver. A key element of the support is capacity development to enhanced planning, budgeting and procurement, which will also contribute to combatting corruption further strengthened by the DANIDA advisors in Hargeisa. The SDF 2 will commence in 2019 will further SDF's focus on investments and infrastructure intending to have a catalytic effect on private sector led growth. Denmark will also promote increased ownership of the GoSL.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	30	30	30	20	20	130

3.2 TP 2: Core economic institutions, inclusive private sector and diversification of livelihoods

TP2 focuses on promoting inclusive private sector lead economic growth. The objective of TP2 is defined as: *“Improved framework conditions for inclusive and resilient private sector led growth, especially in critical value chains, and strengthened economic management.”*

Theory of Change and justification

TP2 on economic institutions and private sector development aims at contributing to promoting transformative structural changes that will increase inclusive economic growth, make the private sector more resilient, and create jobs and higher incomes and, above all, allow Somalia to stay on its transitional pathway toward a more ‘normalised’ development trajectory, moving away from a mainly humanitarian focus. This also entails leveraging significant investments that will make the Somali economy more resilient both at macro level (e.g. a more diversified and less climate susceptible economy) and at enterprise/farmers level where entrepreneurs and farmers will have access to a menu of support services that will increase their resilience against economic and weather-related shocks, enabling them to ‘bounce back better.’

The Danish support under TP2 will address the core challenges outlined in the context section through a set of engagements that provide assistance to both governmental entities as well as to private sector actors with a particular focus on youth¹¹, women and minority groups. Based on this, the theory of change for TP2 is as follows:

If Denmark, together with other likeminded partners, provides (a) capacity development support for public financial management, regulatory improvements, public private dialogue, and revenue mobilisation for core public economic institutions that are needed for securing inclusive resilient private sector led growth, realising that the needs will become more complex as the diversity, sophistication and value added of the productive sectors increases; (b) technical and financial support to the private sector (working in strategic value chains also connected to strong national and international markets), including the financial sector, is provided; *then* this will deliver on the short-term ambition of improved framework conditions and incentives for accelerated inclusive private sector growth, allowing for more long-term investment, higher value added, while

¹¹ Youth being defined as between 15 to 35 years.

simultaneously also improving the governments capacity to manage fiscal challenges and the relationship between the public and private sectors in a more transparent and fair manner; *eventually* leading to a more diverse, resilient and inclusive private sector providing decent work to especially youth, women and minority groups and including them as active agents and actors in the private sector and tax revenues, allowing the government an economic basis to fund its core mandates.

The theory of change is built on the following key assumptions:

1. The security situation will remain stable or improve. TP2 itself will contribute to stabilisation by offering particularly young people credible careers and acting as role models.
2. The FGS and FMS will continue to support public financial management (PFM) reform and regulatory reforms that may at times not align to short-term personal or clan-based (e.g. monopolistic) interests, but will bring Somalia closer to normalisation with IFIs and thus access to financing. All engagements are structured around the need to provide programme incentives to promote this alignment.
3. The programme will provide incentives to ensure the inclusion of women, youth and minorities.
4. The private sector actors and the governmental entities are willing to pursue the interests of women, youth and minority groups in the efforts to strengthen the private sector.
5. Private sector growth is increasingly inclusive – not limited to narrow elites – by broad based public private dialogue and institutional and economic reforms.
6. Finally, the concrete investments in micro and small enterprises also rest on the assumption that there will continue to be a pipeline of investment grade projects, even if Denmark and other external development partners start scaling their support.

The support is justified against the OECD-DAC quality criteria as presented in table 3.2 below.

