

**Annual Operational Review
of
Cooperation
between
The People of Somalia
and
The European Community

in 2004**



**Annual review on the implementation of the ACP-EU Conventions
and other co-operation activities**

TABLE OF CONTENTS

1 EXECUTIVE SUMMARY	1
2 UPDATE ON THE POLITICAL, ECONOMIC AND SOCIAL SITUATION	2
UPDATE OF THE POLITICAL SITUATION	2
2.1.1 HUMAN RIGHTS	3
UPDATE OF THE ECONOMIC SITUATION	4
UPDATE OF THE SOCIAL SITUATION	7
2.3.1 PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS, 1990-2005	8
2.3.2 HUMANITARIAN SITUATION	12
3 THE DEVELOPMENT AGENDA OF THE PARTNER COUNTRY	13
4 OVERVIEW OF PAST AND ON GOING CO-OPERATION	13
FOCAL SECTORS (AND MACROECONOMIC SUPPORT)	17
PROJECTS AND PROGRAMMES OUTSIDE FOCAL SECTORS	26
4.2.1 NON FOCAL SECTOR: ECONOMIC GROWTH AND DIVERSIFICATION	26
UTILISATION OF RESOURCES FOR NON-STATE ACTORS (NSA)	28
UTILISATION OF ENVELOP B	29
OTHER INSTRUMENTS	29
5 PROGRAMMING PERSPECTIVES FOR THE FOLLOWING YEARS	32
5.1 OVERALL IMPLEMENTATION PERFORMANCE IN 2004	32
5.2 MAIN ACTIVITIES UNDERTAKEN TO PREPARE FOR NEW COMMITMENTS	33
5.3 MAIN INITIATIVES PLANNED WITH REGARD TO NEW COMMITMENTS	35
6 DIALOGUE IN-COUNTRY WITH THE NAO AND NSAS, AND DONOR COORDINATION	35
DIALOGUE IN-COUNTRY WITH THE NAO AND NSAS	35
6.1.1 POSSIBLE CONTROVERSIAL ISSUES	36
DONOR COORDINATION	36
7 CONCLUSIONS	38
POLITICAL DEVELOPMENTS	38
ECONOMIC AND SOCIAL SITUATION	39
THE EC PROGRAMME IN SOMALIA	40
8 LIST OF ANNEXES	43

1 EXECUTIVE SUMMARY

The **Somali National Reconciliation Conference** (SNRC), which started 2004 with tensions and stalemates, achieved impressive results by year-end. The Parliament, inaugurated in August, elected President Abdullahi Yusuf Ahmed in October and endorsed Prime Minister Ali Gedi, and a broad-based government in early January 2005. This successful conclusion, against all odds, ended a two year peace process in which the **EC played a critical supportive role**, notably financially. Progress at the SNRC led to progressive nervousness in Somaliland. Preparations for parliamentary elections in Somaliland began in late 2004 and present another important political dynamic. Puntland Parliament's election of General Adde Musa as Puntland president on 8 January 2005 was welcomed by the Puntland public.

In 2004 **repeated security breaches** seriously hampered the implementation and monitoring of EC-funded projects. In addition to more familiar resource-related security problems, further evidence emerged of a network of Somali militants targeting internationals in Somalia.

Taking account of the 2003 evaluation of the 3rd Rehabilitation Programme, which recognised the significant positive impacts at local level but criticised the design and implementation of the cluster strategy, the process of the **Mid Term Review** proposed a more focused sector-oriented approach (three focal, one non-focal sector). This allows for greater coherence in the definition of strategy and choice of interventions. In **October**, the **conclusions of the MTR** confirmed the continuing validity of the dual objective of the 2002-2007 Strategy and assessed that its inherent programmatic flexibility and multi-sectoral approach has proved adaptable to the specific realities of Somalia and its numerous development needs. In order to respond to the outcome of the peace process, be it positive or negative, the Commission introduced a criterion of "**governance dividend**" in the implementation of EC co-operation to promote the return of effective administration and good governance in Somalia.

In addition to ongoing project identification under the 5th Rehabilitation Programme and Budget Lines, the DEL, Member States and other key donors participated in development of a **framework for support to the (prospective) transitional Somali institutions**. This comprises 3 components: (i) An agreement (Protocol) outlining the political and diplomatic components; (ii) An immediate modest advance package (Rapid Assistance Programme) to be complimented by: (iii) A more elaborate medium to long term reconstruction programme over the five year transitional period in collaboration with the new Somali institutions. The DEL focused on specific components of the Rapid Assistance Programme namely: Demilitarisation and Rule of Law; Parliament; Reconciliation; and Human Rights and civic education.

The DEL, on the basis of the MTR orientations, refined the identification of interventions in the social and food security rural development sectors and pursued internal dialogue (Somalia Operations and ECHO) on the linkages between Relief, Rehabilitation and Development (LRRD) and its concrete implementation in the context of Somalia.

In terms of **EC aid delivery**, 40 new contracts totalling €48.7 million were concluded, all under the EDF (c.f. 58 totalling €40.6 million in 2003). Several contracts were awarded by direct agreement (in line with note from the AIDCO DG in June on a "**crisis situation**" in the case of Somalia); others resulted from Calls for Proposals launched by the DEL in 2004. Payments reached €17.6 million against an original forecast of € 25.4 million (c.f. €36.5 million in 2003): notably due to delays in contract signature with many signed only in late 2004. **Financing Conditions for a 5th Rehabilitation Programme** totalling €100 million were signed in December 2003. **New Budget Line allocations** were approved in 2004: €2.07 million under the Special Framework of Assistance for Traditional ACP Suppliers of Bananas, €8 million under Food Security, and €950.000 under Decentralised Co-operation.

2 UPDATE ON THE POLITICAL, ECONOMIC AND SOCIAL SITUATION

Update of the political situation

The successful conclusion of the **Somali National Reconciliation Conference (SNRC)**, against all odds, ended a two-year peace process in which the **EC played a critical supportive role**, notably financially. The SNRC, which started 2004 with tensions and stalemates, achieved impressive results by year-end. The Parliament, inaugurated in August, elected President Abdullahi Yusuf Ahmed in October and endorsed Prime Minister Ali Gedi, and a broad-based government in early January 2005. (See Annex 7 for a full analytical account of key events related to the SNRC in 2004.)

The government (47 ministers and 42 deputy ministers) is balanced by way of clan representation and brings the most important faction leaders together for the first time since the start of civil conflict in 1991. The prominence of the Cabinet members indicates that power will be concentrated at the centre and that much effort will have to be made to implement the federal vision. Furthermore, concerns remain in both domestic and external circles on the bloated size of the Cabinet. The current Government is expected to depend on external support for the initial period. President Yusuf argues for the need to form a “disarmament government”, where the size is not as important as the degree of inclusivity of faction leaders. Women representation at political level still remains a challenge: only one woman was given a ministerial post (four others are deputy ministers). Clan appointments to the TFP also failed to live up to the 12% constitutional right for women in Parliament (as specified in the transitional Charter).

There are a number of reasonable achievements as a result of the peace talks, considering these were largely externally driven and held outside Somalia. The instruments of transition (Charter, Parliament and Government) appear inclusive, balanced and clan-based (the sole surviving political institution in Somalia). The level of moral recognition given by the international community to the Transitional Federal Institutions (TFI) is encouraging: good African reception, reasonable feedback by western donors and the Arab block. The reaction of the Somali public has been that of indifference, vacillating between accepting a warlord-based executive and the possibility of moving irreversibly from chaos and unending humiliation, hunger and extortion.

On the other hand, in addition to more familiar resource-related security problems in Somalia, further evidence has emerged in 2004 of a network of Somali militants targeting both senior Somali military/ police officers and international presence in Somalia.

The progress achieved at the SNRC led to **progressive nervousness in Somaliland**. The eruption of hostilities between Somaliland and Puntland over the **disputed regions of Sool and Sanag** re-surfaced as Yusuf was inaugurated in a brief armed conflict in Sool region. A delegation from Hargeisa visited Ethiopia to express Somaliland’s willingness to enter into dialogue with “Somalia” subject to withdrawal of Puntland troops from the conflict zone. An AU fact-finding mission for conflict resolution was announced but has not yet materialised. However, momentum for peaceful resolution arose when traditional and religious leaders of both communities began serious efforts to establish restraint and agreed to commence dialogue on the conflict.

Somaliland

President Riyale Kahin was elected by a slim margin in late 2003 with the opposition desisting from protest only because of the prospect of parliamentary elections. Riyale established better relations with Djibouti, thereby creating a certain balance with Somaliland’s traditional strong relations with Ethiopia.

Preparations for **parliamentary elections** in Somaliland, announced for March 2005, began in late 2004 and present another important political dynamic. The electoral law was endorsed after

several rounds of discussions at the level of the House of Representatives, the Guurti (elders' chamber) and the President. The law, which had been developed with the assistance of an international expert, was amended at several instances to accommodate political interests of the different bodies involved. Pressure from Somaliland's civil society, the media and the National Electoral Commission were however sufficient to finalise the law on time and according to plan. Unfortunately, the electoral law did not establish a quota for women as expected. Inclusion of women candidates was left up to the parties.

The elections were then set by presidential decree to take place on 15 September 2005. Three main political parties will run for the elections, which will be held all over the territory of Somaliland except for the disputed areas (with the neighbouring region of Puntland). Tension around the elections is high but a part from small incidents preparations have been, so far, conducted in a calm atmosphere, mainly thanks to the maturity of the public. Codes of conduct have been signed by the political parties and the media for the elections.

Puntland

On 8 January 2005 General Adde Musa's **election as Puntland president** by the Puntland Parliament was welcomed by the Puntland public. Adde Musa, former leader of armed opposition against Mr Yusuf (when President of Puntland) and subsequent architect of a peace deal with Mr Yusuf, could play a constructive role in the Sool region conflict. He announced intentions to reduce the number of Puntland troops stationed there. Somaliland elders welcomed his election.

2.1.1 Human Rights

Somalia is a signatory to several international human rights instruments, including the International Covenant on Economic, Social and Cultural Rights (CESCR), the International Covenant on Civil and Political Rights and its Optional Protocol (CCPR and CCPR-OP1), the International Convention on the Elimination of All Forms of Racial Discrimination (CERD), the Convention Against Torture and other cruel, Inhuman and Degrading Treatment (CAT), and the Convention on the Rights of the Child (CRC). However, Somali is not a signatory to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and did not adopt the Second Optional Protocol to the International Covenant on Civil and Political Rights, aiming at the abolition of the death penalty. In fact, official courts, including Islamic Courts and informal clan courts, continue to impose the death penalty and executions have been carried out in several areas.

Key human rights problems remain the lack of political rights in the absence of a central authority; politically motivated violence and disappearances; arbitrary detention and harsh prison conditions; the judicial system's reliance in most regions on some combination of traditional and customary justice, Shari'a (Islamic) law, and the pre-1991 Penal Code; limits on the freedoms of assembly, association, and religion; restrictions on freedom of movement; discrimination against women and ethnic minorities; and the abuse of women and children, including the nearly universal practice of Female Genital Mutilation (FGM).

Political violence and banditry have been endemic.. Prison conditions vary by region from adequate to harsh and life threatening. In the absence of constitutional or other legal protections, various factions and armed bandits continue to engage in arbitrary detention, including the holding of relief workers..

The print media consist largely of short, photocopied dailies, published in the larger cities and often linked to one of the factions. Several of these newspapers nominally are independent and are critical of the faction leaders. However, the current climate of government intimidation and media self-censorship, impunity and violence, is not conducive to development of independent pluralistic media. In addition the quality of reporting is very low.

Freedom of movement continued to be restricted in most parts of the country. Checkpoints manned by militiamen loyal to one clan or faction continue to inhibit passage by other groups, and in the absence of a recognized national government, most citizens do not have the documents needed for international travel

Children

The Somali constitution contains articles protecting the rights of children, but no clear articles about the age of recruitment of soldiers. The Somaliland Constitution also has no formal regulations governing the minimum age of recruitment and participation in the government organised military. An 'unwritten rule' is that recruits should not be under 20 years old and it was not believed that anyone under 18 years is presently in the military, although this is difficult to establish as exact ages are commonly not known.

Denials of the rights enshrined in the Convention on the Protection of the Rights of Children (CRC) to protection, care and development have continued over the years.

Children remain among the chief victims of the continuing violence, particularly rape, physical attacks and even arbitrary killings. Boys as young as 12 years of age have participated in militia attacks, and many youths are members of marauding gangs.

UNICEF statistics indicate that up to 5% of Somali children have been involved in militia activities at some point in their lives, with an average enlistment age of 12.4 years.¹ The attitude in the general population is strongly against child involvement in militia activity with only 1-2% of the adult or child populations reporting that it is acceptable for a child under 18 to carry a gun or assist militias. Involvement with and prevalence of firearms changed dramatically with the political situation over time and across zones. However, there is a significantly greater involvement in militia activity among urban children, and among children from Central and Southern Somalia. There is a widespread use of qat amongst children and many are concerned about their future after the end of hostilities, since they feel they will have few skills with which to rejoin society. Some also fear rejection by their families and communities due to the atrocities they have committed.

According to the UN Secretary-General Report on Children and Armed Conflict², although several of the main faction leaders pledged to demobilize their militias, several of these used significant numbers of child soldiers during the reporting period. These include the United Somali Congress/Somali Salvation Alliance (USC/SSA)-faction of Muse Sudi Yalahow, the Juba Valley Alliance, the Rahanwein Resistance Army (RRA) of Mohamed Ibrahim Habsade and the Lower Shabelle Administration (all alliance member factions of the Somali National Salvation Council (SNSC)); the Puntland Administration, the Middle Shabelle Administration, the Somali Patriotic Movement/Somali Reconciliation and Restoration Council (SPM/SRRC) and the RRA/SRRC of Mohamed Nir "*Sharti Gadud*" (all alliance member factions of the SRRC); and the USC of Mohamed Kanyare Afrah and the USC of Omar Mohamed.

Update of the economic situation

In the absence of a functional national authority in Somalia for over a decade, very little reliable macro-economic data are available. In January 2004 the World Bank published the first edition of a Watching Brief, a socio-economic survey report carried out in cooperation with UNDP based on an integrated survey in 2002 of 3,600 households. This data confirmed that Somalia ranks amongst the poorest countries in the world, with a **per capita income of \$226**. Extreme poverty is

¹ N Baron and S Jensen, Ensuring the Protection of the Maato: UNICEF Child Protection Survey 2003, Nairobi, June 2003.

² UN Secretary-General Report on Children and Armed Conflict 9 February 2005

considerable: **43.2% of the population live on less than US\$ 1/day** (53.4% in rural areas); 73.4% live on less than US\$ 2/ day; 20% live in makeshift housing. Somalia's economy traditionally depends on the exploitation of natural resources, mainly livestock and agriculture. It continues to suffer from a lack of governance and regulatory authorities, restricting the diversification of economic activities. The primary export of livestock remains constrained by the continued ban on imports by Somalia's primary market, Saudi Arabia (see below).

Total population is estimated at 6.8 million (1 million in Mogadishu). Almost 1/3 of the population is under 10 years old (i.e. not even born when the civil war broke out and have never experienced a normal situation of law and order). 56 % of Somalia's population are of working age (15-64 yrs): 53% have some type of employment but this figure includes underemployment and seasonal fluctuations. 67% work in the rural sector; 12% in industry/construction; 21% in the service sector. Primary household income sources are as follows: 50% from self-employment; 14% wage labour; 22% from remittances; 13% from rental income and aid.

Prior to the war the most prosperous parts of Somalia were in the southern commercial agricultural zones and around Mogadishu. The situation is now globally reversed, with the exception of Mogadishu: formerly prosperous areas have seen dramatic declines and, significantly, areas experiencing relative peace (predominantly in the north) have higher levels of growth or less regression. In the more prosperous north, urban centres have grown rapidly and today are larger than before the war. However, 1/3 of houses in urban areas have two or more families living in them, half of which are single roomed houses. The situation has been further exacerbated by the return of refugees (most of whom settle in urban areas) and the displacement of families from areas of conflict (who have little choice but to settle in larger urban centres).

Remittance industry: Past conflicts, ongoing insecurity and the tradition of migrant labour to the Gulf States have had the combined effect of an estimated 15-20% of Somalis emigrating abroad, primarily to refugee camps, western countries, neighbouring states and the Gulf. In many respects this out-migration is Somalia's economic lifeline through remittances sent back by those abroad. According to the World Bank Country Economic Report, the social and economic costs of the conflict have been very large, but have nonetheless been mitigated by annual inflows of remittances from the Somali Diaspora, amounting to \$350,000-700,000 in recent years. Remittances are the largest component of the economy, accounting for around 30% of Somalia's GDP, and support the most significant growth sectors of the economy: house construction, small businesses, and services aimed at facilitating links between the Diaspora and those remaining in Somalia. Somalia's remittance industry has been in crisis since 2002 following US sanctions in late 2001 against some of the remittance companies for alleged links with Al Qaeda. In late 2002 the Financial Action Task Force tightened its regulations for EU Member States and imposed significant changes on the money transfer industry. As Member States began enacting these regulations in 2003, Somali companies, which operate on an informal basis, experienced increasing operational difficulties. In 2004, the larger Somali companies made huge efforts to reduce their vulnerability and become more compliant with FATF legislation, an ongoing process. Remittance companies represent a valuable asset for Somalia's future economy. The larger companies already offer rudimentary banking services and are crucial in supporting the vibrant trade industry. Given appropriate in-country regulation, this potential could be expanded further.

Private Sector Development: In addition to the large flow of remittances, the resilience of the economy is largely due to the vibrancy of a private sector flexible enough to quickly adapt to unexpected market developments, such as the ban on livestock exports imposed by Saudi Arabia, by directing most of its sales to other Gulf countries. Administrative structures are weak or absent and hence provide minimal interference with trade or private sector activities. As a consequence, the private sector has flourished in trade with neighbouring and Asian countries, in small-scale manufacturing, packaging, processing, telecommunications, and in services provision. Since the mid-1990s, moreover, civil society—and women's groups especially—has taken an increasingly important role in the supervision and delivery of many public goods and services, as well as in

social mobilization.

The private sector is providing sometimes better and more efficient services than the state before the civil war, particularly in sectors such as telecommunications and air transport, and in electricity, water, and sanitation albeit less reliably and efficiently. The private sector also offers essential social services, including health and education, whose coverage in some cases extends beyond peak levels achieved under the prior regime. There are, however, critical gaps in private sector provision, where absence of an effective state role is felt more acutely. Besides, insecurity, poor quality standards, crumbling road networks, lack of infrastructure, lack of international recognition for Somali passports and lack of state regulation remain serious constraints to private sector development.

Trade: The United Arab Emirates' key location and relatively open attitude enabled the majority of larger Somali businesses to open offices in Dubai, which now acts as the effective commercial capital of Somalia (though harmed to an extent by the announcement in 2004 that the UAE would no longer recognise the Somali passport). Most exports are channelled through Dubai or facilitated by Somali offices in Dubai and almost all major remittance companies are based there. Most Somali imports are transhipped through Dubai from larger commercial vessels to dhows. Only Bosaso and Berbera ports can attract larger vessels due to the facilities available and their relative security. (Mogadishu port remains closed, with trade facilitated by a make shift beach port.) Few Somali businesses have the capital to warrant large shipments: most large shipments are linked to humanitarian activities or contain transit cargo for Ethiopia and Kenya. Somalia's largest imports were food, *qat* (mainly by air and worth about \$100 m p.a.) and construction materials. Apart from charcoal and minor exports of hides, fruits, fish, aromatic gums, precious minerals and beauty products, the bulk of exports are livestock and livestock products.

Currencies: The absence of an effective central monetary authority in Somalia has resulted in a proliferation of currencies and multiple exchange rates³. In 2001-03 several major injections of illegally printed Somali shillings caused a sharp depreciation of the Shilling and major fluctuations. No major influx of illegally printed Somali Shillings was observed in 2004, probably due to inclusion by the UN Security Council of illegal currency shipments within the terms of reference of the UN Arms Embargo Panel. The absence of major injections of currency and associated inflation is of particular benefit to low income families and small businesses, whose purchasing power suffered with respect to imported commodities and transport.

Public finances: The table below indicates budget provisions by the Somaliland and Puntland administrations. In both cases the bulk of expenditure is allocated to basic running costs and salary payments, mostly security-related (especially following the recent high levels of tension in disputed territories), with very little development investment. None of the existing administrations produce verifiable accounts. The actual Puntland administration budget provision at end 2003 had increased from the original by \$0.5m for services and \$1.39m for salaries and allowances: 47% of the budget covered police and military (*darawishta*) forces salaries and 28% undefined general expenses. The revision of the 2004 US\$ 12.9 m budget is not available; costs included part-payment of salaries of military and police forces and civil servants (paid for only 3 months).

	2003	2004	2005
Somaliland administration	US \$ 16.9	US \$ 21	US \$ 25
Puntland administration	US \$ 12.5	US \$ 12.9	

Since the TFG cabinet was not endorsed until early 2005, it had not yet been in a position to present budget provisions by the end of 2004. In February 2005 the TFG presented a draft budget request to donors to cover TFG priority requirements for the first 6 months totalling **€9.5 million**

³ Major business transactions are based on US\$; south Somalia/ Puntland use Somali Shillings; Somaliland uses Somaliland Shillings. Currencies of neighbouring states/the Gulf are used on the open market.

for the key components of relocation/ logistics; peace building, reconciliation and administration building; DDR programme; and police force formation.

Update of the social situation

In the absence of a functional national authority in Somalia for over a decade, only limited reliable demographic and socio-economic data are available. Somalia has not been ranked in the UNDP global Human Development Index (HDI) since 1997 and is instead included in the list of countries for which statistical data are considered inadequate for constructing the HDI. The World Bank Watching Brief (see 3.2 above) socio-economic data is included in the table below together with data from the UNICEF End Decade Multiple Indicator Cluster Survey, the 2001 UNDP Human Development Report and the Millennium Development Goals to provide a selection of the most representative Millennium Development Goals (MDG) indicators currently available. It is apparent that **Somalia ranks amongst the poorest countries in the world**, its poverty further exacerbated by long-lasting internal conflict.

Indicator	2000	2001	2002	2003	2004	2005	2006	2007
1. Proportion of population below \$1/ day			43% ⁴					
2. Prevalence of underweight children (under-five years of age)		224	224	224	224	224		
3. Under-five mortality rate								
4. Gross enrolment ratio in primary education (NER data not available) ⁵	n.a.	12%	15.7%	17.3%	18.1%	22.5% ¹¹	25%	28%
5. Primary Completion Rate ⁶	n.a.	n.a.	n.a.	n.a.	20% ¹⁰	22%	24%	
6. Ratio of girls to boys in: - primary education ⁷ - secondary education ⁸ - tertiary education ⁹	34.8% n.a. n.a.	35.2% n.a. n.a.	36% n.a. n.a.	36% n.a. n.a.	36% 35% n.a.	38% ¹²	40%	
7. Maternal mortality ratio, per 100,000 live births	<1%	15.6% <1%	<1%	29% <1%	27% <1%			
8. Proportion of 1 year old children immunised against measles			20.5%					
9. HIV/AIDS (adults 15-49 years)								
10. Proportion of population reporting they have access to safe water								

⁴ WB: Conflict in Somalia, p. 24.

⁵ Ibid, pp. 10, 25.

⁶ Previous year indicator only transition grade 4-5; currently no quantitative reliable information available. "Weakest transitions are from grades 1-2 and from grades 4-5 due to space constraints, high cost of education and lack of upper primary school facilities", UNESCO MDG report 9/04, p12; systematic cohort flow studies expected in 2005.

⁷ Based on UNICEF Survey 2004, p. 23.

⁸ No country wide information available; EC support to subsector is limited to north Somalia; in 1999 no public secondary education was available. Latest agreed support with UNESCO aims at additional 2,400 enrolled, bringing the total to some 12,500 secondary students for Somaliland and Puntland; female proportion up from 35% to 40%.

⁹ Female proportion of primary teachers estimated at 12%; EC support to pre-service teacher training (starting in 3/2005) will seek gender balance in teacher training, starting with at least 40% female enrolment.

¹⁰ Based on field discussions; transition rate 4-5 (lower to upper primary) estimated at 27% (contrary but questionable: UNDP Human Dev. Report, 2001 reports 72.5%; UNESCO estimates 54%, *ibid*, p. 13). Girls' drop-out rates even more problematic; improvement estimated based on EC/UNICEF sector quality improvements and intensified advocacy.

¹¹ Based on a change in computation which modifies GER 2004 to 19.9%; see: *ibid*, pp. 25 f; the aggregate GER can be assumed to be higher as it only reflects the EC/UNICEF sector contributions for 2005/6.

Sources: World Bank Watching Brief 2004, UNICEF End Decade Multiple Indicator Cluster Survey, UNDP Human Development Report 2001.

Many social indicators show some improvements over the pre-war period, but are still dismally low. When compared to other African economies, Somalia's performance in economic and health outcomes is also mixed. Nonetheless, educational indicators place Somalia consistently and by far at the bottom of African rankings. Similarly, most health indicators, including infant, under-five, and maternal mortality rates, are among the worst in Africa and the incidence. However, life expectancy and child malnutrition prevalence rates are average as compared to other post-conflict countries in Sub Saharan Africa.

Due to the extreme level of poverty and almost complete absence of public funding mechanisms, provision of basic social services is primarily dependent on contributions from service recipients and external funding (Diaspora, donations, aid), increasing the risks associated with investments in the social sector. Substantial community advocacy is required as parents of school children finance the majority of the operational costs of education (as well as health), contradicting generally agreed principles of service delivery (free basic education for all) and posing barriers to improving equitable access to services (impacting negatively on girls' access). A priority for the emerging administrative structures is to address the challenge of under-funding of social services.

In education and health, access and quality of service delivery, lack of regulation to ensure minimal acceptable standards of services and qualifications, lack of training of teachers and health workers, gender bias in education and in health prevention, and unreliable, inaccurate information and corresponding difficulties in the definition and monitoring of indicators, continue to jeopardize the future of Somali children and the productivity of the workforce.

A further priority in assisting the emerging administrative structures is more robust support for capacity building at all levels. Recent interventions in the education sector, for example, made provisions to strengthen the capacity of the Ministries at different levels but the lack of administrative structures coupled with under-funding limit the effectiveness of such provisions.

2.3.1 Progress towards the Millennium Development Goals, 1990-2005

Eradicating Extreme Poverty and Hunger (Goal 1): The World Bank Report reaffirms that the goal of halving the current incidence of poverty by 2015, while difficult, is not impossible to achieve as it is expected that economic growth, private sector investment, and employment would translate into increases in per capita income. However, the lack of quality education over the last 14 years and the lack of an enabling environment for the private sector will also pose a huge challenge even if peace were to prevail. Hence, the system of social protection in Somalia will remain mainly reliant on the extended family and the clan for the foreseeable future.

Similarly, the goal of halving the proportion of people who suffer from hunger will be extremely difficult to achieve. With an average per capita dietary energy supply (DES) now substantially less than the minimum requirement and more than 70 percent of people undernourished, Somalia remains invariably food-insecure.

Apart from the most immediate and acute causes of food insecurity - natural hazards and armed conflict - Somalia is confronted with chronic livelihood crisis. Intense population pressure on natural resources has resulted in increasing rural-urban migration; unsustainable exploitation of a fragile ecosystem leading to environmental degradation; low-productivity agriculture and neglected pastoralist patterns of living. Agricultural resources are exploited well below their potential. Performance is hampered by the displacement of farming communities; poor farming

¹² As per agreement with UNICEF on primary edu sector support programme, at least 45% proportion of girls is targeted; overall this may push the level to 38- 40%.

techniques knowledge, poor access to agricultural inputs and services; dysfunctional infrastructure (particularly irrigation infrastructure), absence of processing facilities; and limited market access. Narrow livelihood bases and few options for diversification render people vulnerable to external shocks such as rain failure or flood.

However, access to food and water rather than availability of those commodities remains the major problem for Somalia's most vulnerable groups (displaced population, rural minorities, poor pastoralists, subsistence farmers and destitute people) due primarily to low purchasing power and narrow economic base.

In 2004, FSAU estimated that **498,000 people were in a state of Humanitarian Emergency or Livelihood Crisis in addition to a vulnerable displaced population of 377,000, totalling to 875,000.** These groups required humanitarian assistance in the form of resource transfers and livelihood support.

However, the exceptionally good 2004 Deyr rains throughout Somalia have boosted cereal production and have ended a +3 years drought in the North.

Due to climatic conditions and the presence of permanent rivers, **crop production** is largely limited to southern Somalia's alluvial plains and the inter-riverine area of Bay region, which account for 90% of agricultural production. According to the Food Security Analysis Unit (FSAU) estimates, the 2004 Gu harvest (which normally contributes 75% to the total annual cereal harvest) reached 125,305 MT, **one of the three worst seasons since 1995.** While the 2004/2005 Deyr cereal production was above average with 122,400 MT, which is 120% above post-war average and the third best Deyr production since 1995. **Therefore, total annual cereal production 2004/2005 agricultural year** (Gu and Karan 2004 and Deyr 2004/2005) is estimated at **264,800 MT**, which is 92% of post-war average but 54% of the pre-war average (1982-1988). According to FSAU, the Annual Cereal Balance for Somalia in 2004 indicates a **cereal shortfall of 8,000 MT, which is 2% of total estimated cereal requirements.**

Slightly **more than 2 million sheep and goats were exported in 2004**, which is similar to the number exported in 2003, but less by more than 1 million exported prior to the 1998 livestock ban. There has been a significant shift in small stock export shares between Bossasso and Berbera ports since 1997. Prices for goat exportation in 2004 are higher (between 26\$ and 34\$) than they have been in several years. Terms of trade between rice and export quality goats are better than 1998 pre-ban period.

In **Northern Somalia**, the eastern region has experienced a profound environmental crisis. Consecutive seasons of poor rainfall compounded by an over utilisation of natural resources have had a dramatic effects on pastoralists' livelihoods. According to FSAU reports, lack of stock water and the degradation of rangelands have resulted in cumulative death rates of 60% for sheep and goat and 80% for camels since April 2003. The Deyr rains 2004/2005 ended a +3 years drought but pastoralists will take time to recover given high level of indebtedness and widespread destitution.

Central Somalia continued to beset with ongoing and recurrent civil insecurity which has eroded benefits gained from the good rains. Markets have been distorted and access to grazing and other resources in the region have been limited in 2004.

In **Southern Somalia**, the above normal Deyr rains have led to a much needed recovery in most of the region. Pastoralists have benefited from improved grazing, water, livestock productivity and normal migration patterns. Agriculturalists and agro-pastoralists producing rainfed sorghum have had one of the highest production in the last ten years. Agricultural activities also increased seasonal labour opportunities and improved income access for the poor in many parts of southern Somalia. However, excessive rains and floods in Juba and Shabelle led to one of the worst maize production seasons, but also allowed a large off-season production of cereals and cash crops.

Juba riverine and Northern Gedo remained in state of continuing and severe humanitarian emergency linked to civil insecurity. These two areas had the highest recorded levels of malnutrition in the country, which are extreme against international standards (greater than 20% global acute malnutrition). They also suffer from chronic food insecurity and malnutrition.

In addition to this chronic and recurrent livelihood vulnerability, Somalia was struck, on 26 December, by tidal waves (Tsunami) triggered by the earthquake off the coast of Sumatra. The worst hit population were those of north-eastern coasts (Puntland) and Lower Juba fishermen. Assessments conducted early 2005 identified some 10,000 persons directly affected by the Tsunami. Though access to the zones concerned was very difficult, initial reports rapidly underlined that relief and rehabilitation efforts had to be conducted.

In 2004, the World Food Programme and CARE distributed some 40,000 MT¹³ of food through relief distribution, food for work or social support.

Achieving Universal Primary Education (Goal 2): Somalia has seen a steady decline in the standard and provision of education services, with the effects manifested in one of the worst adult literacy rates in the world (19%) with wide disparities between male/female (25% v. 13%) and urban/rural (35% v. 11%). In recent years there has been limited recovery with various local and international efforts resulting in new educational institutions and initiatives: primary school enrolment rose from 9% in 2000 to 13.6% in 2001 and 17% in 2002, but it will take many years to reach the target of education for all.

Gender disparities continue to be a major challenge. In 2002, girls' primary school enrolment rate of 12.7% compared to 20.8 % for boys; girls represented only 37% of pupils in grades 1-4, falling to 31% in grades 5-8; only 12% of the overall teaching force is female; gender imbalance is even greater among head teachers (only 4% women). Considerable regional disparities in primary education provision continue due to a variety of social, economic and political realities.

Reducing Child Mortality and Improving Maternal Health (Goal 4 and 5): Somalia's poor national health status has continued to decline steadily as a result of the breakdown of the public health system, the dwindling numbers of qualified health personnel, the collapse of water and sanitation systems, malnutrition, regular epidemics, and the impact of war. The average Somali life expectancy is 47 years, and Somalia has some of the worst health indicators in Africa. Given the almost universal practice of the most severe form of Female Genital Mutilation (FGM), almost all births put both mothers and babies at risk and very few pregnant women receive regular professional assistance during pregnancy and deliveries, resulting in high maternal and infant mortality rates. Other primary causes of death for adults are trauma, and for children, vaccine preventable and communicable diseases, as well as malnutrition.

Combating HIV/AIDS, Malaria and Other Diseases (Goal 6): Among the most common health threats accounting for preventable deaths in Somalia are malaria, acute respiratory infections, diarrhoea and tuberculosis (TB). HIV/AIDS prevalence is very low (estimated at below 1%) but risk factors for increase in HIV/AIDS incidence are the high prevalence in neighbouring countries and the high prevalence of both TB and STDs within Somalia (both risk factors for HIV/AIDS). Most of Somalia's public health facilities have fallen into disrepair. Nearly all remaining Somali doctors live in urban areas, where they can supplement their meagre incomes with private practices (mostly unregulated). There is no universally utilized Health Information System and health data collected is of doubtful quality. Major shortcomings persist in funding, management, training and expertise and district health systems/ referral facilities are desperately needed to improve services to rural areas. The need for regulation and for building the managerial capacity of emerging health authorities

¹³ Estimates only

remain huge challenges, together with rationalization and harmonization of facilities, services and manpower: managerial and financial sustainability; and pre- and in-service training to health staff.

Promoting Gender Equality and Empowering Women (Goal 3): Female Genital Mutilation (FGM), including infibulation, the most harmful form of FGM is a near-universal practice in Somalia. Estimates place the percentage of women who have been subjected to FGM at 98 percent. While UN agencies and NGO's have made intensive efforts to educate persons about the danger of FGM, no reliable statistics are available on their success.

Strong and capable institutions implementing anti-FGM programmes at the local, national and regional levels; a committed government which supports FGM eradication; and trained staff that can recognize and manage the physical, sexual and psychological complications of FGM are amongst preconditions for a successful anti-FGM strategy.

Currently, many Somali women and youth organizations are committed to the campaign. At the regional and sub-regional levels, groups focus on women and girls' issues, public education, human rights and literacy. However, most need capacity strengthening in research, advocacy, treatment of complications, evaluation of data and influencing behaviour change.

Under the auspices of the SACB, a process has been launched to develop a legal framework for the abandonment of FGM and to produce attractive, easy-to-use, and research-based training and educational materials to support local, regional, and national interventions.

A hindrance to the effective implementation of anti-FGM strategy is the tension existing between Somali networks advocating for the total eradication of FGM and others advocating for cutting lesser amount of tissue to reduce medical complications. The WB/UNFPA Report on Female Genital Mutilation in Somalia recommended that donors and implementers make concerted efforts to reverse the medicalisation of FGM¹⁴.

Following the completion of the two SACB mandated consultancies, a joint strategic framework for FGM eradication will be developed, to achieve better targeting, better use of current resources, through streamlined and better identified roles and responsibilities as well as one common fundraising and programme strategy.

Reducing By Half the Proportion of People without Sustainable Access to Safe Drinking Water (Goal 7): Water is a vital and scarce resource, largely defining livelihood options: 79% of the population report not having access to safe water. This is particularly problematic for the rural traditional nomadic population, which is often more concerned about quantity than quality of water. General lack of understanding of links between clean water and sanitation (half the population has no access to proper toilets) and good health is an additional challenge for interventions in water and sanitation.

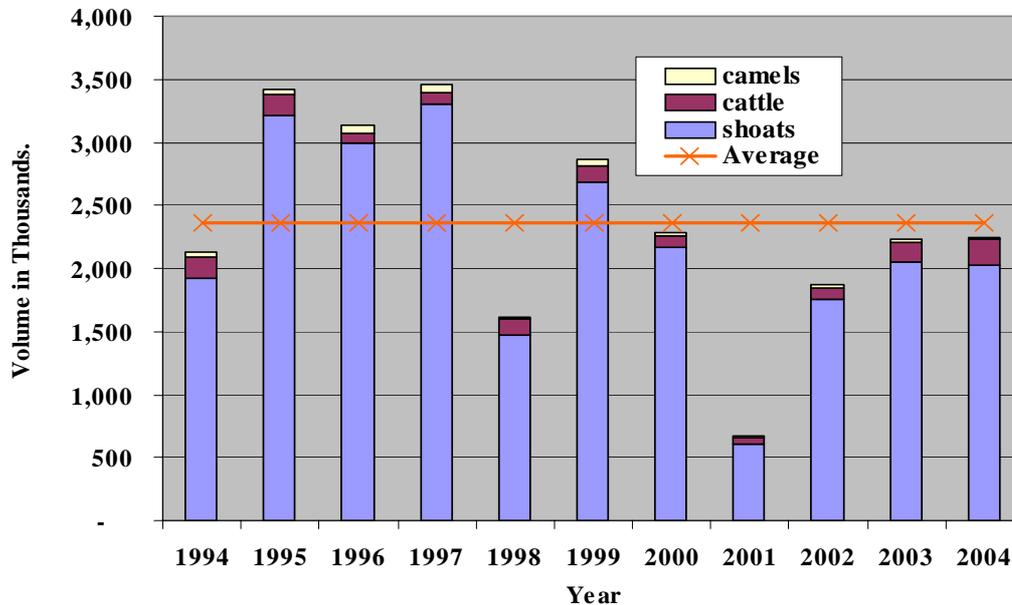
Ensure Environmental Sustainability (Goal 7): In the semi-arid environment of Somalia, **natural resources** are limited and sustainable management is critically important. However, over-exploitation and destruction of terrestrial and maritime resources continues in order to meet subsistence needs.

Apart from remittances, **livestock** is the most important source of cash income for the predominantly rural Somali population. Current projections estimate a livestock population of 5.2m cattle, 13.5m sheep, 12.5m goats and 6.2m camels. Despite the continued import bans for Somali livestock to Saudi Arabia (based on a Rinderpest outbreak in 1983 and Rift Valley Fever outbreaks in 1998 and 2000), live livestock export from Berbera and Bosaso seaports stabilised in 2003 and 2004. A total of about 2.2m livestock (sheep, goats, cattle, camels) were shipped

¹⁴ WB/UNFPA Report on Female Genital Mutilation/Cutting in Somalia, November 2004.

annually (see table below), generating US\$60-80m. However, despite this positive development, the persistent import bans impact on the Somali economy through low producer prices and increased transaction costs. Moreover, in the continuing absence of effective surveillance and certification procedures in Somalia, the risk of exporting epizootic diseases to the Arabian Peninsula remains. This could result in the imposition of a permanent ban with strict enforcement.

Total shoats, cattle, and camel exports from Berbera and Bossaso Ports, 1994-2004



As of today, Somalia remains a country of relative lawlessness, and offers ideal conditions for potential illegal waste export from countries with stringent emission policies. To this regard it appears very likely that illegal dumping of hazardous products did take place in Somalia even if proof is yet to be collected of cited incidents.

Till date the only documented case of hazardous agrochemicals is an obsolete but legal insecticide stockpile in Hargeissa along a West-African desert locust campaign. The case was carefully examined by FAO and scenarios for decontamination have been proposed and currently await funding.

The impact of the Tsunami stirred up reports of hazardous waste deposits on the Somali coast, within the Haffun lagoon and along the coast of Puntland. However, in the absence of any testing facilities no follow up was provided to verify the reports of toxic or radioactive waste. More thorough investigations related to toxic waste and human health are currently undergoing and a joint report by a number of UN Agencies, FAO and UNDP in particular, is expected by September 2005.

2.3.2 Humanitarian Situation¹⁵

Poverty, civil insecurity, drought and limited floods, outbreak of diseases and the Tsunami of December 2004 contributed to a challenging humanitarian situation. The number of people in a humanitarian emergency increased by year end from 243,000 to 257,000; those in a livelihood crisis dropped from 460,000 to 241,000, primarily due to the end of the long drought situation for much of the country during the second half of the year. However, due to limited coping mechanisms and environmental degradation, the smallest shock may force large numbers back into a livelihood crisis or humanitarian emergency. Furthermore, 376,000 IDPs are considered to

¹⁵ Based on Food Security Assessment Unit (FSAU) information

be livelihood insecure and are not included in the above numbers. Humanitarian access remains a key concern for agencies during the entire year.

3 THE DEVELOPMENT AGENDA OF THE PARTNER COUNTRY

In the absence of an effective national government since 1991, Somalia has lacked detailed government policies, a National Development Plan, or a poverty reduction strategy. The Somaliland and Puntland administrations developed to varying degrees plans for the geographical areas they control, focussing on combating insecurity with less attention to sustainable service delivery or growth of the productive sector. In this policy vacuum, the international community developed, within the framework of the Somalia Aid Co-ordination Body (SACB)¹⁶, coordination mechanisms for developing comprehensive sector strategies focusing on the role of local communities, the level of ownership, and the need for long-term sustainability.

In view of the significant progress from mid-2004 at the peace talks towards formation of a Somali government, the DEL, Member States and other key donors participated in development of a **framework for support to the (prospective) transitional Somali institutions**. This comprises: political and diplomatic components; an immediate modest advance package (Rapid Assistance Programme); and a more elaborate medium-long term reconstruction programme over the five year transitional period in collaboration with the new Somali institutions. The lead donors, including the DEL and World Bank, are in discussion with the TFG on a phased approach to the Joint Needs Assessment to be presented at a donors' conference in the first quarter of 2006 as the basis for a medium-long term Reconstruction and Development Programme. In the context of the Rapid Assistance Programme, in February 2005 the TFG presented a draft budget request to donors to cover TFG priority requirements for the first 6 months, total € 59.5 million, to cover: relocation/ logistics; peace building, reconciliation and administration building; DDR programme; and police force formation.