OECD-DAC criteria	Assessment
Relevance	TP 2 is fully aligned with the economic growth objectives of the Somalia NDP and the Somaliland NDP II and the key external development partners in the economic development space, most notably WB, IMF and IFC. The TP will focus on core binding constraints to private sector led inclusive growth and deliver a diverse set of engagements, reflecting the need to advance on multiple fronts simultaneously. Specific attention has been paid to promote women, youth and minorities in private sector development.
Effectiveness	The engagements of the WB family has proven their effectiveness in strengthening PFM and has become a trusted partner for the FGS on macro-economic issues, including e.g. private sector legislation, revenue mobilisation. This is especially evident in relation to the normalisation process with IFIs. The value chain engagement under this TP will be implemented through a delegated cooperation agreement with the EU ensuring effectiveness and donor alignment. In terms of investments in the private sector to create jobs, this will be managed by IFU – experts in investments in developing countries – rather than more traditional implementing partners.
Efficiency	Efficiency gains is achieved by working with trusted partners with a long track record in implementing development support to the private sector and economic development and will also be achieved by carefully selecting the partners most appropriate for delivering the implementation, utilising e.g. financial institutions for credits and investments, and specialised business development service providers for CEO mentoring and guidance.

OECD-DAC criteria	Assessment
Impact	TP2 has the potential to achieve high impact, as it will leverage the increased stability and predictability to accelerate inclusive private sector growth. There is now a window of opportunity to cement the political, security and stability gains by providing legitimate and peaceful pathways especially for the young poor populations and TP2 will pursue these impact opportunities wherever they emerge.
Sustainability	For direct support to the private sector (e.g. investment finance and value chains), increased profitability is both a main objective and a robust sustainability metric. Key will be to conduct due diligence and tailor support accordingly. For more institutional support sustainability is contingent on both political commitment to maintain and augment the capacities needed to ensure enforcement as well as increased resource mobilisation that will allow the governments to finance their mandates.

Table 3.2 Justification against the OECD-DAC quality criteria

Thematic Programme summary

In support of the thematic objective and the theory of change, four engagements have been identified covering complementary and mutually supportive interventions (See DED and Results Framework for details):

Engagement 3: Support to the World Bank Multi-Partner Fund (WB-MPF)

Denmark will continue its support to the WB-MPF and the Country Partnership Framework Partnership 2019-2022. The WB-MPF will provide critical support and advisory services to initially the FGS and the GoSL, but increasingly also the FMS on economic reform and institution building. As such, the WB-MPF has been key in building a track record of the FGS for normalisation with IFIs and the WB is now adding pre-arrears clearance to the WB-MPF. The WB-MPF uses country systems and accounts for 12 pct. of ODA delivered directly to the FGS, which provides WB-MPF international development partners with significant political leverage. The MPF is implementing a number of programmes from PFM to health and education and though international development partners cannot earmark, Denmark will follow and monitor indicators related to the PFMII programme focusing on capacity development at FGS and FMS level including monitoring enhanced fiscal transfers from FGS to the FMS level; Recurrent Cost and Reform Financing II (RCRF II) the largest programme in the WB-MPF portfolio helping relieving macro-fiscal pressure (among others through salary contribution in the health and education sectors) and fiscal transfer to emerging regions using reform benchmarks and disbursement linked indicators and offering additional incentives conditional upon revenue generation; the successor to the Somali Core Economic Institutions and Opportunities Programme (SCORE) focusing on improving the enabling environment for private and financial sector development and catalysing private investment and job creation; the Financial Governance Committee (FGC) that provides technical assistance and implementation support in sensitive financial governance areas including concessions, natural resource sharing and PFM reforms and the development of a national ID-system and social protection.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	50	40	30	10	10	140

Engagement 4: Support to the International Finance Corporation (IFC)

Denmark will continue its support to the IFC Donor Trust Fund: Private Sector Development in Somalia with the main objective of strengthening the regulatory framework of the private sector, developing capacities of the various Chambers of Commerce and enhancing Public Private Sector Dialogue. The fund focuses on three main areas of 1) Investment climate reform (Somalia Investment Climate Reform Project (SICRP)); 2) Access to finance (Financial Institutions Development Programme (FIDEP)); and 3) Gender mainstreaming. Building on the work undertaken by the World Bank Group on investment climate over the last couple of years, the SICRP will strengthen the investment regulatory framework in key sectors. This involves undertaking rapid diagnostics and assessments; developing an Investment Reform Map; strengthening investment laws and regulation as well as institutional capacity for the Departments of Trade and Investment Authorities and setting up an Investment Promotion Agency. FIDEP instead, aims to address market constraints through addressing the underlying challenges for the private and financial sector in Somalia. This through e.g. improving quality of reporting standards, increase financial inclusion and intermediation through the development of new products and services for financial institutions, skills development for staff of financial institutions, SME banking and overall create specific opportunities for end beneficiaries to increasingly obtain access to finance. In relation to gender mainstreaming, IFC will include a series of training programmes for the Somalia Growth Oriented Women Entrepreneurs programme, establish a secretariat for Women Chambers, support the preparation of business plans for women chambers and/or associations and enhance networking and skills development for women entrepreneurs.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	10	10	10	5	5	40

Engagement 5: Inclusive investments for SME development

Much needed investment finance will be provided by the SCP through IFU allowing SMEs to make longer-term investments thereby boosting the economy, creating jobs and raising incomes. Together with Norfund, Finnfund (the Norwegian and Finnish equivalents to IFU) and IFU, Shuraako has established the Nordic Horn of Africa Opportunity Fund (Nordic Fund), which aims at increasing investments in Somali SMEs and IFU has already started the investment. The fund manager Shurakoo connects Somali SMEs to capital with the aim of catalysing job creation and economic development. Shuraako has a strong presence in all major regions of Somalia with offices in Hargeisa, Somaliland, Garowe, Puntland and in Mogadishu. Shuraako identifies businesses that add value to the local economy, conducts in depth due diligence and establishes strong relationships with its clients. The SCP will provide first-loss capital to the Nordic Fund to increase investment in Somali SMEs and will finance technical business support for SMEs in the Fund's pipeline and portfolio to improve performance. Special attention is paid to women and youth in enterprise development and employment. IFU's close engagement with Danish companies will allow for the potential promotion of commercial interests, an advantage in a largely unexplored market.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	22	4	3	3	3	35

Engagement 6a: Strengthening competitive, inclusive and resilient value chains

Denmark has supported livestock value chains in the past and will continue such engagement by partnering with the EU and its programme “*Inclusive Local and Economic Development – ILED*”. With the consolidation of stability and peace in new parts of Somalia, there is a need to provide credible and resilient pathways out of vulnerability and poverty for especially the rural population. The support will focus directly on strengthening value chains of critical importance to the poor, e.g. livestock, crop and fisheries, with a focus on improving productivity and enhancing climate adaptive capacity, necessitated by accelerating climate change. This direct support is likely to be provided by an NGO consortium that is experienced in various technical aspects of the support. Indirect support to the enabling policy framework (e.g. quality control, quality infrastructure, extension policy and certification) will be provided by an experienced implementing partner. The Danish support will be channelled through the “European Union Emergency Trust Fund for Africa” from where the ILED programme is funded.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	25	20	15	10	0	70

3.3 TP 3: Protection, safety nets and reduction of forced displacement

TP3 focuses on providing protection for the most vulnerable Somalis with the objective: “*Improved livelihoods, protection and human rights for women, children, IDPs, returnees, and host communities through support to durable solutions, establishing social protection systems, and safety nets*”.

Theory of Change and justification

TP3 will directly address immediate protection needs and in parallel provide more development oriented support to the targeted populations aiming for graduation from humanitarian and/or protection assistance. TP3 deals directly with resilience of the individual. It aims at providing women, men and children in Somalia with capacities to adapt to extreme weather conditions such as droughts and floods, both of which are projected to increase in frequency and intensity as a consequence of climate change. It will furthermore focus on the establishment of social safety nets based on commonly agreed concepts and livelihood programmes. And finally it will provide resilience by focusing on physical safety and integrity of in particular survivors of FGM and GBV, and children and armed conflict, particularly children formerly associated with al-Shabaab. It will provide them with opportunities and options for rehabilitation and reintegration. Based on this, the theory of change for TP3 is as follows:

If Denmark supports improved protection in the form of: (a) enhanced capacity development to duty bearers (justice and security services and local authorities) to better perform according to their mandates and human rights of IDPs, returnees, women and children and other vulnerable groups; (b) awareness raising among women, children and other vulnerable groups about their rights as well as the provision of referral and psycho-social services to survivors of FGM, GBV and rights abuses; (c) provision of shelter, rehabilitation and reintegration of children (formerly)

associated with armed groups and children captured in conflict; and (d) service provision and livelihood opportunities for IDPs, returnees and host communities; as well as a coordinated social safety net to people subject to chronic poverty or survival from humanitarian shocks - *then*, over time, duty bearers will implement their services with enhanced respect for human rights for women and men, children, IDPs and returnees; and vulnerable targeted groups including women, children, IDPs, returnees and host communities will be provided with capacity to enable more sustainable livelihoods and durable solutions - *eventually* leading to a reduction in the number of IDPs, returnees, and vulnerable groups exposed to human rights abuses, including children in conflict exposed to grave violations, and enhanced resilience of exposed families.

The theory of change is built on a number of assumptions. These include:

1. Willingness of the targeted authorities to engage in dialogue and capacity development related to human rights.
2. Ability of the implementing teams to access and identify the target groups.
3. Agency among survivors to utilise the opportunities provided.
4. Humanitarian and development actors agree on and eventually implement a joint safety net programme for Somalia.

The support is justified against the OECD-DAC quality criteria as presented in table 3.3 below:

OECD-DAC criteria	Assessment
Relevance	TP3 is fully aligned with the NDP, the Drought Impact Needs Assessment (DINA) and the Recovery and Resilience Framework (RRF). TP3 will focus on key protection needs, including internal displacement and the long-term poverty situation in Somalia. Specific attention is paid to protection against GBV, FGM and enhanced attention given to women, youth, children and minority groups.
Effectiveness	The three different engagements are all assessed to be effective in each their way: UNICEF's approach has proved effective in the past and DRC's vast experience with implementation of similar interventions in Somalia is likely to display significant effectiveness as well. The Safety Net programme is still to be designed, but originates in considerations around effectiveness of aligning and mainstreaming the massive cash response in Somalia.
Efficiency	Efficiency is sought by building on existing operational capacities and procedures of UNICEF and DRC. For the last engagement on Safety Nets, the joint approach is expected to significantly reduce transaction costs
Impact	The level of impact will depend on the extent to which the individual engagements will be implemented in accordance with the designed theory of change. For UNICEF, key will be to be successful in changing social norms; for DRC key will be moving beyond the more humanitarian work towards more development oriented durable solutions; while the Safety Net programme will have to ensure that it can provide a comprehensive nation-wide approach
Sustainability	For all three engagements, the sustainability depends on how successful they are in their activities aimed at enabling the target groups to enhance their capacities to make changes in their lives, either through graduating from the Safety Nets programme; by deciding to reintegrate or return to their places of origin; or by deciding to say no to FGM. UNICEF and DRC have a long record of accomplishment in supporting this work, while the Safety Nets programme sustainability will depend on the design in order to ensure success in implementation.

Table 3.3 Justification against the OECD-DAC quality criteria

Thematic Programme summary

In support of the theory of change and the thematic objective, three engagements have been identified covering complementary and mutually supportive sub-themes of which one (6b Safety Nets, see below) is part of the of the EU-ILED engagement described above under TP 2.

Engagement 6b: Safety Nets

After the 2016-17 drought where up to 3 million Somalis received cash assistance, there is a growing understanding among development partners that systems for cash transfers needs to be consolidated and harmonised and that a more streamlined, predictable and permanent system of a shock responsive safety net should be established. As such, key donors have come together to develop such a safety net, which ideally – with time – should be regulated by the FGS and implemented by the private sector. As the need for cash transfers persist and as there is a need to move fast, before the next drought or crisis hit, there is now a bridging phase where key international development partners can come together and develop a system that in time may be handed over to the FGS. The EU has a component for developing a shock responsive safety net under the programme ILED. This engagement will support this ILED component and specifically contribute to the design, development and piloting of a safety net mechanism. This will require incremental engagement on issues like policy setting, regulation, standardisation and building up an information system, as well as appropriate monitoring and evaluation. The WB will under the WB-MPF work with the FGS and more specifically the Ministry of Labour and Social Affairs to pave the way for government ownership. The WB is a partner in the donor working group working to establish the safety net to ensure that the two processes learn from each other and eventually will be combined. The safety net will be shock responsive and as such, Danish humanitarian aid for cash in Somalia may also be channelled through the safety net to the extent this is found relevant and efficient.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	15	15	0	0	0	30