4 OVERVIEW OF PAST AND ON GOING CO-OPERATION

Background and context for EC assistance to Somalia

During 2004, the NAO responsibilities continued to be assumed by the Chief Authorising Officer of the EDF "on behalf of the people of Somalia". Similarly, Somalia did not have the necessary functioning institutions to sign and ratify the Cotonou Agreement. Both strategic planning and programming are therefore performed by the EC to date. Following devolution of programme management to the EC Delegation in Kenya in 2002, the EC's aid delivery mechanism has become more efficient. EC Somalia Operations comprises a multi-sectoral team of two officials and a number of individual experts as an integral part of the EC Delegation in Kenya and actively involved in all steps of the project cycle. It is supported by three Liaison Offices (ECLO) in Hargeisa, Bosaso and Mogadishu, which monitor the social, political and economic situation and provide inputs on developments related to project implementation in their areas of responsibility.

In 2004 **repeated security breaches** seriously hampered the implementation of EC-funded projects and constrained the number of missions and time spent in the field to perform hands-on monitoring by the DEL staff (see Annex 8). Humanitarian access remains a key concern. In addition to more familiar resource-related security problems, further evidence emerged of a network of Somali militants targeting internationals in Somalia. However **15 field missions** to various project locations were performed in order to monitor project implementation and dialogue with partners and local authorities in specific sectors. The **External Monitoring Team** reviewed four projects in November; monitoring of a project in the South was suspended due to insecurity.

¹⁶ The SACB has operated since 1994 as a forum for donors, UN agencies, international and local NGOs to share information and discuss aid strategies regarding Somalia.

Results of programme evaluation

In 2003 the **evaluation of the 3rd Rehabilitation Programme** (EDF funding, rehabilitation budget line funding, Mine Action budget line funding) and the concurrent 1998-2000 Italian co-funded programme (overall total € 41.4 million) concluded that its contribution to the wider objectives was positive but highly localised. Nevertheless, the programme yielded benefits in creating the conditions for peace and political stability, and in addressing access to basic social services and infrastructure.

The critical comments made by the evaluation regarding the Strategy and its implementation included, most importantly, the lack of any justification why the particular “clusters” were appropriate and what benefits would be obtained by linking interventions in this way. Furthermore, if there were benefits, no explanation was provided as to how the benefits would be obtained within and between the clusters chosen. Secondly, the evaluation considered that LRRD was insufficiently addressed in the strategy. No evidence was found that programming based upon an area’s perceived LRRD status was ever attempted. A third criticism is that the Strategy does not include any role for emerging administrations. Concurrently, the evaluation did note that there is growing contact and some support being provided to strengthen institutions at municipal and central level. The evaluation concluded that there is no evidence that mutually reinforcing interventions based upon the clusters of the 2002-2007 Strategy have been pursued. Instead, the report found that the EC designed and implemented discrete sector programmes with no planned links between the programmes. This has been in turn underpinned by sector strategies and, with the exception of that for civil society, governance and peace building, there are no composite strategies for the other clusters i.e. reducing vulnerability, social services and economic growth.

Financing Conditions for a 5th Rehabilitation Programme totalling € 100 million (of Somalia’s total EDF 9 allocation of € 149 million) were signed in December 2003, abiding by the EC Strategy but with priority shifts in line with the Millennium Development Goals/Johannesburg Summit targets with the country’s specific needs in terms of the restoration of peace and governance and poverty reduction. Particular emphasis was placed on governance, education and access to safe water with continuing flexibility in the EC’s approach to adapt interventions to the changes occurring in Somalia and significant regional variations. **Programme evaluation of 4th and 5th Rehabilitation Programmes** will be undertaken by end 2005 (in addition to continuing project evaluations in all sectors).

Mid Term Review

In early 2004, the DEL took the opportunity of the Mid Term Review (MTR) to critically examine the validity of the EC’s strategic approach so far. In view of the uncertain political scenario in Somalia, and drawing on lessons learnt from the implementation of consecutive Rehabilitation Programmes, the continuing validity of the dual objective of the 2002-2007 SISAS was recognised (“to contribute to the alleviation of poverty and to the promotion of a more peaceful, equitable and democratic society”). However, the DEL proposed that a more focused sector-oriented approach be adopted in order to achieve higher and better measurable impact, more in line with the Millennium Development Goals, while also taking into account new EU policy initiatives.

The proposed shift discussed entails the development of three focal and one non-focal sector, as against the four 'clusters of intervention' of the SISAS, allowing for greater coherence in the definition of strategy and the choice of interventions. If the best-case scenario of a return to ‘normality’ is confirmed in the field, emphasis will be on interventions in the sector of governance, particularly on the demobilisation and reintegration components of a comprehensive (and most likely multi-donor funded) DDR programme. However in view of Somalia’s ranking among the poorest countries in the world, this will not be to the detriment of poverty reduction since, in parallel, interventions will target the poorest sections of Somali society. However, if such

a positive outcome fails to materialise, the focus will be largely on poverty reduction and MDG goals (i.e. rural development and food security, and social services such as education, health and water). In sum, striking a balance between the focal sector of governance and peace building and the other focal sectors will ultimately be dictated by the outcome of the SNRC. Across all these sector programmes, the security conditions on the ground will determine where interventions should or can be made along the relief-rehabilitation-development spectrum. Proposals as a result of the initial MTR exercise conducted locally where submitted to DEV and AIDCO in early 2004 as part of the **Annual Operational Review of Cooperation with Somalia in 2003**.

In **October**, the **conclusions of the MTR** confirmed the continuing validity of the dual objective of the 2002-2007 Strategy and assessed that the SISAS' inherent programmatic flexibility and multi-sectoral approach has proved adaptable to the specific realities of Somalia and its numerous development needs. In order to respond to the outcome of the peace process, be it positive or negative, the Commission introduced a criterion of “**governance dividend**” in the implementation of EC co-operation (in addition to the “peace dividend”).

The aim was to promote the return of effective administration and good governance in Somalia (throughout or in those areas where emerging governance exists and should be encouraged) in line with the Commissions' policy of prompting peace in Somalia, as evidenced by its intense involvement in the IGAD-sponsored peace process. By adopting this approach, the Commission intended to give the better scenario of sustenance to the positive outcome of the SNRC a greater chance, availing strong interest in supporting governance institutions, which are inclusive and receive the support of the largest segment of the Somalia people.

The governance dividend is an expression of the intentions to support the process of stabilisation through the promotion of effective and sustainable governance in Somalia. Only through viable governance, that is receiving the continuing support of the general public that peace, stability, the return to the rule of law, democracy and respect of human rights could be achieved in Somalia on sustainable basis. The Commission viewed this approach as furtherance to its earlier approach of peace dividend, which addressed support to areas where relative tranquillity was established as a means to entrench and further enhance peace and stability on geographic basis.

In supporting the internalisation of the new transitional institutions, the Commission has provided funding for the relocation exercise, for a police rehabilitation programme (RoLs), and is currently preparing to support initiatives in support of public works activities in Mogadishu. The Commission has also expressed interest in supporting the reconciliation process at regional and national levels. In the area of security, the Commission is currently assessing its contributions to an eventual IGAD/AU deployment when conditions are ripe, and has expressed interest in supporting components of the DDR programme.

Human Rights and Children's Rights Considerations

The Somalia United Nations Country Team (UNCT) has conducted a lessons-learned review of the work undertaken by child protection advocates in strengthening the capacities of communities to respond to and prevent protection violations. A consultative process to design a strategy for the inclusion of child rights and child protection issues within the broader framework for DDR in Somalia will start in 2005 - initiated by UNICEF - and will form the basis of future DDR programmes for children in the country, and be hopefully part of the Joint Needs Assessment and action plan.

In line with the EU Guidelines on Children and Armed Conflict, the rights of the child during pre-conflict, conflict and post-conflict situations have been a component of the political dialogue between the EC and Somalia. The DEL n is also engaged in funding projects relating to children and armed conflict in several fields, in particular for DDR and through humanitarian assistance. The EC is, for instance, to support the implementation of an employment intensive programme in

Support of Peace in Mogadishu, South and Central Somalia. The community employment project, to be implemented by ILO, will provide a visible peace dividend to the lives of ordinary Somalis, particularly unemployed youth, and a neutral forum for cross community dialogue. The project will build technical and institutional capacity, and most importantly, credibility and trust, whilst creating incomes and providing a foundation for economic recovery. Employment in the road, irrigation, and waste management sectors will provide a strategic resource to support reintegration efforts and empower Somalis in general to actively participate in future recovery programmes.

Support to Transitional Somali Institutions

In addition to ongoing **project identification under the 5th Rehabilitation Programme and Budget Lines**, the DEL together with Member States and other key donors participated in the development of a **framework for support to the (prospective) transitional Somali institutions**. This comprised 3 components: (i) An agreement (Protocol) outlining the political and diplomatic components (including performance benchmarks as well as counter-terrorism measures); (ii) An immediate modest advance package (Rapid Assistance Programme) to be complemented by: (iii) A more elaborate medium to long term reconstruction programme over the five year transitional period in collaboration with the new Somali institutions. The DEL focussed on specific components of the **Rapid Assistance Programme (RAP)** namely: Demilitarisation and Rule of Law; Parliament; Reconciliation; and Human Rights and civic education (section 4.1 below).

The DEL, on the basis of the MTR orientations, **refined the identification of interventions in the social and food security rural development sectors**. Calls for Proposals were designed and launched and grants awarded in end 2004 as a result.

LRRD and Complementarities with ECHO Interventions

The DEL pursued internal dialogue (Somalia Operations and ECHO) on the **Linkages between Relief, Rehabilitation and Development (LRRD)** and its concrete implementation in the context of Somalia in both crises prevention; design and management of sectoral strategies; and through better use of existing instruments and instruments streamlining.

The EC Delegation and ECHO Offices in Nairobi have maintained close coordination and, where necessary, reflected LRRD in their modus operandi. However, this has not been necessarily formalised and improvements are possible. Coordination has been concretely carried out by linking EC financial instruments (EDF, Thematic Budget Lines and ECHO), and through linking implementation approaches. Coherence and complementarities have been ensured through constant dialogue, joint appraisal (most notably of Tsunami-affected areas), joint review of proposals submitted by NGOs, and association of ECHO to the design of new EDF/Budget Line programmes, including CfPs. The Delegation have commented on ECHO proposals planned for areas where rehabilitation or developmental interventions have been ongoing or foreseen or where a follow-up phase has been required. Where feasible, ECHO funded projects have continued with Budget Lines and EDF funding, particularly in the rural water sector in Southern Somalia.

ECHO and the Delegation regularly dialogue on implementation approaches to ensure that ECHO interventions, while fulfilling its mandate, consider as much as possible longer-term implications. Overall, all instruments attempt to be as much development oriented as possible taking into account the particular situation. A good example is the 2004 crisis in parts of Northern Somalia where ECHO took into consideration long-term impacts to ensure that only sustainable water sources were rehabilitated to allow developmental interventions to start after the emergency phase. Furthermore, these interventions were complemented by others through the Food Security Budget line.

In terms of information and early warning systems, EDF and Thematic Budget Lines have secured funding. Both, the Food Security Analysis Unit and the Water and Land Information

Management Systems have aimed at providing relevant information and analysis on crop and livestock production, food security, nutrition, water and land resources for early warning and longer term programming.

Focal sectors (and macroeconomic support)

The following describes the most significant results achieved in 2004 as well as activities and the degree of integration of cross cutting themes.

4.8.1 Focal Sector 1: Enhancement of Good Governance, Support to Reconciliation and Sustainable Peace Building

EC support in 2004 remained within the same strategic guidelines outlined in the SISAS and the more detailed peace building sectoral strategy, which outlined six primary areas of engagement aimed at improving the security and operational environment within Somalia. The following sub-sections report against this sectoral strategy framework. Integration of cross cutting themes is presented jointly at the end of the section.

4.8.1.1 Democratisation and institutional support

a) Results: Capacity of administrations to deliver services in a transparent and accountable manner enhanced.

b) Progress in activities

- Training to municipal authorities and councils throughout Somalia in good governance and local leadership with an emphasis on participatory planning and conflict resolution.
- Training programme worked primarily through local institutions to build capacities relating to governance training in Somalia (see also section below on urban development).
- In response to the successful conclusion of the SNRC and in order to empower the Parliament and introduce best practice modalities at the outset, the EC fielded support to the TFP through the Association of European Parliamentarians for Africa (AWEPA).

c) Gender Dimension in the Area of Democratisation and Institutional Support

Women suffered disproportionately in the civil war and remain systematically subordinated in the country's overwhelmingly patriarchal culture. Violence against women exists, and polygyny is permitted. In light of the above, main initiatives in the area of democratisation and institutional support have had specific components dealing with gender:

- The training for municipal authorities and councils throughout Somalia in good governance and local leadership with an emphasis on participatory planning and conflict resolution. The number of elected women at the local level is very low (3 out of 379). Gender has been incorporated in the trainings as a theme and a number of female trainers have been involved in some of the sessions.
- In terms of support to the legislative chamber, the project implemented through the Association of European Parliamentarians for Africa (AWEPA) in support of the Transitional Federal Parliament has special trainings for the women parliamentarians, including computer literacy, and English. The project is also supporting the development of a common agenda for women parliamentarians, including the organisations of exposure visits to other countries in the region with higher involvement from women in the political arena.
- As it relates to other governmental departments, the support to the police includes the creation of women polices desks and special attention to the training of female police officers.
- The support to the judiciary includes special attention to the vulnerable groups (women are a main part of this group) through the creation of legal clinics.

- In the framework of the Somalia Aid Coordination Body (SACB) a number of meetings are taking place with the recently created Ministries for Women Affairs, in the Transitional Federal Government and in the Puntland administration with the aim of sharing information and discussing the future plans for these ministries and its requirements in terms of international support. Somalia Operations staff is the co-chairs of both the Governance Committee and the Gender and Human Rights working group.

4.8.1.2 Security

a) Results: Return of the rule of law, peace and stability in Somalia.

b) Progress in activities

- Comprehensive socio-economic data on 12,000 combatants collected countrywide and encoded to provide detailed information for future DDR initiatives following a peace accord.
- Basic training to four CS organisations in Somalia on DDR and relevant data collection.
- Formulation and fielding of a team of experts “Somali Demilitarisation Planning Unit” jointly funded by UNDP, Italy, and the UK in close co-ordination with the African Union.
- Funding and organisation of strategic planning sessions in AU HQ in Addis and Nairobi.
- In response to the SNRC, formulation of EC contribution (€4m) to UNDP rule of law programme to enable immediate response for police training and infrastructure, launch pilot DDR initiatives and continue longer term work in the security sector in north Somalia.
- Close liaison maintained with the AU and EC HQ in relation to the EU Peace Facility.

4.8.1.3 Reconciliation

The EC continued to support the reconciliation process launched in 2002 by IGAD. By the end of the year, the EC had provided €2 million for ‘core’ costs of the conference (secretariat, accommodation, transport) bringing the total to €7.2 million and continued to provide financial support to the technical oversight of these funds (including €8,800 for the PMU) as well as €18,000 for information coverage. Despite the slow progress and many occasions of high political uncertainty, towards the end of the year the peace talks neared successful conclusion with the election of a Parliament and President and broad acceptance of the interim national charter. The EC’s commitment – both financially and politically - to the process of the peace talks (even at times when it appeared likely to fail) was undoubtedly one of the primary contributions to its success. This lays the basis for increased EC engagement in the peace building/governance sector in 2005.

a) Results: Functional mechanisms for promoting dialogue towards conflict resolution enhanced.

b) Progress in activities

- By the end of 2004 the SNRC had produced a clan-balanced Transitional Federal Parliament, elected a national President and commenced the process of forming a national government.
- Funding made available for the core costs of the SNRC (accommodation, transport).
- Technical assistance to the Kenyan Special Envoy, the Committees on Reconciliation and Demobilisation, Disarmament and Reintegration, and to the PMU established in the MFA.
- Funding for improved information coverage of the SNRC; a CD ROM of information on the SNRC is being compiled for distribution and dissemination in March 2005.
- Funding for the Dialogue for Peace project implemented by War-torn Societies Project which consists of countrywide dialogue sessions with a broad spectrum of the society on issues related to governance, decentralisation, rule of law and security.

4.8.1.4 Enhanced advocacy for the role and space of civil society

a) **Results:** Organisational and managerial capacities of civil society organisations enhanced; and dialogue between NSAs, administrations and the international community improved.

b) Progress in activities

- A pool of Somali consultants was created and 20 underwent extensive “training for trainers” and are deployed in 20 local organisations in Puntland and south Somalia to conduct on-the-job training for the implementation of small projects funded by the EC project.
- A code of conduct for Somali organisations developed and approved by the 14 primary NGO networks (comprising over 100 local organisations).
- EC-led SACB initiative resulted in development of SACB guidelines and principles for partnership with Somali organisations.
- 10 human rights organizations trained in identification, documentation, monitoring and advocacy and an internship programme for 10 Somali activists in Kenyan organisations.
- 10 Somali human rights organizations produced and presented a Human Rights Report on Somalia at the annual UN HCHR meeting in Geneva.
- The 3 main gender networks supported for the preparation of a study on practices, attitudes and behaviour in relation to the FGM practice, disseminated through the SACB.
- Meetings facilitated between HR organisations and representatives of Transitional Federal Institutions.
- Project for the creation and support of a NSA Forum started in September.

4.8.1.5 Public awareness

a) **Results:** Public awareness with regard to Human Rights, good governance and the rule of law enhanced.

b) Progress in activities

- Coordination of different EC-funded projects enabled synergy of project activities with the journalist training project for thematic journalist trainings and media programmes on issues relating to governance. These included in particular demilitarisation and DDR, human rights, eradication of FGM campaign (with the 3 main gender networks), and women’s political role.
- Leading Mogadishu-based radio stations supported in producing Somali “panel of experts” discussions and phone-in shows on issues of governance and democratisation for broadcast throughout Somalia.
- Target groups (women, media, artists, elders, teachers, law enforcement officials, NGOs, business people and youth) educated in human rights, governance and democracy.

c) Degree of integration of cross-cutting themes in Peace building/ Governance sector

Environment: Several of the Somali organisations supported are engaged in environmental activities, primarily focussing on awareness raising. Initiatives supporting local governance have increased the capacity of local governance to address issues such as environmental protection.

Gender: Each intervention is implemented in close co-ordination with **civil society** and with specific components aimed at improving the participation of **women** in political decision-making. More specifically, the process of demobilisation and reintegration is cross cutting and depends on local participation. Hence public awareness raising and support to counterpart institutions such as LNGOs is critical, as well as close interaction with other sectors where reintegration activities are possible (such as infrastructure, agriculture, vocational training, or SME development). Special attention to gender, human rights and civic participation in police building is also a key component to the training provided.

Capacity building: Focus on enhancement of capacities of administrations and Non State Actors.
Coordination: All interventions are programmed in coordination with other donors (in the case of co-financing) and in the framework of the SACB governance committee and its respective working groups and task forces of Gender and Human Rights, Peacebuilding and Elections.
Other sectors: Given the multi sectoral character of this cluster, coordination takes place internally with other sectors, such as health, education and food security.

4.8.2 Focal Sector 2: Food Security and Reduction of Widespread Vulnerability

Recent surveys (WB Watching Brief 2003) show 43.2% of the population (2.9 m people) live in extreme poverty, almost 82% (pop. 2.4 m) of whom live in rural areas. In response, the EC contributes to poverty alleviation by strengthening food security at household level through broad-based development in livestock, agriculture, and rural water and sanitation interventions. These are grouped in strategic orientations with shared cross-cutting themes (presented jointly). In the absence of a functioning national administration, interventions focussed at micro/ meso levels but are expected to engage increasingly at macro levels with the emergence of the TFG.

4.8.2.1 Strengthened livelihoods at household level through development and diversification of production and marketing

a) Results: Despite adverse climatic conditions, particularly during the first half of the year, agricultural production was largely maintained: 2004 annual cereal production is estimated at 264,800 metric tones compared to 286,000 mt as the pre-war average while the livestock export was maintained at 2.2m livestock in 2004. Farmers' income increased and diversified. More than 112,000 households benefited from increased and diversified income through canal rehabilitation, agriculture training, crop diversification, improved cultivation of date palms, vegetables and fruits trees, introduction of new technology in livestock and tree crops, and support to small-scale enterprises. Seed systems and diversified agricultural production were enhanced, strengthening livelihoods and in consequence coping mechanisms of farming communities.

b) Progress in Activities

- Some 30,000 households along the Shabelle and Juba rivers, Bay, Bakol, Bari, Erigavo and Awdal benefited from **increased and diversified income** through canal rehabilitation, agriculture training, crop diversification, improved cultivation of date palms, vegetables and fruits trees, introduction of new technology in livestock and tree crops, and support to small-scale enterprises. The establishment of 20 private tree nurseries was supported.
- About 16,000 farmers trained in improved farming techniques.
- 860 poor women implemented income-generating projects, such as vegetable gardens, with micro-credits; a further 39 income-generating micro projects were initiated (block press, fruit juice, grinding mills) through revolving funds, benefiting 270 farming families.
- **Irrigation infrastructure:** 49.6 km of main canals and 4.5 km of irrigation pipes were rehabilitated allowing 15,300 ha to be irrigated and benefiting 8,900 families; 82 stilling basins and sluice gates and 65 culverts constructed or rehabilitated; 44 irrigation pumps distributed; 33 pump mechanics trained; and 85 wells and 30 water reservoirs rehabilitated or constructed. Along the Juba River, four of main flooding points were rehabilitated, improving drainage for 10,000 families and allowing irrigation activities benefiting 25,000 families.
- Feeder roads in 10 communities were rehabilitated benefiting 12,500 families.
- **Seed systems** strengthened through production of 8.1 mt improved quality seeds by 134 seed producers; 128 seed storage tools distributed to 124 farmers; marketing seed fairs organised.
- Projects reported **increased yields** in their operational area in Hiran from 0,8 tons/ha to 1 tons/ha in maize and sorghum. In Middle and Lower Shabelle, local farmers average rice production increased from 2.5 to 3.2 tons/ha.
- 5000 fruit trees and 403 high yield date palm seedlings distributed to 140 farmers.

- **Marketing enhanced.** In Middle and Lower Shabelle, 1,378 tons of rice and 150 tons of agricultural inputs have been marketed on at least 9 local markets.
- About 3,000 camel milk producers, traders, and consumers are benefiting from a new community owned, privately managed **milk collection and processing centre** as well as technical advice and training. The improved raw milk quality allowed milk producers and transporters to increase income by 30% and 100%, respectively.
- **Cash-for-work:** 7,353 workers employed to rehabilitate 39 water catchments, 26 irrigation canals and 23 irrigation systems.
- In Puntland and Somaliland, 620 workers (94,575 workdays) employed for rehabilitation of roads (45 km of spot improvement), flood protection walls and waste collection. Another 5,440 households benefited from cash-for-work interventions that allowed rehabilitation of 50 functional water facilities, 27 soil erosion structures and one road of 1.5 km.

c) Degree of integration of cross-cutting themes

Environment: Nomadic pastoralism in dryland areas is highly sustainable and environment friendly compared to alternatives of cropping, ranching, and settled farming. EC interventions contribute to sustainable natural resource management by promoting sustainable intensification of smallholder agriculture. Regarding rural water, communities were trained on environmental issues and projects utilise appropriately simplified environmental manual for implementation of small interventions. More substantial interventions include environmental impact assessments.

Gender: Project baseline surveys consider the role of women in water, hygiene and sanitation, farming and pastoralists systems. Women groups/associations are specifically targeted, supported and trained to strengthen their role and representation in decision making, through building on existing knowledge, attitudes, skills and self-confidence to enable them be responsible and active stakeholders in the planning and implementation of community development, management capacities and in addressing problems and opportunities.

Capacity building: Enabling rural communities to plan and implement development activities is central to most interventions: training and capacity building is provided to all stakeholders (farmers, pastoralists, civil society structures, private sector firms, other professionals). Emphasis on the underlying process involving community stakeholders (clans, traditional and religious leaders, women, youth groups) through participatory planning processes, capacity building and project implementation contributed significantly to improved ownership, administration, operation and maintenance of interventions and ultimately sustainability and impact.

Coordination: Implementing agencies collaborated and coordinated activities through the SACB in its sectoral committees and in the field. Localised coordination mechanisms were also initiated at the field level by agencies operating in defined geographical and/or sectoral areas.

4.8.2.2 Improved capacities and service delivery in livestock and agriculture

a) Results

- Public and private capacity to deliver services in livestock and agriculture sectors enhanced.
- Community based organisations and local NGOs capacity strengthened.
- Skills of Somali farmers and technicians in farming techniques enhanced.
- Water and Land Management study and land cover mapping for riverine areas completed.

b) Progress in Activities

- 5 Livestock Professionals' Associations established countrywide. Four of them developed constitutions and strategies for providing curative, preventive and consultative services and compiled Associations' profiles for distribution to stakeholders. They also participated in a network led by SLPF. Two Associations have developed links to external sources of funding.
- 80 community animal health workers (CAHWs) in northern and southern Somalia have been trained and supported with 66 of them being engaged in profitable operations.

- 10 community based organisations and local NGOs, 210 village committees, 300 irrigation committees and water users associations, 75 women groups were trained on small scale enterprises, 100 CBOs were trained on water harvesting techniques, 20 Health and Nutrition Committees, one Rice Grower Association, six honey associations and 36 Food Security Monitoring Teams were trained and their capacity strengthened.
- Skills of 20,000 Somali farmers and technicians in farming techniques enhanced (irrigation management, land preparation, improved farmers seed systems, pest management, soil fertility, plant nutrition, crop rotation and field sanitation, safe and efficient use of pesticides).
- 124 farmers and 23 technicians trained to strengthen farmer's seed production systems and use of pesticides while 21 sorghum landraces (local varieties) were identified and characterised contributing to preserve the local sorghum germplasm.

c) **Degree of integration of cross-cutting themes:** see above 4.2.1.1c

4.8.2.3 Sustainable natural resource management, development planning and emergency preparedness and prevention strengthened

a) Results

- The Food Security Assessment Unit (FSAU) supported the international humanitarian and development community and stakeholders in Somalia with up-to-date information for better decision-making in regard to food security and short and longer term livelihood interventions.
- The Somalia Water and Land Information System (SWALIM) compiled a first set of baseline information and natural resources to be used by planners.
- SWALIM completed a flood risk map; supported formulation of a flood response mechanism; developed a draft flood forecast model based on updated stream flow models and monitoring.

b) Progress in Activities

- The Water and Land Information Management Systems (SWALIM): compiles information on water and land resources; manages database on water supplies/ irrigation schemes.
- In Hiran, 36 community based food security monitoring teams collect and analyse food security data to improve community preparedness and response.
- An eco-systems wide strategy for Rinderpest eradication has been developed by Somali PACE and is pending agreement by AU/IBAR, PACE Kenya and PACE Ethiopia
- 50% of the target livestock stakeholders have been informed of the PACE Rinderpest eradication strategy in Central and Southern Somalia and are prepared to support it.
- Two animal disease emergency reports have been successfully investigated by private AHWs in Central and Southern Somalia, trained by PACE.
- PACE Rinderpest and RVF survey results reported to 90% of the relevant stakeholders.
- A preliminary landcover mapping (at 1:100,000 scale) of the entire riverine area completed.
- A draft baseline on Water and Land Information for Southern Somalia produced.
- River gauges monitored and a flood flow forecast model validated.
- An interagency action plan for Flood Warning, Preparedness and Response produced and flood bulletins issued when appropriate.
- 36.6 km river embankment rehabilitated, 10,000 empty bags pre-positioned along the Shabelle River, flood preparedness and response plan put in place with the communities.

c) **Degree of integration of cross-cutting themes:** see above 4.2.1.1c

4.8.2.4 Technical capacities of line administrations (agriculture, livestock and environment) and other relevant institutions enhanced

a) **Results:** Various existing institutions supported with capacity building programmes.

b) Progress in Activities

- One out of two targeted local authorities in Northern Somalia submitted the Veterinary Law Code to the Council of Ministers for approval.
- Both local authorities have started implementing recommendations from the veterinary sector Master Plan. Somaliland has achieved 90% while Puntland has achieved 50%.
- 36 public sector personnel in two zones trained in technical and management aspects for regulation and coordination of animal health services delivery.
- 38 Somali professionals from Middle and Lower Shabelle and Middle and Lower Juba trained for clinical and disease surveillance competence, organisational and management skills, and networking capacity actively contributed to disease surveillance activities in these regions.
- Under the overall management of the Regional Veterinary Training and Reference Centre (STVS) 27 students successfully passed a preparatory training at Hargeisa University and qualified for a 3 years technical veterinary training programme to start at STVS in Sheikh in January 2005. The skill of 6 STVS tutors were up-graded at Bologna University in Italy. Along the institutional support to STVS, a legal framework analysis was prepared, a communication strategy developed, and a management structure designed.

c) Degree of integration of cross-cutting themes: see above 4.2.1.1c

4.8.2.5 Increased access to rural water supply, hygiene and sanitation

a) Results: EC funded interventions had localised impacts in improving access to water and sanitation, contributing to the MDG targets and reaching approximately 1% of the rural/nomadic population in 2004. The overall EC contribution to-date (1994-2004) for rural water and sanitation coverage is estimated at 16% for water and 5% for sanitation respectively.

b) Progress of Activities

- 40,700 people benefited from access to water from improved sources in the rural and semi-urban areas. 170 rural water supply systems constructed and/or rehabilitated, through the various technological options (86 boreholes, 71 shallow wells, 13 water catchments).
- Trainings on improved personal and household hygiene, using participatory approaches (PHAST and CHAST) reached about 47,000 people.
- In sanitation, the construction of 1,348 household latrines has been supported.

c) Degree of integration of cross-cutting themes: see above 4.2.1.1c

4.8.3 Focal Sector 3: Access to Social Services

4.8.3.1 Health

a) Results

- EC funded interventions have had localised impacts in improving the health system and contributed to the MDG targets in relation to the prevalence of under-5 children acutely malnourished, under-5 mortality rate, maternal mortality ratio, and proportion of births attended by skilled health personnel.
- At headquarters' level, the EC has been a leading contributor of the Global Polio Eradication Initiative launched in 2004. €1,300,000 was allocated by AIDCO for Somalia alone in 2005, and an additional €950,000 is pledged for 2006. The incidence of polio cases dropped dramatically, from 93 reported cases in 2000 to only 3 in 2002 and none in 2003. However, Somalia continues to be considered at high risk of polio re-infection. A second wave of preventive National Immunisation Days (NIDs) is to be conducted in June 2005 to urgently boost population immunity levels. UNICEF spearheads the polio eradication programmes in Somalia, in conjunction with WHO. Indirect support is also received through EC funding to

the network of Primary Health Care projects in Somalia, who make available their project staff for NIDs.

b) Progress in activities

- Feasibility study launched with an aim to rebuild the health system in Somalia;
- Clinical and management training of 45 medical and 224 paramedical staff;
- 14 hospital laboratory technicians trained in 20 basic laboratory tests.
- Administrative training of 8 hospital administrators and 13 accountant;
- Capacity building activities to increase local participation at the level of District and Regional Health Boards conducted in 4 of the 8 EC-funded projects.
- Participatory workshops for community leaders, local authorities and civil society organisations on the role of the referral hospitals and on the concept of health services' sustainability conducted in all EC-funded projects.
- Development/improvement of participatory operational plans in all EC-funded projects;
- Improved partnerships in relation to TB control: the 8 EC-funded projects treated 1400 of 3000 patients treated countrywide by WHO-supported countrywide TB Control Programme.

c) Degree of integration of cross-cutting themes

Gender: Crucial support has been provided by the EC-funded health projects to women and children as the most vulnerable groups in Somalia.

Coordination: The EC hosted a meeting with the UN and interested donors to build consensus on the overall approach to the Health Sector Development Programme. Being the only existing coordinating structure for health in Somalia, the SACB was selected as the Country Coordination Mechanism for Global Fund (GF) applications/implementation for the fight against malaria, TB and HIV/AIDS. The SACB/HSC/CCM for the GFATM forwarded three proposals for Somalia to the GF HQs, all of which were approved, providing \$51m funds to Somalia. Two of the three proposals are already under implementation and call for proposals for the HIV/AIDS in progress.

HIV/AIDS: Due to the low prevalence of HIV/AIDS (est. <1%) and the need for a countrywide programme focussing primarily on prevention, awareness and sensitization of Somali society towards HIV/AIDS, the localized EC funded projects represented some of the selected surveillance sites in the country with a specific role in guaranteeing that basic blood safety procedures are respected.

Capacity Building: The EC has supported Districts and Regional Health Boards since 1998 with the purpose of creating local awareness and ownership towards the management and financing of health programmes. This effort continues as part of all EC-funded projects and is particularly relevant in view of the envisaged decentralisation of the Transitional Federal institutions.

4.8.3.2 Education and Training

In 2004, support to development of the education and training sector was guided by a comprehensive revision of the sector strategy¹⁷ derived from the SISAS following principles of a sector wide approach (rather than a project type approach). In line with the overall Commission Education and Training policies, support to the primary/ basic education sector continues to be of primary concern, followed by secondary education sector support. Tertiary education assistance has been introduced but limited to teacher education (pre- and in-service primary and secondary education teachers) mainly due to scarcity of funds. Special education has been integrated into primary education sector development as the overriding goal is to achieve integration of war traumatised and mentally handicapped children. Preparations for support to vocational training systems was delayed until 2005 due to delays in the administration of the Calls for Proposals.

¹⁷ The Education and Training Sector Strategy has been extensively shared with field partners in the existing administrations and the SACB Education Sector Committee (representing education sector stakeholders: international and local NGOs, UN organisations, donor representatives and others).

Overall, empirical evidence reflects that the sector development has been curtailed by a chronic shortage of funding. In the absence of a central partner government in 2004, substantial under-funding of the social sector remains the single major challenge to satisfactory sector improvements. In the absence of a functioning government, social service provision is dependent on individual monetary /in-kind contributions to achieve sustainability. Given the extreme poverty of the population, this is a notable contradiction to the goal of free basic social services for all.

As manifested by the statistical data, there has been a steady improvement in the standard and provision of education services in the past four years, given the extremely low levels after the collapse of public structures: the achievements are far from satisfactory.

Empirical evidence reflects that the following challenges are being addressed and will remain priorities for future sector allocations¹⁸:

1. Improve overall quality access and participation levels in primary and secondary education. Measures: alliances with strategic partners such as UNICEF and UNESCO, which enhance a harmonised country- and sector-wide approach in primary and secondary education, ideally linked with other donor funding. In complementarity: support public funding measures by partner administrations through capacity building.
2. Improve quality of learning and education sector management. Measures: support establishing country-wide teacher training systems (pre- and in-service) in collaboration with existing institutions of higher education and capacity building in Partner Administrations to ensure sector performance monitoring and tangible quality improvements (particularly a reduction of drop-out levels / improved transition rates).
3. Improve access to and participation in all sectors of learning for girls and women as pupils, students (in secondary, vocational and tertiary education), teachers, members in management committees at community level, professionals in the administration.
4. Support overarching policies, peace building / disarmament, reduction of vulnerability through measures such as vocational training for former militia, employment-targeted adult literacy and skills development programmes.

c) Degree of integration of cross-cutting themes

Gender: The EC has undertaken a revision of its Education and Training Strategy as a first concrete measure in an effort to redress further gender inequalities in education. Already, of 8487 primary teachers in schools countrywide, only 12% are female teachers against an average of 24% in EC target schools. For secondary education, and at education management levels, the proportions are more critical. Apart from traditional attitudes towards full participation of women and girls in all roles in the education system (from learner to professional), the main factor is the lack of affirmative policies. The EC education and training policies will therefore take an even more pronounced stance in order to contribute to speedier and visible changes. This approach is endorsed by the SACB Education Committee. In cooperation with UNICEF, efforts are underway to sample best practices from other countries with similar backgrounds/cultures. All future project designs will pursue even more explicitly the goal of providing equal opportunities to all.

HIV-AIDS/environment: Basic health/sanitation issues reflected in curricula and related learning materials include gender awareness, child rights education, hygiene, environmental issues.

¹⁸ Assumes increased budgetary provisions: allocated funding has been completely committed.

Capacity building: In order to enhance ownership/sustainability, local communities are fully consulted in all stages of the planning and designing of basic education services and are immediately involved during implementation through their Community Education Committees.

4.8.3.3 Urban Water and Sanitation

a) **Results:** On a localised level, further progress was made towards the improvement of sustainable access to safe water and improved sanitation.

b) Progress in activities

- A study to prepare an urban water programme, begun in late 2002, was completed and led to finalisation of the Strategic Framework – Guiding Principles for the Development of Urban Water and Sanitation Services in Somalia. A detailed proposal resulted for a more coherent countrywide strategy for an Urban Water Service Delivery Programme to be implemented under the 9th EDF. UNICEF was requested to draft a countrywide Urban Water proposal, which is currently being commented on for finalisation and implementation in early 2005.
- Rehabilitation and improvement of Hargeisa water supply system is ongoing: a commercially oriented strategy for operation, management and expansion is under development.

c) Degree of integration of cross-cutting themes:

The EC strategic approach to urban development, including urban water and sanitation, emphasises socially, economically and environmentally sustainable development, for example through social mobilisation and awareness raising on public-private partnership in water service delivery with decision-makers. Urban water provision benefits **women** (and families) in particular through reducing the time needed for daily water collection; improved sanitation impacts positively in health sector. Local governance is central to a variety of crosscutting themes: special attention is given to gender, environment and participatory planning.

EC's water and sanitation interventions have paid particular attention to issues of access to services for returnees and IDPs by establishing sustainable service delivery, in close cooperation with regional authorities creating a constructive environment for privately operated delivery. Returnees settle, together with IDPs, in and around the urban centres, attracted by employment opportunities. However, many are confronted with a difficult situation in which fierce competition for scarcely available job opportunities combines with their, often limited, marketable skills and education. In addition, returnees create an enormous burden to the already insufficient necessary life supporting resources, such as water and sanitation. Interventions have therefore focused on enhancing access to improved, adequate, safe and sustainable water and environmental sanitation services for returnees and IDPs within an Integrated Water Resource Management (IWRM) approach.

Projects and programmes outside focal sectors

4.2.1 Non Focal Sector: Economic Growth and Diversification

4.8.3.4 Private Sector Development

a) Results

- Activities undertaken in the area of micro-credit and private sector/SME development have directly contributed to stimulate economic growth and have contributed to reduce poverty. Activities in the key area of the remittance companies aiming to strengthen and diversify of financial services, and their regulatory frameworks, contribute to the restoration of

governance and reduce the vulnerability of households. Dialogue with leading private companies improved the private sector's commitment to the ongoing peace process.

b) Progress in activities

- Continued support to 2 micro-finance institutions, servicing more than 3,000 loan recipients, out of which more than 70% are women; 30% of local operational costs are now being recovered by internal revenue generated.
- Technical support and training provided to the operational micro finance institutions in three major cities of Northern Somalia (Hargeisa, Bosaso and Galkaayo).
- Development of comprehensive business plans for the phasing out of EC support to the micro finance institutions and to encourage private sector investment.
- A comprehensive impact analysis of micro finance activities was undertaken.
- EC approved financial, technical and limited infrastructure support to UNDP financial services programme to help remittance companies comply with Financial Action Task Force legislation in the West and provide assistance to in-country regulatory authorities.
- Dialogue with the Somali business association (in Dubai) for modalities to launch a national Chamber of Commerce and improve the private sector's commitment to peace and security [commercial companies' protection forces comprise the largest militia groups in Mogadishu].
- Training, advice and technical support for strengthening local women's business associations and for the formation of an inter-regional association in southern Somalia (1,050 paying members, Somalia's largest self-financing membership association).

c) Cross-cutting themes

Employment creation is closely linked to all other sector interventions. Support to business women's associations has helped form one of the most powerful Somali civil society groupings.

4.8.3.5 Infrastructure

Following the MTR, infrastructure is not emphasised and no further funds allocated for transport projects. In 2004, the EC continued support for an on-going project in each of transport rehabilitation, urban water and urban development (local governance and leadership programme).

4.8.3.5.1 Transport sector (road network)

a) Results

- Awareness and acceptance of maintaining the road-related infrastructure fostered.
- Core elements of the road sector authorities, such as Somaliland Road Authority (SRA), strengthened by capacity building and interventions to promote financial sustainability through fuel levies.
- Road network improved.

b) Progress in activities

- Technical assistance fostering administrative capacity and professional skills of the SRA and Road Fund Administration, and within the Roads Sector Advisory Board.
- Training of engineering and administrative staff of the Road Authorities.
- Major works executed along the so-called Berbera Corridor.

c) Degree of integration of crosscutting themes

The **capacity and institution building** in road management is linked to the management of different utilities. **Environmental** issues are progressively taken into account to address erosion features along the road network and contribute to a comprehensive approach in addressing water-

related aspects. Improvement of the **overall accessibility of social services and productive assets** has a positive impact by boosting trade through an improved infrastructure network.

4.8.3.5.2 Urban Development and Management

Municipalities are normally in the forefront of service delivery to their inhabitants; however, their infrastructure is mostly in dire need of rehabilitation and maintenance and their management and governance capacities are severely limited. The repatriation of refugees from neighbouring countries and movements of internally displaced people have further increased the already considerable number of urban poor, putting additional stress on run-down urban infrastructure.

a) Results: EC-funded interventions have resulted in improved governance at municipal level and contributed to improving quality of life of urban populations, particular Internally Displaced Persons.

b) Progress in activities

Based on a feasibility and design study for an urban development programme in November 2003, a call for proposal for a Somali Urban Development Programme was launched and awarded in 2004: implementation to April 2005 (EC contribution €5 m of total €6.1 m). Activities will focus on urban governance, management, legal frameworks, mayor's associations and service delivery.

c) Degree of integration of cross-cutting themes: Integration of Refugee-/IDPs- Issues and Concerns

EC support has made clear positive impacts on weak segments of the population, particularly returnees and IDPs, through a Good Local Governance and Leadership Training Programme implemented by UN-Habitat, to build capacity for good local governance through local leadership training for regional and local leaders and officials.