Engagement 7: Protection for women, girls and boys in Somalia

To counter the harmful practices around FGM and GBV, provide shelter, rehabilitation and reintegration of children (formerly) associated with armed groups, including al-Shabaab, and strengthen the FGS capacity to deliver against these areas, Denmark will provide support to UNICEF's national child protection programme. Specifically, the programme will focus on

- 1) Working with communities on norm change to prevent FGM and GBV and provide women and girls with the option of taking a stand and seeking referral or other means of protection and redress;
- 2) Working with the protection and reintegration of children (formerly) associated with al-Shabaab, local militia as well as the SNA from conflict ridden parts of the country; and
- 3) Providing capacity development to the FGS and FMS to address these protection needs.

The engagement will be complementary to engagements under the PSP-HoA. For instance, Denmark support adult defectors under the PSP-HoA, but that engagement has not included children who instead have ended up in rehabilitation centres for adults or worse in the prisons.

Denmark will continue to pro-actively raise this concern with the FGS and FMS, but the UNICEF engagement will in addition provide the much-needed services for child defectors.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	15	15	15	10	10	65

Engagement 8: Durable solutions¹²

To address the present need of internal displacement, Denmark provides funding to the Danish Refugee Councils' (DRC) durable solutions programme implemented in the urban areas hit hardest by displacement. The project specifically addresses the protection and livelihood needs of IDPs, returnees, and host communities through ensuring community approaches and government ownership in identifying and promoting durable solutions. The programme focuses on five major implementation areas:

- 1) Capacity development of local authorities (courts, elders, police, councils) to enable a better understanding of durable solutions and IDPs and prevent community conflict
- 2) Support to access to land and housing for returnees and IDPs
- 3) Provision of shelter, water and nutrition, as well as legal and psycho-social referral for targeted population
- 4) Provision of livelihood opportunities in terms of training, employment and access to finance.
- 5) Increasing knowledge of durable solutions, intentions of IDPs and returnees and engaging in policy dialogue and advocacy on the regional and national frameworks for displacement.

	2019	2020	2021	2022	2023	Total
Anticipated contribution per annum (DKK million)	85	15	0	0	0	100

3.4 Unallocated funds

As Somalia is a fragile state, implementation of the development engagements under the SCP will not necessarily be according to plan and contextual as well as programmatic changes may offer both opportunities and risks to which the programme management has to respond. As such, the programme has set aside a relatively large budget for unallocated funds. The budget line will be spent according to the Danida Aid Management Guidelines and allocated based on the recommendations of the MTR of the current SCP. The criteria for the use of the unallocated funds include, but are not limited to, the following: funds must be fully aligned with the objectives of the SCP and in line with the risk management and M&E arrangements of the SCP and funds should use existing fund management arrangements and engage with already identified SCP partners. Potential engagements could include:

¹² This programme was approved and DKK 100 million committed to DRC in December 2017 and is now being integrated into the SCP 2019-2023.

- Support to civil society to engage more directly in monitoring of government operations (budgeting and execution) at central and local level to enhance the rights holders' perspective in the state service delivery and state-civil society dialogue.
- Support to existing private sector investments, which have proven successful, particularly in ensuring increased job generation and private sector opportunities for especially women, youth and minority groups.
- Engagements that empower minority and/or marginalised groups (e.g. Bantus) in the decision-making process in Somalia.
- Engagements specifically aimed at improving gender equality and women's empowerment.
- Engagements that specifically focus on enhancing the political and economic opportunities for youth in Somalia.
- Continuation of engagement beyond the project period stated in DEDs.
- Additional M&E, technical reviews or studies.