4.8.3.6 Mine Action

a) Results: A reduction of landmine accidents and of the exposure to landmines/unexploded ordnance (UXO) related risks directly contributed to improved health status and enhanced socio-economic situation by improving access to natural resources and infrastructure.

b) Progress in activities: Second phase of the Somalia Landmine Impact Survey will be completed in 2005.

c) Degree of integration of cross-cutting themes: The physical removal and/or destruction of a number landmines and UXO, contributed to reduce the environmental risks caused by leaking chemical substances from such devices.

Utilisation of resources for non-State actors (NSA)

The Delegation pursued the consultation process initiated in April 2002 with Somali civil society on the Cotonou Agreement and its implications for Somalia in order to raise awareness on the Agreement and its implications for Non-State Actors (NSAs). A declaration to form an all-inclusive forum for Somali NSAs was agreed and a technical committee created to further this, with the main tasks of conducting similar meetings at the regional level and producing a plan of action for the forum. Support for the forum and its plan of action was approved in July and the project started in September. Other activities in support to NSAs focussed on Human Rights and women and included the preparation of the 2003 Human Rights report and its presentation at the UN Annual Meeting, which was welcomed by the UN HR Independent Expert; preparations for the 2004 Human Rights report are underway. In February 2004 a consultation was organised of

NSA representatives within the framework of the MTR, enabling them to provide specific inputs concerning strategic planning and programme implementation. In November 2004, a CfP was launched for support to NSAs to cover the following areas: improving the capacities of civil society organisations (with a focus on Human Rights and women organisations); support to the NSA Forum and improvement of its relations with administrations and the international community (within the framework of Cotonou); and support to civic education on issues of good governance, rule of law, and an emphasis on women (including women's political participation).

Somali NGO networks have been supported in the following activities: Development of a code of conduct for Somali NGOs; Training for five major Somali NGO networks; Two sets of trainings for the Somali-based human rights network; Support to the campaign to eradicate FGM implemented by 3 women's networks; Awareness raising activities on key issues for civil society: (i) creation of a webpage for issues of civil society; (ii) public debates and peace lecture series inside Somalia; (iii) fliers and a newsletter produced on EC support to civil society; (iv) participation in the SNRC.

Utilisation of envelop B

Other instruments

4.8.4 Thematic Budget Lines

EC support channelled through the European Development Fund (EDF) is complemented by support through Thematic Budget Lines funded under General EC Budget and subject to the principle of annuality: *Budget line B7-20 - Food Aid and Food Security (FSBL); the Special Framework of Assistance for Traditional ACP Suppliers of Bananas, Budget Line B7-8710; the Decentralised Co-operation Budget Line, Budget Line B7-6002; Co-financing with NGOs, Budget Line B7-6000; and Community Participation to Actions Relating to Antipersonnel Mines, Budget Line B7-661.*

Community Participation to Actions Relating to Antipersonnel Mines (Budget Line B7-661)

A CfP to implement actions against Antipersonnel Landmines in Somalia with financial assistance from the Mine Action Budget Line (19 02 04) is to be re-launched in April 2005 after cancellation of a first CfP due to lack of compliant offers. Under the Call, worth €1,800,000, two priorities are clearly identified for prospective funding: a) under *priority number one* actions to eliminate the APL/UXO (antipersonnel landmines/unexploded ordnance) threat to affected populations and to alleviate the effects on them (mine clearance, mine risk education, risk reduction and destruction of landmines in stocks or dumping grounds); b) under *priority number two* actions to build and reinforce local capacity and to increase mine action efficiency and effectiveness (impact surveys and associated tools).

Decentralised Co-operation Budget Line (Budget Line B7-6002)

A CfP, worth €950,000, is to be launched in June 2005 under the Decentralised Co-operation Budget Line (B7-6002). The objectives of the Call are to encourage a more participatory approach to development, and to foster the growth and empowerment of Non State Actors (civil society and private sector) as stakeholders in good governance, through cooperation between regions/municipalities/districts involving specific technical, administrative, social or political areas (democracy, civil rights); partnerships between NGOs; collaboration between companies; inter-trade union cooperation; and alliances bringing together certain public, parastatal or private partners with complementary attributes.

Food Aid and Food Security (FSBL Budget Line B7-20)

Allocations under the *Food Aid and Food Security Budget Line* (FSBL B7-20) are made annually. In 2004, two separate Commission Decisions allocated a total of €8 million for Somalia. Consequently, one CfPs was launched in July 2004 for €4 million, and 4 grants were awarded in December 2004. Another CfP, worth another €4 million, is to be launched under the restricted procedure in April 2005. The evaluation process is to be concluded in July and contracts are to be awarded in August 2005. The overall objective of both Calls is to strengthen food security and livelihoods through broad based development of agriculture and livestock.

Special Framework of Assistance for Traditional ACP Suppliers of Bananas (Budget Line B7-8710)

In 2004, a Commission Decision endorsed a €2,070,000 allocation for Somalia under the *Special Framework of Assistance to Traditional Suppliers of Bananas* (SFA B7-8710). The allocation is in line with the *Banana Sector Study for Somalia* conducted in 2003, and is to contribute to agricultural rehabilitation and diversification of high potential irrigation schemes in Southern Somalia. Under this framework, a CfP (EuropeAid/121377/C/G/SO) is to be re-launched in 2005 under the restricted procedure following the cancellation of the “SFA Banana” CfP (EuropeAid/120388/D/G/SO) evaluated in December 2004. Overall, the programme aims at assisting farmers in the former banana growing regions accessing and using irrigation infrastructure in a productive and appropriate way. Grants, to be awarded in July/August 2005 are expected to contribute to the attainment of poverty MDGs in Lower Shabelle, Middle Shabelle and Lower Juba regions.

Under the same framework, a complementary CfP is to be launched in 2005 to source Technical Assistance in Support to Irrigation Rehabilitation, Agriculture Diversification and Capacity Building in Support of the Traditional Banana Growing Areas of Southern Somalia (PACSU).

4.8.5 Regional Programmes

4.8.5.1 Livestock

In 1999 the European Commission and the African Union (AU) signed a Financing Agreement committing €72,000,000 of regional funds from the 7th and 8th EDF for the AU/IBAR (Inter-African Bureau for Animal Resources) to implement the Pan-African Programme for the Control of Epizootics (PACE). PACE contributes to medium to long-term food security and poverty alleviation through enhancing sustainable livestock production and stimulating livestock trade, with an emphasis on exports that suffered from major cattle diseases on the continent. PACE has been financed by EDF for 5 years to October 2004. The European Commission has extended the programme for two more years until 28 February 2007.

The **PACE Somalia Component** operates under the overall PACE objective aiming at improving farmers' incomes and living conditions by strengthening livestock services and improving and maintaining animal health. PACE Somalia focuses on four major areas: (i) capacity enhancement of local administrations; (ii) promotion of private veterinary services; (iii) eradication of Rinderpest; (iv) development of an animal disease surveillance and information system. Since the Somalia livestock production system goes beyond the national boundaries of Somalia, PACE Somalia has developed a strong linkage with the regional PACE component.

The focus in East Africa during the programme extension will be the eradication of Rinderpest from the Somali Eco-System (SES). In 2004, a series of regional and international workshops and seminars organised by the PACE Co-ordination Unit at AU/IBAR tried to develop a common approach towards the eradication of Mild Rinderpest from the Somali Eco-system, and the identification of disease free zones in favour of livestock trade and export. In late 2004, a joint Kenya/Somalia/Ethiopia Rinderpest Taskforce agreed toward the establishment of a Somali Eco-Systems Co-ordination Unit (SES-CU) hosted by AU/IBAR, and overseeing national level

operations and supporting the field work in a harmonised manner. SES-CU is expected to facilitate the development and implementation of standardised disease surveillance and response protocols being a prerequisite for Somali Livestock to access global livestock markets.

4.8.6 Humanitarian and emergency aid under ECHO management

ECHO's mandate is to provide emergency assistance and relief to the victims of natural disasters or armed conflict. More specifically in Somalia, ECHO's mandate includes provision of necessary assistance to people affected by long-lasting crises, especially where their own governments prove unable to help or there is a vacuum of power. Given the general background and humanitarian needs in Somalia, ECHO's overall objective in 2004 was *'to assist the victims of insecurity and climatic hazards in Somalia'*, the target population being residents and displaced populations of Somalia affected by civil strife and climatic hazard. In 2004, ECHO adopted **two humanitarian aid Financing Decisions** for Somalia, totalling € 9.15 million (€ 8 million in Health and Nutrition, Food Security and Water and Sanitation sectors; € 1.15 million in health care).

Food Security: Persistent climatic stress and insecurity continued to diminish livelihoods necessitating continued implementation of food security programmes. COOPI implemented Pastoral and Agro-Pastoral Assistance Programme aimed at improving livelihoods through better access to water, strengthened capacity to improve animal health and production, and marketing opportunities (Gedo, Juba, and Bay). ICRC focussed on restoring or protecting essential means of production of farmers/ agro pastoralists while ensuring water access to the pastoralists, with emphasis on irrigation facilities (Shabelle and Juba Rivers). Community intervention projects provided cash-for-work allowing improvements to community owned infrastructures such as water catchments. ACF implemented cash-for-work and improved farming techniques projects with vulnerable households in Wajid to support income diversity.

Health and Nutrition: ICRC continued to ensure access to adequate medical services for Somali citizens and war-wounded (Medina, Keysaney and Baidoa Hospitals). MSF Holland and MSF Swiss continued to provide in- and outpatient medical care in Marere and Dinsoor areas respectively, the former ensuring provision of basic health care, nutritional support for under-5s, emergency preparedness and response capacity and reproductive health activities, including safe motherhood (in Marere, Lower Juba and Galkaayo, Mudug). The success of these programmes reflects the appropriateness of ECHO's strategy of supporting a core group of quality partners to build and increase access to other areas during emergencies. To reduce morbidity and mortality due to vaccine preventable diseases among under-5s, UNICEF supported EPI and Supplementary Immunization, a classic example of cost-effective vulnerability reduction to avoid high cost emergency campaigns against killer disease epidemics (e.g. measles). ACF continued to provide treatment for severely malnourished through support to 2 Therapeutic Feeding Centres (TFC) in Mogadishu, with additional support of preventative health activity and epidemiological surveillance within the TFCs. An MCH structure was supported to cover some of the health sector needs with direct intervention on the main causes of malnutrition in Mogadishu. SOS-Kinderof continued delivery of free medical services to women and children; and MSF Spain continued provision of primary health care in Mogadishu area, also as a pilot surveillance post for the detection and control of infectious diseases with epidemic potential.

Water and Sanitation: ICRC ensured improved access to water in the south (Middle/Lower Juba, Bay/ Bakol) and central (Galgadud/Mudug districts) through rehabilitation of 15 boreholes, 80 shallow wells, 15 berkaats, and 15 rain water catchments. COOPI rehabilitated 26 traditional wells with watering troughs and desilted dams to improve access of water in Bay/Middle Juba.

4.8.7 Italian co-financing

The time required for the finalisation of arrangements in relation to the management by the EC of Italian co-funding put constraints on the management of ongoing projects and paralysed the

preparation of future projects for which an amount of € 14,400,000 has been made available by Italy. Following a Commission Decision in August, the DEL has engaged dialogue with the Italian co-operation Office and is anticipating most contracts to be signed by mid-2005.

5 PROGRAMMING PERSPECTIVES FOR THE FOLLOWING YEARS

Given the significant progress from mid-2004 at the peace talks towards formation of a Somali transitional government, in addition to ongoing project identification under the 5th Rehabilitation Programme and Budget Lines, the DEL, Member States and other key donors participated in development of a **framework for support to the (prospective) transitional Somali institutions**. This comprises 3 components: (i) An agreement (Protocol) outlining the political and diplomatic components; (ii) An **immediate modest advance package (Rapid Assistance Programme)** to be complimented by: (iii) A more elaborate **medium to long term reconstruction programme** over the five year transitional period in collaboration with the new Somali institutions.

The DEL focused on specific components of the **Rapid Assistance Programme**, namely: Demilitarisation and Rule of Law; Parliament; Reconciliation; and Human Rights and civic education. Together with the World Bank, the DEL is playing an active role on a phased approach to the process of the **Joint Needs Assessment** leading to a donors' conference in 2005 as the basis for a medium to long term **Reconstruction and Development Programme**.

5.1 Overall implementation performance in 2004

Forecasts & Results 2004 (EDF) Individual Commitments for 2004 were originally forecast to be € 58.5 million, revised in May to € 50.4 million and in July 2004 to € 45.2 million. Actual individual commitments during 2004 were € 49.4 million with € 1.4 million of decommitments. Payments for 2004 were originally forecast to be € 25.4 million, revised in May 2004 to € 18.9 million and in July 2004 to € 19.6 million. Actual payments during 2004 were € 17.6 million.

“Old” RAL on the existing stock (end 2004) of EDF projects: targets 2005 Somalia has € 825,798 of old RAL (pre 2000) from 6 projects. It is expected that these will be decommitted during 2005. RAL is forecast to be reduced by a total of € 3,072,245 during 2005.

Financial forecasts of implementation of EDF resources: targets 2005 New individual commitments are ongoing. Global commitments total € 47,513,430 during 2005. (€ 40,529,505 in the 1st semester and € 5,983,925 in the 2nd semester). Payments on ongoing individual commitments total € 26,681,527 (€ 14,938,321 in 1st semester and € 11,743,206 in 2nd semester) during 2005 and payments on new individual commitments total € 11,870,000 (€ 50,000 in the 1st semester and € 11,820,000 in the second semester). Risk factor estimates for both individual commitments and payments are considered to be between 73% low and 27% medium risk factor.

No extensions of Financing Agreements/Conditions are foreseen during 2005.

A new Financing Proposal will be required in order to programme the remaining **funds of 9th EDF of €49.0 million** to be utilised in 2006.

40 new contracts totalling €48.7 million were concluded, all under the EDF (compared to 58 totalling € 40.6 million in 2003 and 56 totalling € 32.2 million in 2002). 89 % of the 4th Rehabilitation Programme (€ 50 million) and 39 % of the 5th Rehabilitation Programme (€ 100 million) had been committed by end 2004. Though a number of contracts were awarded by direct agreement (in line with the June note from the AIDCO Director General on a “**crisis situation**” in the case of Somalia), others were the result of the many Calls for Proposals launched by the DEL in 2004. This was a considerable achievement as such a procedure had only been used in the case of Somalia for the Food Security Budget Line. Furthermore, the average size of contracts increased in 2004 (€ 1.2 million against 700.000 € in 2004) which will render project

management and monitoring less cumbersome. **Payments reached € 17.6 million** against an original forecast of € 25.4 million and compared to € 36.5 million in 2003. This was notably a result of delays in contract signature with many signed only in the last quarter of 2004.

New Budget Line allocations for Somalia were approved in 2004: 2.070.000 € under the Special Framework of Assistance for traditional ACP Suppliers of Bananas, € 8 million under Food Security, and 950.000 € under Decentralised Co-operation.

Major obstacles encountered and action already taken to circumvent these in 2004

Preparation and implementation of certain projects was delayed as a combination of uncertainty in the political environment and continued local insecurity and the need for adjustments to project identification in line with the conclusions of the MTR. This **obliged the DEL to revisit its initial forecasts for contracting** in 2004. The original figure of € 58.5 million was first revised to € 50.3 million in May and to € 45.2 million in July. Considering the difficult operating environment, the DEL submitted to AIDCO in April a request for a “**crisis situation**” to be declared allowing for direct agreements in specific cases (below).

The legal issues raised in relation to the management of Italian co-financing by the Commission put **constraints on the management of ongoing projects** (in the absence of any possibility for contract riders to be signed) until clarification in August. It also **paralysed the preparation of future projects** previously agreed between the Commission and Italy (total € 14.4 m made available by Italy). Following a Commission Decision in August, the DEL has engaged dialogue with the Italian co-operation Office and is anticipating most contracts to be signed by mid-2005.

Long term vacancies, notably for posts of Head of Operations and Head of Finance and Contracts (eventually filled in August) continued to place the DEL under **severe strain on staff resources**. The posts of **Head of Delegation** and the **EC Special Envoy for Somalia** are yet to be filled.

5.2 Main Activities Undertaken to Prepare for New Commitments

In early 2004, as part of the MTR, the DEL **reviewed the EC strategic orientations for Somalia (SISAS) as well as the project pipelines for the 4th and 5th Rehabilitation Programmes**. Furthermore in April, the DEL submitted to AIDCO and DEV two **Food Security programming** notes, one for 2004, the other for 2005-2006. These proposed that the EC continues to concentrate on longer-term food security interventions rather than short-term food aid through addressing underlying causes of chronic food insecurity linked to poverty and that the NGO programme should not only focus on increasing food availability but also on improving food access through income generation and production diversification. It was strongly recommended that Somalia should remain a priority country for the Food Security BL. The DEL also developed a draft Financing Proposal, which was approved by Member States, for €2,070,000 under the **Special Framework of Assistance for Traditional ACP Suppliers of Bananas** (Banana Budget Line). Finally the DEL prepared a concept note for the **Decentralised Co-operation BL** (€950.000).

Considering the difficult operating environment in Somalia (the overall security and political situation having considerably deteriorated in 2004), the DEL submitted to AIDCO on 8 April a request for a “**crisis situation**” to be declared allowing for direct agreements in “exceptional and duly justified cases”. AIDCO agreed to the DEL’s request in June, stressing that Calls for Proposals for grant contracts should be utilized where possible and that the decision would apply for four month periods, subject to reviews on the basis of an implementation report as part of EAMR. The first period started in June and in September the DEL confirmed that circumstances in Somalia had not changed, extending the special procedures for another 4 month period to end January 2005. This allowed several Direct Agreements with International NGOs making notably possible rapid responses to positive developments in the peace process. Circumstances arguing for a “crisis situation” have not changed (in particular those related to the security situation) and the DEL has discussed with AIDCO an amendment to the 5th Rehabilitation Financing Proposal.

In line with the agreement reached with AIDCO, the DEL developed and **launched seven Calls for Proposals in July and August**. Representing a total value of €33 million, these included: Support to the Livestock Sector; Food Security Programme (Budget Line); Rural Water and Sanitation Programme; Strengthening of Teacher Education (SCOTT) Programme; Promotion of Employment Through Training (PETT); Urban Development Programme; and Rural Development (within the Banana Budget Line). The CfP for “**Support to Non State Actors in Somalia**” (€ 4.4 million) was launched in November. As a result, the following were awarded: Support to the Livestock Sector CfP - three grants (out of seven proposals received) totalling € 5.9 million; Rural Water and Sanitation CfP – three grants totalling € 5.9 million; Food Security CfP - four grants totalling € 4 million; Urban Development Programme CfP – one grant for € 5 million; SFA Banana CfP – the Evaluation Committee evaluated seven proposals and a report with recommendations was sent to AIDCO C6 in end December.

Direct Agreements in 2004 included: **UN:** UNDP for support to the SACB Secretariat; UNDP for Rule of Law and Security project; UNDP financial services project (remittance companies); FAO for the Somali Water and Land Information Management SWALIM project; UNICEF for Integrated Primary Education Programme, Somalia (IPEP); UNESCO Integrated Programme for Strengthening Secondary Education (IPSOS). **NGOs:** ADRA for Basic Education Programme in Puntland; CARE for NGO Security; Africa Education Trust for Promotion of Adult Literacy, Life Skills and Livelihoods; NOVIB for strengthening of Somali Civil Society; WSP for Dialogue for Peace; Saferworld for the creation of a NSA Forum. **Others:** AWEPA for parliamentary training and support; PWC for TA to PMU at Ministry of Foreign Affairs of Kenya.

Environmental Mainstreaming: As of today, Somalia remains a country of relative lawlessness, and offers ideal conditions for potential illegal waste export from countries with stringent emission policies. To this regard it appears very likely that illegal dumping of hazardous products did take place in Somalia even if proof is yet to be collected of cited incidents.

Within the EC Delegation, possibilities are being investigated to further complement EC-funded interventions with a stand-alone environmental/ natural resource conservation and management intervention that would allow more in-depth and systematic monitoring of potential environment and health related threats at country-wide level. A medium to long term investment along such initiative could be the design and implementation of surveillance and response mechanisms providing access to state of the art testing facilities and information networks and involving the Somali private sector and forthcoming line administrations of the TFG (TFG-Ministries of Agriculture, Fisheries, Environment).

The forthcoming Regional Programme for the Sustainable Management of the Coastal Zones of the Countries in the Indian Ocean (IOC) could provide valuable assistance to the TFG in setting up and enforcing environmental policies and related legal frameworks pertaining to coastal zones. To this regard it should be noted that IOC makes particular reference to the promotion and implementation of consistent agreements on the dumping of toxic waste (mitigation of the “least favoured nation” principle), and the “polluter pays principle”.

Terms of Reference have also been prepared for a Country Environmental Profile (CEP). The CEP will provide an analysis of the environmental conditions in Somalia, including key environmental issues, trends and pressures, any government and civil responses to these issues, and the status of any regulatory reforms. The CEP, being an integral part of the *Joint Needs Assessment* implemented under the overall co-ordination of the WB, will advise on priorities for future cooperation with specific environmental objectives, on the successful integration of environmental concerns into ongoing EC cooperation.

Whilst the CEP will address the need of long-term strategies, in the short-term mainstreaming of environmental implications will remain a priority particularly in as far as the development of in

the design of a Strategy for Support to Marginal Rural Areas in the North and into ongoing EC-funded interventions in the field of food security, rural development, water management dry land agriculture, and in support of IDPs. Greater effort will be made to integrate in a systematic way Environmental Impact Assessments into critical aspects of EC-funded interventions. In addition, all EC funded projects operating in the urban and rural water sector in Somalia will in future be requested to systematically screen geo-referenced water sources in their respective target zones for a wider range of human and livestock health related parameters (telluric, organic and chemical pollution). Relevant standardised protocols could be adopted from the neighbouring Kenya Bureau of Standards or the WHO. This information will be entered into existing EC-funded databases and analysed for geographical “hot spots” that would justify focused follow up activities.

5.3 Main initiatives planned with regard to new commitments

- Amendment to the 5th Rehabilitation Financing Proposal as circumstances arguing for a “**crisis situation**” have **not changed** (DEL/AIDCO).
- Continued support to the peace and reconciliation process in Somalia through well targeted and rapid interventions, notably in support to democratisation. (DEL/DEV/AIDCO).
- Preparation of possible interventions in Peace Building in close cooperation with the AU to be funded from the Peace Support facility (DEL/DEV/AIDCO).
- Evaluate and award contracts for Non State Actors Call for Proposals (DEL).
- Launch of EDF Call for Proposals in the Health sector (DEL).
- Launch of EDF Call for Proposals in Rural Development (DEL).
- Launch of BL Calls for Proposals and Service Tender under Banana Budget Line (AIDCO).
- Launch of BL Calls for Proposals under Decentralised Cooperation Budget Line (AIDCO).

6 DIALOGUE IN-COUNTRY WITH THE NAO AND NSAS, AND DONOR COORDINATION

Dialogue in-country with the NAO and NSAs

Given the significant progress from mid-2004 at the peace talks towards formation of a Somali transitional government, the DEL, Member States and other key donors have participated in development of a **framework for support to the (prospective) transitional Somali institutions**, which comprises three elements (see also section 5 above). (i) Following formation of the Transitional Federal institutions in early 2005, the **Declaration of Principles**, comprising political and diplomatic components, was signed by the Somali Prime Minister and the UN Political Office in February 2005. (ii) The DEL, together with other lead donors including the UN, have been in dialogue with the TFIs regarding an immediate modest advance package (**Rapid Assistance Programme**). (iii) The DEL is taking a lead role with the World Bank in dialogue with the TFIs on a phased approach to the **Joint Needs Assessment** leading to a donors’ conference in 2005 as the basis for a medium to long term **Reconstruction and Development Programme**.

Interactions with NSAs included the following:

- The DEL held consultations with Somali Non State Actors (NSA) in relation to the Mid Term Review; representatives from various groups of civil society, from all over Somalia, attended a meeting held in Nairobi during which the EC Strategy for Somalia was discussed.
- The DEL attended a regional IGAD level workshop with representatives from the offices of the NAO, NSA and other Delegations. The workshop focused on the involvement of NSA in the MTR process. Two representatives from Somali NSA attended the workshop.
- Regular contacts with Somaliland civil society as part of support for development of the code of conduct; the Somaliland civic forum has become one of the broader representative groups.

- Due to insecurity and severe constraints on access to south Somalia, a number of interactions with organisations from south and central Somalia took place in Nairobi, taking advantage of their attendance at various EC-supported training exercises.
- In support of creation of a NSA forum, the EC met with the Provisional Technical Committee, presented the MTR Conclusions in February 2005 and agreed on a continuous consultation process.

6.1.1 Possible controversial issues

Following the positive conclusion of the SNRC, the future role of the new Transitional Federal Government in relation to the EDF is to be clarified to avoid misunderstandings (NAO function, involvement in aid programming/management etc.). Secondly, the regional administrations of Puntland and Somaliland do not fully understand the role of civil society and perceive its actors as a threat to their power base. EC assistance in this area will need to be explained.

Donor coordination

The Somalia Aid Coordination Body (**SACB**) continued to facilitate operational coordination, at the global as well as at the sectoral policy and strategy levels and provided an essential platform to develop joint positions for negotiations with local Somali administrations on administrative and security matters. An SACB mission to Hargeisa in April discussed re-engagement of agencies following the killing of aid workers. The DEL continued active participation in the various SACB working groups and committees and remained actively involved in the SACB review process, undertaken by an EC-contracted expert. Recommendations presented to the SACB Executive in September were finalised and linked to the new coordination modalities established between the TFG and the international community.

The DEL participated actively in a series of meetings of the interim Coordination and Monitoring Committee (CMC). An international meeting held in **Stockholm** in end October laid the basis for **structured engagement with the TFI**, giving the UN a lead role in future coordination modalities (**Co-ordination and Monitoring Committee**). A draft **Declaration of Principles** (DOP) as well as a summary of a **Rapid Assistance Programme (RAP)** and a phased approach in relation to a process of needs assessment leading to a donors' conference were discussed further in Nairobi in December with active involvement of the DEL.

The DEL continued to play a key role in facilitating EU contributions (political and financial) to the SNRC, assisted the local EU presidency (the Netherlands) and the Chair of the IGAD Partners Forum (Italy) in developing joint reports, draft declarations and harmonised approaches to the SNRC, and briefed **EU Heads of Mission** on progress at the SNRC. Frequent ad hoc technical coordination meetings were held with bilateral donors, the UN, World Bank, Arab League, and African Union. A PMU, established in the MFA with the assistance of the EC, was acknowledged by other donors for its pivotal role in the financial management of support to the process.

Coordination with **Member States** was reinforced through regular technical coordination meetings including a meeting with MS in February as part of the MTR. The DEL enhanced coordination with the Italian Cooperation Office following the arrival of a new Office Director. In November the DEL briefed MS on recent political developments; the AU planning and strategy seminar in Addis Ababa (4-5 November); the outcome of the MTR of the SISAS; and the 2004 Financing Proposal under the Special Framework of assistance for Traditional ACP Suppliers of bananas (€2.07m). MS were encouraged to respond with input for the updated EU aid matrix.

The DEL hosted a meeting with the UN and interested donors to build consensus on the overall approach to the Health Sector Development Programme; initiated regular bilateral meetings with

UNDP to address key programme areas (rule of law, financial sector, rural areas and drought mitigation); hosted UNICEF to review cooperation in education, health and water sectors.

A series of missions from **Commission HQ** in November met with the DEL - Anders Henriksson, Director DEV/C also met with the World Bank, UN, AU, and Italy (representing the IPF). Marc Boucey, DEV Desk Officer for Kenya and Somalia; Eva Johansson, AIDCO Desk; Theo Kaspers, AIDCO/C-4 for the AU Peace Facility; Ranieri Sabatucci, DEV, met with the AU and the Somali Demilitarisation Planning Unit and others. The European Commissioner for Development and Humanitarian Aid, Louis Michel, visited Nairobi on 6 December and had meetings on Somalia.

7 CONCLUSIONS

This report presents the conclusions of the 2002 operational review foreseen in Article 5 of Annex IV of the Cotonou Agreement. The Agreement establishes three main principles for the programming and review process; **partnership**; **rolling programme**; and **flexibility**. The first principle is not however directly applicable in the case of Somalia as, in the absence of functioning institutions to sign and ratify the Cotonou Agreement, the Chief Authorising Officer (CAO) of the European Development Fund is entrusted with the authority of National Authorising Officer, “acting on behalf of the Somali people”. This legal framework was decided by the ACP-EC Council of Ministers in November 1992 and later confirmed in December 2001. The Council also agreed to grant Somalia access to resources from the 9th EDF with 8th EDF bridging finance under Article 93.6 of the Cotonou Agreement. Although there is thus no joint review in the case of Somalia, the Commission considers it essential to apply the same principles as for other ACP States. These conclusions are presented with this aim in view.

Political Developments

The successful conclusion of the **Somali National Reconciliation Conference (SNRC)**, against all odds, ended a two year peace process in which the **EC played a critical supportive role**, notably financially.

The SNRC, which started 2004 with tensions and stalemates, achieved impressive results by year end. The Parliament, inaugurated in August, elected President Abdullahi Yusuf Ahmed in October and endorsed Prime Minister Ali Gedi, and a broad-based government in early January 2005.

The government (47 ministers and 42 deputy ministers) is balanced by way of clan representation and brings the most important faction leaders together for the first time since the start of civil conflict in 1991. The prominence of the Cabinet members indicates that power will be concentrated at the centre and that much effort will be required to implement the federal vision. Furthermore, concerns remain in domestic and external circles on the bloated size of the Cabinet. The current Government is expected to depend on external support for the initial period. President Yusuf argues for the need to form a “disarmament government”, where the size is not as important as the degree of inclusivity of faction leaders. Women representation at political level still remains a challenge: only one woman was given a ministerial post (four others are deputy ministers). Clan appointments to the TFP also failed to live up to the 12% constitutional right for women in Parliament (as specified in the transitional Charter).

There are a number of reasonable achievements as a result of the peace talks, considering these were largely externally driven and held outside Somalia. The instruments of transition (Charter, Parliament and Government) appear inclusive, balanced and clan-based (the sole surviving political institution in Somalia). The level of moral recognition given by the international community to the Transitional Federal Institutions (TFI) is encouraging: good African reception, reasonable feedback by western donors and the Arab block. The reaction of the Somali public has been that of indifference, vacillating between accepting a warlord-based executive and the possibility of moving irreversibly from chaos and unending humiliation, hunger and extortion.

On the other hand, in addition to more familiar resource-related security problems in Somalia, further evidence has emerged in 2004 of a network of Somali militants targeting both senior Somali military/ police officers and international presence in Somalia.

Progress at the SNRC led to progressive nervousness in Somaliland. The eruption of hostilities between Somaliland and Puntland over the disputed regions of Sool and Sanag re-surfaced as Yusuf was inaugurated in a brief armed conflict in Sool region. A delegation from Hargeisa

visited Ethiopia to express Somaliland's willingness to enter into dialogue with "Somalia" subject to withdrawal of Puntland troops from the conflict zone. An AU fact-finding mission for conflict resolution was announced but has not yet materialised. However, momentum for peaceful resolution arose when traditional and religious leaders of both communities began serious efforts to establish restraint and agreed to commence dialogue on the conflict. Preparations for parliamentary elections in Somaliland began in late 2004 and present another important political dynamic. Puntland Parliament's election of General Adde Musa as Puntland president on 8 January 2005 was welcomed by the Puntland public. Adde Musa, former leader of armed opposition against Mr Yusuf (when President of Puntland) and subsequent architect of a peace deal with him, could play a constructive role in the Sool region conflict and announced intentions to reduce the number of Puntland troops stationed there.

In 2004 **repeated security breaches** seriously hampered both humanitarian access and the implementation and monitoring of EC-funded projects. In addition to more familiar resource-related security problems, further evidence emerged of a network of Somali militants targeting internationals in Somalia.

Economic and social situation

In the absence of a functional national authority in Somalia for over a decade, only limited reliable demographic and socio-economic data are available. Extreme poverty is considerable: 43.2% of the population live on less than US\$ 1/day. With regard to **poverty reduction**, no major influx of illegally printed Somali Shillings, or associated inflation, was seen in 2004 (probably due to inclusion of illegal currency shipments in the terms of reference of the UN Arms Embargo Panel). This benefits low income families and small businesses, whose purchasing power suffered from inflation in 2001-3 with respect to imported commodities and transport. In 2004, the larger Somali remittance companies (which account for 30% of Somalia's GDP) made huge efforts to reduce their vulnerability and become more compliant with the Financial Action Task Force legislation, an ongoing process; they continued to transfer significant amounts of US\$ (50% as direct payments to families) despite continuing constraints on the industry. Despite the continued import bans for Somali livestock to Saudi Arabia, live livestock export from Berbera and Bosaso seaports stabilised in 2003 and 2004 at about 2.2m livestock annually, generating US\$60-80m.

Somalia was already a poor country but the civil war and its aftermath have had a heavy toll on the **social situation** of Somalis, exacerbated by almost complete absence of public funding mechanisms, severe and chronic lack of trained personnel, lack of administrative structures and capacity, and the widespread use of *Qat*. The limited data available shows that social indicators for Somalia are amongst the worst in Africa: life expectancy of 47 years; infant mortality rate of 13.2%; under 5 mortality rate of 22.4%; net primary school enrolment of 17% (the latter nevertheless representing a gradual improvement).

Somalia was structurally **food insecure** before the civil war, but more than a decade of conflict has created a situation of protracted and complex emergency that has further eroded livelihoods and led to increased vulnerability to food insecurity. Cereal production for 2004/05 is estimated at 264,800 mt (93% of post-war average but only 55% of pre-war average production). Food access remains a major problem for Somalia's most vulnerable groups – displaced people, rural minorities, subsistence farmers, urban poor and returnees. Those in a humanitarian emergency increased in 2004 from 243,000 to 257,000; those in a livelihood crisis dropped from 460,000 to 241,000, primarily due to the end of the long drought situation for much of the country during the second half of the year. Limited coping mechanisms and environmental degradation mean the smallest shock may force large numbers back into a livelihood crisis or humanitarian emergency.

The EC programme in Somalia

Taking account of the 2003 evaluation of the 3rd Rehabilitation Programme, which recognised the significant positive impacts at local level but criticised the design and implementation of the cluster strategy, the process of the **Mid Term Review** proposed the adoption of a more focused sector-oriented approach. The aim is to achieve higher and better measurable impact, more in line with the Millennium Development Goals, while also taking into account new EU policy initiatives through the development of three focal sectors and one non-focal sector, as against the four 'clusters of intervention' of the SISAS, allowing for greater coherence in the definition of strategy and choice of interventions. In **October**, the **conclusions of the MTR** confirmed the continuing validity of the dual objective of the 2002-2007 Strategy and assessed that its inherent programmatic flexibility and multi-sectoral approach has proved adaptable to the specific realities of Somalia and its numerous development needs. In order to respond to the outcome of the peace process, be it positive or negative, the Commission introduced a criterion of “**governance dividend**” in the implementation of EC co-operation in order to promote the return of effective administration and good governance in Somalia.

Financing Conditions for a 5th Rehabilitation Programme totalling € 100 million (of Somalia's total EDF 9 allocation of € 149 million) were signed in December 2003, abiding by the EC Strategy but with priority shifts in line with the Millennium Development Goals with particular emphasis on governance, education and access to safe water.

In addition to ongoing project identification under the 5th Rehabilitation Programme and Budget Lines, the DEL, Member States and other key donors participated in development of a **framework for support to the (prospective) transitional Somali institutions**, comprising 3 components. (i) Following formation of the Transitional Federal institutions in early 2005, the **Declaration of Principles**, comprising political and diplomatic components, was signed by the Somali Prime Minister and the UN Political Office in February 2005. (ii) The DEL, together with other lead donors including the UN, have been in dialogue with the TFIs regarding an immediate modest advance package (**Rapid Assistance Programme**). (iii) The DEL is taking a lead role with the World Bank in dialogue with the TFIs on a phased approach to the **Joint Needs Assessment** leading to a donors' conference in 2005 as the basis for a more elaborate medium to long term **Reconstruction and Development Programme** over the five year transitional period.

The DEL, on the basis of the MTR orientations, **refined the identification of interventions in the social and food security rural development sectors** and pursued internal dialogue (Somalia Operations and ECHO) on the **linkages between Relief, Rehabilitation and Development (LRRD)** and its concrete implementation in the context of Somalia. ECHO was associated to the design and evaluation of certain Calls for Proposals and a joint mission was organised to the Tsunami affected areas of Somalia in early 2005.

Multi-sectoral EC support enabled positive results in both peace building and poverty reduction.

The **Somali National Reconciliation Conference (SNRC)**, in which the EC played a critical supportive role, notably financially, concluded successfully after two years with the inauguration of Parliament in August, election of the President in October and endorsement of the Prime Minister and a broad-based government in early January 2005. This lays the basis for increased EC engagement in the peace building/governance sector in 2005 and the EC played a key role, together with Member States and other lead donors, in the development of a framework for support to the (prospective) transitional Somali institutions including a **focus on specific components of the Rapid Assistance Programme (RAP)** namely: Demilitarisation and Rule of Law; Parliament; Reconciliation; and Human Rights and civic education. This will build on EC initiatives in each of these areas, which include close cooperation with the AU in support of strategic planning for demilitarisation and funding and organisation of strategic planning sessions in AU HQ in Addis and Nairobi; collation of comprehensive socio-economic data on combatants

countrywide for future DDR initiatives; and proactive engagement with leading Somali media outlets on important thematic areas relating to peace and security. EC support to civil society resulted in improved Somali engagement with international donors and agencies (through an EC-led initiative to develop SACB guidelines for partnership with Somali organisations) and the code of conduct for Somali organisations, as well as the shadow Human Rights Report on Somalia presented at the annual UN HCHR meeting in Geneva by Somali HR organizations.

The management capacity of rural communities continued to strengthen and, in line with the LRRD approach, this contributed to the **absence of the serious loss of life despite widespread acute food security emergencies** in the very challenging climatic and security conditions of 2004 (including prolonged drought in the north and erratic rains elsewhere). Despite adverse climatic conditions, particularly during the first half of the year, agricultural production was largely maintained. The information base for livelihoods and natural resources also improved significantly through the continuing activities of the Food Security Analysis Unit, the Somalia Water and Land Information System and PACE. There were modest improvements in reaching the MDG targets on access to water and sanitation, with EC funded interventions reaching approximately 1% of the rural/ nomadic population in 2004, with access rural populations in the northwest also enhanced by reduction in land mine risks in the northwest; the process for integrated water resource management was initiated.

Country Environmental Profile: The lack of an effective government has accelerated the impending environmental crisis. Major environmental issues (i) land degradation and desertification due to long and recurrent droughts, overgrazing, deforestation, inadequate farming techniques, and soil erosion; (ii) land salinization due to inappropriate irrigation and drainage management; (iii) water pollution due to lack of sanitation, waste facilities, and water management; (iv) marine resources degradation caused by illegal fishing and dumping of hazardous waste by foreign companies; (v) chemical contamination; and (vi) loss of wildlife and biodiversity. Additionally, the tsunami in late December 2004 also ravaged the fragile shoreline.

In order to properly address the environmental situation and provide the TGF, donors and stakeholders with an updated assessment of Somalia's environmental situation, the European Commission is launching the Somalia Country Environmental Profile (CEP). The CEP will also be instrumental in shaping EC future cooperation with specific environmental objectives and in integrating environmental concern and safeguards in other interventions.

Progress in enhancing access to social services is reflected in the increasing enrolment in primary education, improvements in the professional capacity of teaching and health professionals, and in technical management at health facilities. Nevertheless, the standard and provision of social services remains very poor and the sector continues to face enormous challenges reflected in some of the worst education and health indicators in the world. Pressing issues are the chronic shortage of education and health professionals, the absence of effective managerial capacity (and regulation, particularly in the private health sector), and chronic lack of funding. In order to help address these, the EC led an initiative to build consensus on the overall approach to the Health Sector Development Programme and revised the education strategy with a continued emphasis on support for primary education, followed by secondary and limited tertiary education (notably teacher training).

Considering the difficult operating environment in Somalia (the overall security and political situation having considerably deteriorated in 2004), the DEL submitted to AIDCO on 8 April a request for a **“crisis situation”** to be declared allowing for direct agreements in “exceptional and duly justified cases”. AIDCO agreed to the DEL's request in June, stressing that Calls for Proposals for grant contracts should be utilized where possible and that the decision would apply for four month periods, subject to reviews on the basis of an implementation report as part of EAMR. The first period started in June and in September the DEL confirmed that circumstances in Somalia had not changed, extending the special procedures for another 4 month period to end

January 2005. This allowed several Direct Agreements with International NGOs making notably possible rapid responses to positive developments in the peace process. Circumstances arguing for a “crisis situation” have **not changed** (in particular those related to the security situation) and the DEL has discussed with AIDCO an amendment to the 5th Rehabilitation Financing Proposal.

A new Financing proposal for the **remaining funds of 9th EDF of €49.0 million** will be required in 2005. **New Budget Line allocations** for Somalia were approved in 2004 (€ 2.07 million under the Special Framework of Assistance for traditional ACP Suppliers of Bananas, € 8 million under Food Security, and € 950.000 under Decentralised Co-operation). In April, the DEL submitted to AIDCO and DEV two **Food Security programming notes** (for 2004 and for 2005-2006) proposing that the EC continues to concentrate on longer-term food security interventions rather than short-term food aid through addressing underlying causes of chronic food insecurity linked to poverty. The NGO programme should not only focus on increasing food availability but also on improving food access through income generation and production diversification. It was strongly recommended that Somalia should remain a priority country for the Food Security BL. The DEL also developed a draft Financing Proposal, which was approved by Member States, for € 2,070,000 under the **Special Framework of Assistance for Traditional ACP Suppliers of Bananas** (Banana Budget Line). Finally the DEL prepared a concept note for the Decentralised Co-operation BL (€950.000).