4. Overview of management set-up

The RDE will manage the SCP through Programme Committee Meetings, which are informed by inputs from the implementing partners of the WB MPF, UNMPTF, EU, DFID, IFC and DRC, the Monitoring & Evaluation set-up of the SCP and the Danida Advisors (see below). The RDE will sit on programme boards and/or steering committees and other management structures established for the trust funds, joint funding arrangements, delegated cooperation agreements and separate programmes and projects.

4.1 M&E, reviews, risks and technical advisors

A comprehensive monitoring framework is being put in place by the internal RDE Programme Committee to facilitate achievement and documentation of results during the implementation of the SCP. The SCP will be monitored at the following levels:

- 1) **Results:** to assess progress and achievement of the planned results
- 2) **Assumptions:** to test and validate the theory of change and identify needs for adaptation
- 3) **Scenarios and risks:** to assess and mitigate risks
- 4) **Financial management:** to ensure proper administration of Danish funds

The SCP Results Framework (Annex 3) draws on the theory of change and builds on selected outcomes, outputs and indicators from partners. It is the main tool for measuring and documenting results and will be updated on a bi-annual basis based on progress reports by partners. The RDE Programme Committee will on a bi-annual basis review the progress towards achieving the expected results of the SCP, the assumptions underlying the ToC and the Risk Matrix to assess the overall progress of the SCP. This assessment will inform the RDE's continuous dialogue with partners and guide possible adjustments to implementation modalities and partner agreements. Likewise, it will provide input to the RDE's reporting through the Results Frame Interface, Open Aid and Annual Portfolio Performance report which will be submitted prior to the Annual Results Dialogue with the Under-Secretary for Global Development and Cooperation. Approximately halfway through the SCP a MTR will be conducted to assess the overall programme performance and to recommend possible

adjustments to the SCP as well as make recommendations on the allocation of unallocated funds and/or possible reallocation of funds. To ensure independent verification of results most development engagements undergo third party monitoring (TPM) or have other sufficient external and independent monitoring in place, but for those engagements where this is not the case (DRC and IFU) the SCP will engage technical assistance and experts to carry out independent technical reviews to assess progress prior to the MTR of the SCP.

The SCP will contract long-term external M&E support for the SCP. It is anticipated that this technical advisory service will assist programme management with various M&E services, including but not necessarily limited to the following:

- 1) On-going review the SCP results framework as well as theories of change and assumptions in close collaboration with partners and the RDE and recommend amendments as appropriate.
- 2) Bi-annual review and report to the RDE of the RF, Risk Matrix and Theory of Change.
- 3) Provide other M&E support to partners and the Somalia team when needed and requested by the RDE. This includes a kick-off M&E workshop in the beginning of implementation.

There will be strong focus on risk management in the programme as the contextual situation in Somalia is highly volatile and many factors may change at a fast pace that in turn may affect the implementation of the engagements. A risk matrix is attached as annex 5 to the programme document that includes the three areas of risks; contextual, programmatic and institutional. The management of the risk matrix will be conducted in conjunction with regular monitoring exercises with regard to the theory of change and progress in relation to achievement of expected results and together with an assessment of the potential contextual scenarios. Subsequently the risk matrix will be updated with regard to the content of the risks, the likelihood for the risks to materialise, the level of potential impact and what mitigating measures will be put in place to reduce the risk level. Risk assessments is also part of the development engagements.

The SCP will deploy internal or external technical advisory services as and when necessary to carry out technical reviews of individual engagements or TPs, to inform political economy analyses and to aid the RDE's external communication. The SCP will further consider carrying out joint third-party monitoring, thematic reviews, value for money assessments and other monitoring exercises together with other development partners.

To assist the FGS and the GoSL with the implementation, the RDE will recruit four international advisors on the ground. This includes:

- 1) A long term advisor/programme coordinator focusing on key Danish priority areas in the field of governance, including local governance, the constitutional review process as well as issues pertaining to internal displacement with a particular focus on but not limited to TP1.
- 2) A long term advisor/programme coordinator focusing on economic development with a particular focus on but not limited to TP2.
- 3) Continued long term advisor to the Ministry of Planning in Hargeisa supporting the national planning process and the Ministry's engagement with the SDF

- 4) Continued long term adviser as the Somaliland Programme Coordinator tasked with coordination, monitoring and reporting of Danida funded activities in Somaliland.