8 LIST OF ANNEXES

<u>Annex 1</u>	Sector Intervention Logframes
<u>Annex 2</u>	5 th Rehabilitation Programme 2004-2005 Implementation Timetable and Chronogramme
<u>Annex 3</u>	Indicative Timetable Commitments and Disbursements
<u>Annex 4</u>	2003 Donor Matrix
<u>Annex 5</u>	Country Environmental Profile
<u>Annex 6</u>	Financial Data
<u>Annex 7</u>	Political and Conflict Analysis
<u>Annex 8</u>	Security Issues Affecting EC Operations
<u>Annex 9</u>	List of EC-funded non-UN implementing partners
<u>Annex 10</u>	Linking Relief, Rehabilitation and Development in the Somali Context

Annex 1a: Governance and Peace-Building Log-frame revised February 2004

Intervention logic	Indicators	Sources of verification	Assumptions
<i>Overall Objective (SISAS Objective)</i>			
Poverty alleviated – and a more peaceful, equitable and democratic society established in Somalia			
<i>Programme Purpose</i>			
Administrations and non-state actors apply systems of good governance, deliver services, and promote peace in the country	<ul style="list-style-type: none"> • Reduction in the number of people killed through war • Published budgets and accounts • Federal state elections conducted and national elections prepared by 2007. 	<ul style="list-style-type: none"> • Government documents • UN security reports • Police records • Court records • Human Rights reports (UN + NGO) 	Sustainable peace is established in Somalia Frontline states committed to the peace process
<i>Results</i>			
1. Capacity of administrations to deliver services enhanced	<ul style="list-style-type: none"> • Reports published against budgets by state administrations • EC/state action plans jointly agreed for institution capacity building • Reports published against budgets by municipalities • Organograms and terms of reference exist for municipal staff • Parliamentary and local elections conducted for a minimum of 30% of Somali population in 3 years 	<ul style="list-style-type: none"> • Constitutional documents • Census, voter registration • Election reports • FSAU reports • Government reports • Project reports 	Administrations supported by donors Administrations supported by the business community No terrorist attacks
2. Society demilitarised and combatants demobilised and reintegrated through alternative livelihoods	<ul style="list-style-type: none"> • Security policies developed by state administrations • 5% of police are women within five years • 60% of police have received professional training within three years of a peace accord. • Military expenditure represents less than 50% of administrations expenditure by 2007. • Gun prices by 2006 are lower than the 2003/4 average. 	<ul style="list-style-type: none"> • AU ceasefire report • UN panel of experts report • Security reports • Gun prices 	DDR supported by donors Frontline states committed to peace process
3. Functional mechanisms for promoting dialogue towards conflict resolution established	<ul style="list-style-type: none"> • Five local peace processes are conducted within Somalia in three years, with local organisations involvement. • Reconciliation commission functional within one year of a peace accord. 	<ul style="list-style-type: none"> • Commission reports • Government budget • Project reports • Parliament reports • UN Human Rights and Amnesty International reports. 	Human Rights Commission created
4. Organisational and managerial capacities of civil society organisations (local organisations and associations) enhanced	<ul style="list-style-type: none"> • Each year the percentage of donor funding to CSOs increases. • Management tools in place (financial systems, organogram etc) • Two functional professional associations supported 	<ul style="list-style-type: none"> • Project reports • SACB Donor report • CSOs reports / audit reports. 	Legal constraints related to contracting of local NGOs overcome by EC

	<ul style="list-style-type: none"> • 80 Somalis given comprehensive training in organisation management by 2007. • 100 local CSOs supported by 2007 	<ul style="list-style-type: none"> • Donor reports • Codes of conduct for CSOs 	
5. Dialogue between non-state actors (local organisations and associations, elders, business community...) administrations and the international community improved	<ul style="list-style-type: none"> • Sectoral strategies developed by 2007 and implemented enabling NSAs to address their concerns • Enhanced collaboration between Somali NSAs and local stakeholders (Number of meetings, joint activities, agreements reached) • Increase from 120 to 150 or organisations being compliant to the code of conduct for LNOGs, by 2007. • Number of NSA initiatives promoted through the SACB and NGO Consortium • NSA Forum created and operational • Number of SACB meetings in Somalia • Number of meetings with Islamic institutions • Publication of NSA position papers on draft legislation. • 	<ul style="list-style-type: none"> • Projects reports • SACB reports and minutes of meetings • EC reports • NSA Forum project reports • Minutes of NSA meetings • Key government documents and legislation. 	SACB becomes more field based Administrations allow NSA initiatives
6. Public awareness with regard to human rights, good governance and the rule of law enhanced	<ul style="list-style-type: none"> • Freedom of expression laws in place • Code of ethics for journalists developed • Modality of self regulation • Educational programmes in the media • Number of court cases of civil rights protection • 20 public awareness events related to HIV or FGM held by 2006. • EC biannual meetings with NSA forum • 3 national media outlets existent by 2007 	<ul style="list-style-type: none"> • Media monitoring reports • Project reports • Codes and constitutions • EC annual reports. 	Government laws do not prevent private media operations
7. Reduction of landmine accidents and exposure to landmines / unexploded ordinance (UXO) related risks	<ul style="list-style-type: none"> • Legislation in place to support de-mining activities and Mine Action centres • National institution for mine action established • Number of Mine Action Centres established • Number of police EOD teams trained • Number of land mine impact studies completed • Mine Risk Education carried out 	<ul style="list-style-type: none"> • Project reports • Key government documents and legislations • Number of UXO destroyed 	Administration supported Legislation approved and supported Finance available to support the work

Annex 1b Rural Development and Food Security Log-frame

Intervention logic	Indicators	Sources of verification	Assumptions
<i>Overall Objective</i>			
Poverty alleviated – and a more peaceful, equitable and democratic society established in Somalia			
<i>Programme Purpose</i>			
Livelihoods at household level, in particular food security, strengthened through broad based development of agriculture and livestock	<ul style="list-style-type: none"> • Reduction in % of population undernourished • Increase in proportion of the population above \$ 1 income per day • Reduced prevalence of underweight children • Decrease in under-five mortality rate 	<ul style="list-style-type: none"> • UNDP Human Development Report • FSAU reports • UNICEF multi-indicator cluster survey • World Bank watching briefs 	Aid is timely delivered and well targeted.
<i>Results</i>			
1. Small holder agriculture and livestock production and marketing, to the benefit of the rural poor, improved, intensified and diversified	<ul style="list-style-type: none"> • Increase in acreage of irrigated land used by small-scale farmers in the South • Increase in total harvest from irrigated land in an average year • Increase in area under soil conservation measures • Increase in number of healthy livestock raised at HH • Raised per capita value of livestock produced by small-scale farmers • Quality standards of locally and internationally marketed livestock products • Increase in market value of agricultural production from small-scale farms • Increased utilisation of paid livestock health services and inputs • Increased utilisation of agricultural inputs (fertilizer, seeds) and services • Increased number of HH in need of food aid stable in an average year • Increased number of HH using better farming systems 	<ul style="list-style-type: none"> • FSAU and FEWS reports • SWALIM • PACE • Project reports • FAO • UNCTAD port statistics 	<p>Markets remain accessible</p> <p>International commodity prices are within normal ranges</p> <p>Humanitarian interventions are well implemented and targeted</p> <p>Climatic variations are within normal 5-year variations</p> <p>Security does not deteriorate over extended periods</p> <p>Administrations choose market-oriented small-holder farming as preferred policy option</p>
2. Capacities of rural communities to manage development activities and facilitate re-integration enhanced	<ul style="list-style-type: none"> • Increased number of functional rural groups (e.g. micro-enterprises, user groups, associations, village committees) • Increased number of people reintegrated into rural livelihoods • Women represented in > 95% of all village development committees 	<ul style="list-style-type: none"> • Project reports 	<p>No further deterioration of general institutional framework</p> <p>Peace process advances and people start to return</p> <p>Security does not deteriorate</p> <p>Administration supports decentralised structures</p>
3. Sustainable natural resource management, development planning and emergency preparedness and prevention strengthened	<ul style="list-style-type: none"> • Relevant and timely early warning assessments prepared and disseminated to stakeholders • Baseline and trends on livelihood are available • Essential baseline information with regard to natural resources (part. water and land) available by 2006 • River flow model and water and irrigation database operational by 2004 • Area based emergency response plans available • Communities emergency prevention and emergency preparedness activities in place 	<ul style="list-style-type: none"> • SWALIM • PACE • FSAU • SACB Flood Management and Humanitarian Response Groups 	
4. Technical capacities of line administrations (agriculture, livestock and environment) and other relevant institutions enhanced	<ul style="list-style-type: none"> • Regulatory framework and organogram in place • Line Ministry Master Plan and sector strategy developed • Implementation strategy for agricultural (and livestock) training and extension in place • Civil servants in place and implementing sector plans 	<ul style="list-style-type: none"> • Organogram • Strategic documents 	Peace process advances

Annex 1c: Social Services Sector Log-frame (Water, Education and Health)

Intervention logic	Indicators	Sources of verification	Assumptions
<i>Overall Objective</i>			
Poverty alleviated – and a more peaceful, equitable and democratic society established in Somalia			
<i>Programme Purpose</i>			
Increased access to and utilisation of quality education, health, water and sanitation services	<ul style="list-style-type: none"> Reduction in % of population undernourished Proportion of the population above \$ 1 income per day (MDG) increased Prevalence of underweight children reduced (MDG) Under-five mortality rate reduced (MDG) % population with access to improved water sources increased Public budget allocation to basic social services increased 	<ul style="list-style-type: none"> World Bank Watching Brief UNICEF cluster surveys Spatial analysis 	<ul style="list-style-type: none"> Activities of the Governance programmes related to administrations are on track and administrations exhibit good leadership Other external support to social services is continued
<i>Results</i>			
1. Capacity of communities to identify, plan and implement appropriate social development activities enhanced	<ul style="list-style-type: none"> Community development committees (CDCs) established in all locations with interventions Women representation in CDCs \geq 30% Social development community plans established, regularly updated and implemented Community-based initiatives addressing HIV/AIDS established in locations of intervention 	<ul style="list-style-type: none"> UNICEF cluster surveys FSAU reports Project reports (Community social development survey baseline (2003 and 2007)) 	<ul style="list-style-type: none"> Administrations supportive of community-based initiatives related to delivery of social services
2. Capacity of administrations to plan and manage social development activities in collaboration with community-based initiatives enhanced	<ul style="list-style-type: none"> Increase in % budget allocated to water, health and education Sector plans in place for water, health and education Multi-sectoral HIV/AIDS policy and programme in place 	<ul style="list-style-type: none"> Administration reports Administration budgets 	<ul style="list-style-type: none"> Communities willing to collaborate with administrations in delivery of social services
3. Access to water and sanitation, particularly benefiting women and children, increased	<ul style="list-style-type: none"> An additional 400.000 people in urban areas having access to satisfactory potable water supply services An additional 200.000 people in rural areas having access to improved water sources An additional 200.000 people in urban and rural areas with access to sanitation structures Integrated Water Resource Management Strategy drafted in all areas that have functioning administrations Reduced $<$5 child mortality rates in areas of intervention 	<ul style="list-style-type: none"> World Bank watching brief UNICEF cluster surveys SWALIM reports FSAU reports Project reports 	<ul style="list-style-type: none"> Administrations develop independent revenue base A regulatory framework is available that allows for different AOM options such as PPP
4. Access to structured and quality education and training, in particular for girl children and young women, increased	<p>Gross enrolment rate (MDG):</p> <ul style="list-style-type: none"> Primary education: annual increase of gross enrolment rate \geq 3% Secondary education: up by 4,000 (3-year period) to 13,000 Literacy rate of adults up by 3% (estimated base: 20%) <p>Retention rate (MDG):</p> <ul style="list-style-type: none"> Primary education: improved by \geq10% as compared to 2003 level (baseline survey required) Secondary education: \geq90% <p>Training:</p> <ul style="list-style-type: none"> \geq 5,000 adults re- trained and active in gainful employment <p>Gender distribution (MDG):</p> <p>Increase of girls/women proportion up:</p> <ul style="list-style-type: none"> from 36% to 40% primary education from 23% to 35% secondary education from 13% to 16% basic education for women 	<ul style="list-style-type: none"> UNICEF baseline surveys CfBT surveys (ISSES Project) UNICEF- flow of cohorts survey (SQOSES II) CfBT (ISSES) surveys 	<ul style="list-style-type: none"> Level of UNICEF funding contribution constant Lifting of travel ban on British expatriates Sufficient security to warrant surveys in all regions
5. Access to basic health services improved	<ul style="list-style-type: none"> Increase in number of health facilities and services managed on the basis of widely agreed health system rules and regulations Health administrations own and start utilizing a commonly agreed HSDP to plan interventions in the health sector by June 2006 International organizations use the HSDP to plan and fund interventions in the health sector in Somalia 	<ul style="list-style-type: none"> HSDP for Somalia Health System monitoring reports 	<ul style="list-style-type: none"> Administrations give adequate support to the health sector

Annex 1d : Private Sector Support Logframe

Intervention logic	Indicators	Sources of verification	Assumptions
<i>Overall Objective</i>			
Poverty alleviated – and a more peaceful, equitable and democratic society established in Somalia			
<i>Programme Purpose</i>			
Private sector development supported and economic growth stimulated through the strengthening and diversification of financial services – and the creation of regulatory frameworks	<ul style="list-style-type: none"> Income per capita increases from the current level of \$226 Increase from 14% of people living from waged employment Recognised certificates of origin issued in Somalia 	World Bank Watching Brief Certificates of origin	Data collection is reliable No further deterioration of security, particularly in northern Somalia
<i>Results</i>			
1. Financial services, including micro-financial and remittance companies, strengthened and diversified	<ul style="list-style-type: none"> Micro-finance institutions in Somaliland and Puntland are 70% self sustaining Basic commercial loans available 	Project reports Accurate statistics of remittance flows World Bank Watching Brief	Somali business links with Al Queda reduce No major printing of Somali currencies Improved regulation.
2. Business advisory services for the private sector and administrations strengthened	<ul style="list-style-type: none"> National Chamber of Commerce launched by 2006 and providing business services. 50 Somali companies purchase services from BDCs Five shareholder businesses launched with working capital of over \$ 0.5 million 	Project reports Audits	Administrations continue to promote private sector



SOMALIA

Annex 3 Indicative Timetable Commitments & Disbursements.d
EDF FORECASTS 2005 - 2006: PAYMENTS, DECOMMITMENTS, & EXTENSIONS on ONGOING PROJECTS.
 (amounts in €)

TYPE of GLOB. Commit	ACCOUNTING NUMBER of GLOBAL COMMIT	N° INDIV. COMMIT	TITLE GLOBAL COMMITMENT	END date of implementat*	N° CAT. OLD RAP	EXTENS* REQUEST on GLOB. Y/N	SITUATION END 2004			FORECAST DECOMMITMENTS 2005			FORECASTS on PAYMENTS 2005					FORECAST PAYMENTS 2006			A L A R E M	COMMENTS						
							GLOBAL COMMIT AMOUNT ONGOING INDIV. COMMIT	INDIV. COMMIT PAYMENTS ON ONGOING INDIV. COMMIT	RAC	DECOMMIT. on GLOBAL	Low X	Medium Y X+Y+Z = E	High Z	1 st SEMESTER A	2 nd SEMESTER B	TOTAL A + B	Low L	Medium M L+M+H = A+B	High H	1 st SEMESTER C			2 nd SEMESTER D	TOTAL C + D				
							RAP	DECOMMITTED on INDIV.																				
2002	8ACP SO1	56	CONTRACT NO. 455-STY-LI05-04 WITH GFA TERRA SYSTEMS	20050308			196,958	37,438	169,520					118,175		118,175	118,175				41,345		41,345	OK	Ongoing			
2002	8ACP SO1	57	CONTRACT NO.454-NGO-ED08-04 WITH ADRA GERMANY	20061031			1,495,060	720,184	774,876						625,370	625,370	625,370	625,370				149,506	149,506	OK	Ongoing			
2002	8ACP SO1	58	CONTRACT NO 456-NGO-LI08-04 WITH TERRA NUOVA	20050331	7		371,450	297,160	74,290				74,290		74,290	74,290	74,290						0	0	OK	Ongoing		
2002	8ACP SO1	59	CONTRACT NUMBER 457-UNO-F501-04 WITH UNDP	20061130			1,500,000	0	1,500,000						496,429	496,429	496,429					854,571	854,571	OK	Ongoing			
2002	8ACP SO1	60	CONTRACT NO. 458-STY-ED09-04 WITH P. APPLETON	20050208	7		4,998	0	4,998		0	0			4,998	4,998	4,998						0	0	OK	Ongoing		
2002	8ACP SO1	61	CONTRACT NO. 459-STY-ED10-04 WITH DR. J.F. PFAFFE	20050208	7		4,998	0	4,998		0	0			4,998	4,998	4,998						0	0	OK	Ongoing		
2002	8ACP SO1	62	CONTRACT NO. 460-GV-IR04-04 WITH PRICEWATERHOUSECOOPERS	20050131	7		8,800	0	8,800		0	0			8,800	8,800	8,800						0	0	OK	Ongoing		
2002	8ACP SO1	6	EXP - WOODWARD (30.8.02 - 31.12.04)	20041231	7		680,096	441,064	239,032	239,032	239,032			239,032		239,032	239,032	239,032					0	0	OK	HQ to finalise & close		
2002	8ACP SO1	7	EXP - M. MAHLER - AT	20060631			892,732	369,768	522,944						125,000	125,000	250,000				125,000	125,000	250,000	0	0	OK	Ongoing	
2002	8ACP SO1	1	EXP - M. SIMKIN - (01.08.02- 31.07.05)	20050731	7		616,814	322,702	294,112	294,112	294,112			194,112	100,000	294,112	294,112						0	0	OK	Ongoing		
2003	9ACP SO1	0	Total Individual Commitment				39,304,407	22,296,856	17,008,551														0	0	OK			
2003	9ACP SO1	0	5TH REHABILITATION PROGRAMME	20110630			100,000,000	42,130,236	57,869,764														0	0	OK			
2003	9ACP SO1	1	CONTRACT NO. 501-UNO-CD1-04 WITH UNDP	20050331			359,329	274,573	84,756						84,756	84,756	84,756						0	0	OK	Ongoing		
2003	9ACP SO1	2	PEACE CONFERENCE 502-WPR-PB1-04	20041212	7		2,000,000	2,000,000	0	0	0					0	0	0					0	0	OK	To be finalized by Delegation.		
2003	9ACP SO1	3	CONTRACT NO. 503-EXP-TA1-04 WITH WALID MUSA ABDELKARIM	20050630			199,400	76,595	122,805						58,250	64,555	122,805	122,805					0	0	OK	Ongoing		
2003	9ACP SO1	4	CONTRACT NO. 504-NGO-CD2-04 WITH CARE	20060831			535,312	229,225	306,087						252,556	252,556	252,556						0	0	OK	Ongoing		
2003	9ACP SO1	5	CONTRACT NO. 505-NGO-CS1-04 WITH NOVIB	20050930			500,000	400,000	100,000						100,000	100,000	100,000						0	0	OK	Ongoing		
2003	9ACP SO1	6	CONTRACT NO. 506-UNO-NR1-04 WITH FAO	20070930			3,500,000	1,223,244	2,276,756													1,926,756	1,926,756	0	0	OK	Ongoing	
2003	9ACP SO1	7	CONTRACT NO 507-UNO-PB2-04 WITH UNDP	20050430			250,000	200,000	50,000						50,000	50,000	50,000						0	0	OK	Ongoing		
2003	9ACP SO1	9	CONTRACT NO 510-NGO-IR1-04 WITH AWIPA	20061031			1,969,143	823,357	1,145,786													948,872	948,872	0	0	OK	Ongoing	
2003	9ACP SO1	10	CONTRACT 509-NGO-PB3-04 WITH WSP EUROPE	20060228			1,500,000	982,268	517,732						367,732	367,732	367,732					150,000	150,000	0	0	OK	Ongoing	
2003	9ACP SO1	11	CONTRACT 511-EXP-TA3-04	20051231			580,000	0	580,000						290,000	290,000	580,000	580,000					0	0	OK	Ongoing		
2003	9ACP SO1	13	CONTRACT NO. 516-NGO-RW1-04 WITH GERMAN RED CROSS	20070531			1,445,000	0	1,445,000						570,968	570,968	570,968					729,532	729,532	0	0	OK	Ongoing	
2003	9ACP SO1	14	CONTRACT NO.514-NGO-L12-04 WITH TERRA NUOVA	20070930			2,999,832	0	2,999,832						999,500	999,500	999,500					1,700,349	1,700,349	0	0	OK	Ongoing	
2003	9ACP SO1	15	CONTRACT NO.513-NGO-L11-04 WITH TERRA NUOVA	20080131			1,995,000	0	1,995,000						475,772	475,772	475,772					1,319,728	1,319,728	0	0	OK	Ongoing	
2003	9ACP SO1	16	CONTRACT NO. 515-NGO-L13-04 WITH BBC WORLD SERVICE TRUST	20080114			949,485	0	949,485						270,709	270,709	270,709					583,828	583,828	0	0	OK	Ongoing	
2003	9ACP SO1	17	CONTRACT NO. 517-NGO-RW2-04 WITH CEFA	20070731			2,000,000	0	2,000,000						574,786	574,786	574,786					1,225,214	1,225,214	0	0	OK	Ongoing	
2003	9ACP SO1	18	CONTRACT NO. 518-UNO-RW3-04 WITH UNICEF	20080229			2,516,710	0	2,516,710						525,570	525,570	525,570					1,739,469	1,739,469	0	0	OK	Ongoing	
2003	9ACP SO1	19	CONTRACT 520-UNO-UD1-04	20071231			5,000,000	0	5,000,000						1,300,437	1,300,437	1,300,437					3,199,563	3,199,563	0	0	OK	Ongoing	
2003	9ACP SO1	20	CONTRACT NO. 523-WPR-L01-04 WITH SOMALIA LIAISON OFFICES	20050131	7		0	0	0	0	0												0	0	OK	Ongoing		
2003	9ACP SO1	21	CONTRACT NO.519-UNO-GV01-04 WITH UNDP	20061231			4,000,000	0	4,000,000						2,517,363	2,517,363	2,517,363					1,082,637	1,082,637	0	0	OK	Ongoing	
2003	9ACP SO1	22	CONTRACT NO. 522-UNO-ED2-04 WITH UNESCO	20070131			3,300,000	0	3,300,000						1,407,571	1,407,571	1,407,571					1,582,429	1,582,429	0	0	OK	Ongoing	
2003	9ACP SO1	23	CONTRACT NO.523-WPR-L0104 WITH SOMALIA LIAISON OFFICES	20051231			834,025	0	834,025						417,013	417,012	834,025	834,025					0	0	OK	Ongoing		
2003	9ACP SO1	24	CONTRACT NO. 524-NGO-ED3-04 WITH AFRICA EDUCATIONAL TRUST	20071231			550,000	0	550,000						135,199	135,199	135,199					359,801	359,801	0	0	OK	Ongoing	
2003	9ACP SO1	25	CONTRACT NO. 521-UNO-ED1-04 WITH UNICEF	20070131			4,500,000	0	4,500,000						1,987,300	1,987,300	1,987,300					2,062,700	2,062,700	0	0	OK	Ongoing	
2004	9ACP SO2	0	Total Individual Commitment				41,483,236	6,209,262	35,273,974														0	0	OK			
2004	9ACP SO2	0	POLIO ERADICATION IN 14 ACP COUNTRIES	20091231			3,090,000	3,090,000	0														0	0	OK			
2004	9ACP SO2	1	WHO - POLIO ERADICATION SO (VOIR 9-RPR-30 #1 ET 9-UNI-3 #1)	20070425			3,090,000	2,428,461	661,539						150,000	150,000	300,000	300,000				150,000	150,000	300,000	0	0	OK	Administered by HQ
2004	9ACP SO2	0	Total Individual Commitment				3,090,000	2,428,461	661,539														0	0	OK			



SOMALIA

EDF FORECASTS 2005-2006: NEW INDIVIDUAL Commitments (including payments) on ONGOING PROJECTS.