4.2 Financial management

The financial management of the SCP will be done in accordance with the MFA's regulations for financial management including the *Guidelines for Programmes and Projects* (2018), *Danida's Guidelines for Financial Management of Decentralised Units* (2015) and the *General Guidelines for Accounting and Auditing of Grants channelled through Multilateral Organisations* (2012).

Solid financial management is particularly important in a fragile institutional context like in Somalia where corruption and fraud levels are significant as accounted for in the context section. Denmark has a zero-tolerance policy towards corruption. All partner agreements will therefore stress that engagement partners must implement strict measures to minimise the risk of corruption or misappropriation of funds and must immediately report to the RDE any suspected case of corruption or misappropriation of funds related to the programme. Deliberate and carefully considered partner selection, monitoring and financial inspection visits constitute applied mitigation measures

The SCP's financial management arrangements and implementation responsibilities will be supported by the cooperation agreements with implementing partners. Most agreements are with Multilateral Organisations (UN, World Bank, and IFC) or with like-minded partners (EU and DFID) and the EU Trust Fund, which limits the risk to Danish funds as these organisations have robust systems in place for financial management. DRC and IFU have a proven track record of sound and robust financial management.

Programme operational costs in Somalia are relatively high compared to most other countries. The SCP will address this issue by predominantly working through existing multi-donor funded programmes rather than setting up own implementing structures and through exploring joint monitoring with other development partners.

Strengthening country systems: The SCP uses country systems through the multi-donor funds which is expected to strengthen these systems. This include support to the Financial Government Committee under the WB-MPF which reviews all major government contracts.

Financial and fiduciary risks: As emphasised in the SCP's risk matrix (Annex 5), there are substantial financial and fiduciary risks in the SCP. Several risk outcomes should trigger consideration of steps such as initiating audits, reclaiming funds or adjusting work-plans with partners to reflect new feasibility and performance information.

Inspection visits: The RDE will conduct regular inspection visits following a Financial Monitoring Visit Plan. These visits will be carried out in accordance with the *Guidelines for Financial Monitoring, Representations*, and to the extent possible be coordinated with monitoring of the progress of activities and achievements of planned results. For multi-donor programmes - UNMPTF, WB MPF, IFC, EU, and possibly the SDF and the IFU the RDE will only carry out

physical inspections to the extent agreed with these partners according to general practise under agreements with such organisations.

5. Programme budget

The total amount allocated to the SCP is DKK 980 million¹³ for the period 2019-2023:

No.	Engagement name	Budget
TP1: Strengthen resilient, responsive and inclusive governance and service delivery, and fundamental human rights		
Engagement 1a	Local governance (JPLG/UNMPTF)	130
Engagement 1b	Human rights reforms and monitoring (JPHR/UNMPTF)	10
Engagement 1c	CSO support (UNSOM/UNMPTF)	5
Engagement 1d	Constitutional review (UNDP/UNMPTF)	6
Engagement 2	Somaliland Development Fund (SDF/DFID)	130
Total TP 1:		281
TP2: Develop core economic institutions and strengthen inclusive private sector driven growth and economic development to diversify livelihoods		
Engagement 3	Support to core economic institutions (World Bank)	140
Engagement 4	Support to improving the investment climate (IFC)	40
Engagement 5	Inclusive investments for SME development (IFU)	35
Engagement 6a	Strengthening value chains (EU)	70
Total TP 2:		285
TP3: Develop protection and safety nets for enhanced resilience, enabling durable solutions and reducing forced displacement		
Engagement 1e	Protection for women, girls and boys in Somalia (UNICEF/UNMPTF)	65
Engagement 6b	Safety Nets (EU)	30
Engagement 7	Durable Solutions (DRC)	100
Total TP 3:		195
Programme management		
Unallocated funds		129
Advisors and DPO Hargeisa and Mogadishu		75
External monitoring support, reviews, studies, communications, extraordinary audits		15
Total Programme Management		219
Total Somalia Country Programme (2019 – 2023)		980

¹³ DKK 100 million of this was committed in December 2017 to DRC.