(amounts in €)

YEAR GLOB. COMMIT.	ACCOUNTING NUMBER (GLOBAL COMMIT.)	TITLE INDIVIDUAL COMMITMENT	FORECASTS 2005									FORECASTS 2006					
			1st SEMESTER		2nd SEMESTER		TOTAL 2005		ESTIMATION of RISK FACTOR FOR PAYMENTS			1st SEMESTER		2nd SEMESTER		TOTAL 2006	
			INDIVID. COMMIT. A	PAYMENTS B	INDIVID. COMMIT. A	PAYMENTS B	TOTAL INDIV. COMMIT. A+B	TOTAL PAYMENTS B+B'	Low I	Medium M	High H	INDIVID. COMMIT. C	PAYMENTS D	INDIVID. COMMIT. C	PAYMENTS D	TOTAL INDIV. COMMIT. C+D	TOTAL PAYMENTS D+D'
TOTALS on NEW INDIVIDUAL Commitments			32,779,505	50,000	13,483,925	11,820,000	46,263,430	11,870,000	1,450,000	10,420,000	0	13,390,000	3,773,925	3,393,600	12,380,000	16,783,600	16,153,925
2002	8 ACP SO 1	Support to Jowhar Hospital	603,490			200,000	603,490	200,000					200,000			0	200,000
2002	8 ACP SO 1	PHC Programme, NE Somalia	1,288,114			500,000	1,288,114	500,000					500,000			0	500,000
2002	8 ACP SO 1	Labour Intensive	3,371,685			990,000	3,371,685	990,000		990,000			500,000			0	500,000
2002	8 ACP SO 1	Programme Evaluation	200,000			200,000	200,000	200,000								0	0
2002	8 ACP SO 1	Other Studies			73,925		73,925	0					73,925			0	73,925
							0	0								0	0
2003	9 ACP SO 1	Strengthening Federal State Structures	4,000,000			900,000	4,000,000	900,000		900,000				900,000		0	900,000
2003	9 ACP SO 1	Support to Democratic Processes	935,857			450,000	935,857	450,000		450,000			450,000			0	450,000
2003	9 ACP SO 1	Support to Somali CSO's & NSA Forum	4,000,000			900,000	4,000,000	900,000		900,000				900,000		0	900,000
2003	9 ACP SO 1	Coord of External assist : SACB Sec.	500,359			250,000	500,359	250,000	250,000				250,000			0	250,000
2003	9 ACP SO 1	Strengthen Smallholder Agriculture			3,000,000	600,000	3,000,000	600,000		600,000				600,000		0	600,000
2003	9 ACP SO 1	Intregated Rural Development	2,500,000			750,000	2,500,000	750,000		750,000				750,000		0	750,000
2003	9 ACP SO 1	Rural Marginal Areas			3,050,000	350,000	3,050,000	350,000		350,000				350,000		0	350,000
2003	9 ACP SO 1	Enhanced Capacities of Line Admins	1,000,000			250,000	1,000,000	250,000		250,000				250,000		0	250,000
2003	9 ACP SO 1	Primary Education of Menatly Handicap	400,000			200,000	400,000	200,000		200,000			200,000			0	200,000
2003	9 ACP SO 1	Teacher Training : Primary SCOTT	3,000,000			900,000	3,000,000	900,000		900,000				900,000		0	900,000
2003	9 ACP SO 1	Vocational Training : PETT	2,500,000			750,000	2,500,000	750,000		750,000				750,000		0	750,000
2003	9 ACP SO 1	Urban Water & Sanitation	4,000,000			990,000	4,000,000	990,000		990,000				990,000		0	990,000
2003	9 ACP SO 1	Health Sector Dev Programme	4,000,000			990,000	4,000,000	990,000		990,000				990,000		0	990,000
2003	9 ACP SO 1	Support to Burao Hospital			1,250,000	500,000	1,250,000	500,000		500,000				500,000		0	500,000
2003	9 ACP SO 1	Support to Awdal Region Health Proc					0	0				1,250,000	300,000		300,000	1,250,000	600,000
2003	9 ACP SO 1	Strengthening Business Advisory Serv.			3,500,000	900,000	3,500,000	900,000		900,000				900,000		0	900,000
2003	9 ACP SO 1	Individual Expert : RD	240,000	25,000		50,000	240,000	75,000	75,000				50,000		50,000	0	100,000
2003	9 ACP SO 1	Individual Expert : Health	240,000	25,000		50,000	240,000	75,000	75,000				50,000		50,000	0	100,000
2003	9 ACP SO 1	Individual Expert : SME & Peace Building			200,000	50,000	200,000	50,000	50,000				50,000		50,000	0	100,000



SOMALIA

EDF FORECASTS 2005-2006: NEW INDIVIDUAL Commitments (including payments) on ONGOING PROJECTS.

(amounts in €)

YEAR GLOB. COMMIT.	ACCOUNTING NUMBER (GLOBAL COMMIT.)	TITLE INDIVIDUAL COMMITMENT	FORECASTS 2005						ESTIMATION of RISK FACTOR FOR PAYMENTS			FORECASTS 2006					
			1st SEMESTER		2nd SEMESTER		TOTAL 2005		Low I	Medium M	High H	1st SEMESTER		2nd SEMESTER		TOTAL 2006	
			INDIVID. COMMIT. A	PAYMENTS B	INDIVID. COMMIT. A'	PAYMENTS B'	TOTAL INDIV. COMMIT. A+B	TOTAL PAYMENTS B+B'				INDIVID. COMMIT. C	PAYMENTS D	INDIVID. COMMIT. C'	PAYMENTS D'	TOTAL INDIV. COMMIT. C+D	TOTAL PAYMENTS D+D'
2003	9 ACP SO 1	Individual Expert Reconciliation & Conflict			210,000	50,000	210,000	50,000	50,000				50,000		50,000	0	100,000
2003	9 ACP SO 1	Individual Expert : Livestock & Environment			200,000	50,000	200,000	50,000	50,000				50,000		50,000	0	100,000
2003	9 ACP SO 1	Individual Expert : Education					0	0				140,000	50,000		50,000	140,000	100,000
2003	9 ACP SO 1	Combined Work Programme : 2006			1,000,000		1,000,000	0					500,000		500,000	0	1,000,000
2003	9 ACP SO 1	Combined Work Programme : 2007					0	0						1,100,000		1,100,000	0
2003	9 ACP SO 1	Liaison Office :2006			1,000,000		1,000,000	0					500,000		500,000	0	1,000,000
2003	9 ACP SO 1	Liaison Office :2007					0	0						1,050,000		1,050,000	0
2003	9 ACP SO 1	Reserve					0	0						1,243,600		1,243,600	0
2003	9 ACP SO 1	General					0	0				12,000,000			2,000,000	12,000,000	2,000,000



EUROPEAID
CO-OPERATION OFFICE

SOMALIA

EDF FORECASTS 2005-2006 : NEW GLOBAL Commitments (including individual commitments & Payments).

(amounts in €)

DECISION DATE	PROJECT TITLE (GLOBAL COMMITMENT)	AMOUNT	RISK	FORECASTS 2005									FORECASTS 2006					
				1st SEMESTER		2nd SEMESTER		TOTAL 2005		ESTIMATION of RISK FACTOR FOR PAYMENTS			1st SEMESTER		2nd SEMESTER		TOTAL 2006	
				INDIVID. COMMIT. A	PAYMENTS S B	INDIVID. COMMIT. A'	PAYMENTS S B'	TOTAL INDIV. COMMIT. A+A'	TOTAL PAYMENTS B+B'	Low L	Medium M L+M+H =B+B'	High H	INDIVID. COMMIT. C	PAYMENTS S D	INDIVID. COMMIT. C'	PAYMENTS D'	TOTAL INDIV. COMMIT. C+C'	TOTAL PAYMENTS D+D'
TOTALS on NEW GLOBAL Commitments.		49,000,000		0	0	0	0	0	0	0	0	0	25,000,000	5,000,000	24,000,000	5,000,000	49,000,000	10,000,000
1st Sem 2006	6th Rehab Programme	49,000,000	1					0	0				25,000,000	5,000,000	24,000,000	5,000,000	49,000,000	10,000,000
								0	0								0	0
								0	0								0	0

(amounts in €)

PAYMENTS	FORECASTS 2005			ESTIMATION of RISK FACTOR			TARGET 2005	FORECASTS 2006		
	1st SEMESTER	2nd SEMESTER	TOTAL 2005	Low L	Medium M	High H		1st SEMESTER	2nd SEMESTER	TOTAL 2006
PAYMENTS on ONGOING INDIVIDUAL commitments.	14,938,321	11,743,206	26,681,527	26,681,527	0	0	26,681,527	7,397,347	14,849,001	22,246,348
PAYMENTS on NEW INDIVIDUAL commitments	50,000	11,820,000	11,870,000	1,450,000	10,420,000	0	6,660,000	3,773,925	12,380,000	16,153,925
PAYMENTS on NEW GLOBAL commitments	0	0	0	0	0	0	0	5,000,000	5,000,000	10,000,000
TOTAL PAYMENTS	14,988,321	23,563,206	38,551,527	28,131,527	10,420,000	0	33,341,527	16,171,272	32,229,001	48,400,273
%	39%	61%		73%	27%	0%		33%	67%	

INDIVIDUAL COMMITMENTS	FORECASTS 2005			ESTIMATION of RISK FACTOR			TARGET 2005	FORECASTS 2006		
	1st SEMESTER	2nd SEMESTER	TOTAL 2005	Low L	Medium M	High H		1st SEMESTER	2nd SEMESTER	TOTAL 2006
NEW INDIV. commit. on ONGOING GLOBAL commitments.	32,779,505	13,483,925	46,263,430	comparable to risk profile of payments (%)				13,390,000	3,393,600	16,783,600
NEW INDIV. commit. on NEW GLOBAL commitments	0	0	0					25,000,000	24,000,000	49,000,000
TOTAL INDIVIDUAL COMMITMENTS	32,779,505	13,483,925	46,263,430	33,758,998	12,504,432	0	40,011,214	38,390,000	27,393,600	65,783,600
%	71%	29%		73%	27%	0%		58%	42%	

GLOBAL COMMITMENTS	FORECASTS 2005			ESTIMATION of RISK FACTOR			TARGET 2005	FORECASTS 2006		
	1st SEMESTER	2nd SEMESTER	TOTAL 2005	Low L	Medium M	High H		1st SEMESTER	2nd SEMESTER	TOTAL 2006
TOTAL NEW GLOBAL COMMITMENTS	0	0	0	0	0	0	0	49,000,000	0	49,000,000
%	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!	#DIV/0!		100%	0%	

REDUCTION OF OLD RAL (projects decided before 2000)	FORECASTS 2005				
	TOTAL 2005	ESTIMATION of RISK FACTOR			TARGET 2005
		Low L	Medium M	High H	
DECOMMITMENTS on ONGOING GLOBAL Commitments.	0	0	0	0	0
DECOMMITMENTS on ONGOING INDIV. Commitments.	825,798	27,963	797,835	0	426,881
PAYMENTS	0	0	0	0	0
TOTAL REDUCTIONS	825,798	27,963	797,835	0	426,881
%		3%	97%	0%	

RAL	SITUATION on 01/01/2005		SITUATION on 31/12/2005	
	ALL PROJECTS	PROJETS decided before YEAR 2000	ALL PROJECTS	PROJETS decided before YEAR 2000
€ Ongoing GLOBAL COMMITMENTS	253,723,955	90,854,198	253,723,955	90,854,198
RAC	65,973,415	1,918,059	19,709,985	1,918,059
RAP	55,158,383	865,505	66,044,074	438,625
RAL	121,131,798	2,783,564	85,754,058	2,356,683,77
% RAL / € GLOBAL COMMIT.	48%	3%	34%	3%
Nbr of years to absorb RAL	4		3	

Number of EXTENSION REQUESTS on GLOBAL Commitments - 2005	0
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N° CAT	CATEGORIES "OLD RAP"	AMOUNT	%	Nbr of Contracts	%
0	File not found / missing.	0	0%	0	0%
1	Ongoing valid legal commitment.	0	0%	0	0%
2	Final report awaited, incomplete or being examined.	306,914	35%	1	14%
3	Financial report awaited, incomplete or being examined (e.g. advance payment not yet justified).	262,985	30%	1	14%
4	Audit to be carried out at commission's request.	0	0%	0	0%
5	Audit completed, results being examined.	0	0%	0	0%
6	Legal dispute ongoing.	0	0%	0	0%
7	(Final payment and/or de-commitment (shortly to be) initiated in OLAS or to be requested).	112,016	13%	3	43%
8	Other.	183,590	21%	1	14%
	Not indicated	0	0%	1	14%

Annex 4: 2003 Donor Matrix

The following data are based on the 2003 Somalia Aid Coordination Body Donor Report, which gives the most comprehensive overview of total assistance to Somalia (even though certain donors, particularly donors from the Arab world, do not report). Compared to the previous year, total assistance has risen from US\$ 174.4 million to US\$ 271, 6 million in terms of fresh pledges. According to the same SACB methodology of reporting (taking into account the differing fiscal reporting periods), the total value of 2002 ‘actual expenditure’ was US\$ 110.6 million; however, in the particular case of the EC this figure represents the total of new contracts signed in 2003. Total aid has also been disaggregated into sectoral distributions reflecting the SACB’s five main sectors.

In US dollars

Donor Government Contributions	2003 Fresh Pledges	2002 Actual Expenditure
Australia	5,000	5,000
Canada	2,029,331	1,716,622
Egypt	1,600,000	1,000,000
EC	120,647,321	37,661,830*
ECHO	10,045,000	4,250,000
Belgium	1,450,893	1,500,000
Denmark	6,966,292	4,600,000
Finland	1,459,376	1,089,991
France	76,200	71,447
Germany	1,778,000	2,130,744
Global Fund	13,982,511	N/A
Italy	17,850,435	9,583,039
Japan	1,072,680	6,438,300
Netherlands	3,631,000	4,548,000
Sweden	6,633,092	
Norway	8,971,783	
Switzerland	521,221	839,538
United Kingdom	6,431,349	2,832,000
USA	29,569,167	31,765,683
World Bank	1,609,443	522,684
<i>Sub-Total</i>	<i>236,330,094</i>	<i>110,554,878</i>
UN Core Funding	26,731,694	
INGO funding	8,542,969	
Overall Total	271,604,757	
<i>Sectoral distribution</i>		
Education	35,596,928	
Food Security & Rural Development	52,785,976	
Governance	53,291,414	
Health & Nutrition	60,484,224	
Water, Sanitation & Infrastructure	26,791,633	
Other	42,654,582	
TOTAL	271,604,757	

** In the specific case of the EC, this amount represents the total value of new commitments signed in 2003, not actual payments*

Annex 5: Country Environmental Profile

Due to Somalia's current political and security situation, and the absence of any recognised and functioning administration for more than a decade, there is no mechanism to assess the state of the environment and environmental performance in Somalia. Consequently no Environmental Profile (CEP) is available for Somalia that reflects the post-civil war era.

The last comprehensive CEP dates back to 1979 and was developed by the US Agency for International Development, Bureau for Africa, Somalia. The document addresses key issues such as irrigation, soil erosion, water pollution, water related diseases, natural resource management, firewood, human settlements, agrochemicals, industrial development, nomadic population, solid wastes, air pollution, climate, plant resources, forage crops, health aspect etc.

Institutions such as the World Bank, the African Development Bank, and UNEP are in the process of trying to gather/update more information. However, none of these documents has been completed due to the afore-mentioned constraints.

The **Key National Environmental Issues** according to UNEP are: famine; use of contaminated water that contributes to human health problems; deforestation; overgrazing; soil erosion; desertification

At the Domestic level, there are no **National Environmental Policies** available at this time, no **Strategies and Action Plans** have been registered so far, nor any recent **Environment Reports**.

At the International level, while Somalia is a member of the **UNEP Governing Council**, there are no **Transboundary Environmental Policies** in place, the only **Environmental Reports** registered are the UNEP-DMA-UNCU Somalia Hazardous Waste Report 1997, and the Energy Information Administration of the U.S. Government Horn of Africa Regional Country Analysis Brief (<http://www.eia.doe.gov/emeu/cabs/hornofafrica.html>).

Apart from Somalia's willingness to participate in the GEF Southwest Indian Ocean Fisheries Project, also no project activities have been recorded under the **Global Environmental Facility (GEF)**. In the absence of a functioning public sector **Somali Environmental Concerns** are advocated through private sector initiatives such as:

Somali Fisheries Society - <http://www.soma-fish.net> Network for Somali Fisheries and Marine Science professionals. Working towards conservation, awareness and sustainable development.

SEPADO - <http://members.tripod.com/~sepado/> Somalia Environmental Protection and Anti-desertification Organisation. A voluntary Non-governmental Organization to combat environmental problems of the war-torn Somalia.

Somalia Heritage - <http://www.somheritage.com/> The Somali Resource and Heritage Center. Xarunta Hiddaha & Dhaqanka Soomaaliyeed.

According to SEPADO the Somali environment faces major threats from:

1. Burning of the forests and uprooting of all big trees for charcoal which is exported to foreign countries for hard currency
2. Nomads that crowd the areas that have water wells & bore holes etc. due to lack of appropriate maintenance and fuel for the major water rig points that are almost idle. This causes severe land degradation in those areas.
3. Lack of proper covered roads which cause lorries and other automobiles to drive on a wide area of land. The consequence of this is hundreds of kilometres of dead, dust and useless lands. Also this contributes to the creation of dry rivers, canyons that spoil pasture land.
4. Poaching of wildlife without any mercy.
5. Lack of renewable energy sources which results in heavy dependency on wood/charcoal for cooking.

6. Heavy cutting of trees by nomads for sheltering livestock. Given the fact that 70% of Somalis are nomads who constantly move from one place to another depending on where the rain falls, these constant movements increase the need for more shelters for both human and livestock which means more trees to cut
7. Foreign fishing vessels with sea sweeping nets.
8. More recently nuclear and waste dumping from abroad.
9. Lack of environmental awareness within the Somali society.

The **World Bank's Somalia Watching Brief 2003** surveyed the local perception on factors causing environmental damage and confirms that charcoal burning, deforestation, and uncollected garbage are the most important detrimental factors.

A recent WB mission in preparation of a **WB Country Economic Report** confirmed Somalia maritime resources and northern dryland areas as the most endangered Somali eco-systems (overgrazing, deforestation, wind and water erosion). Furthermore, it mentioned urban sanitation and toxic waste dumping as areas of primary concern.

Regarding **hazardous waste in Somalia** a recent desk study by EC Somali Operations concluded that there is currently insufficient evidence to confirm speculations on toxic or radioactive deposits in Somalia or the Somali waters. However, this does not justify the conclusion that inland or off-shore dumping of hazardous material has not taken place pre or post war, or might still happen. More in-depth investigations lead by an international line institution (IUCN, UNEP, WHO) are strongly recommended to complement ongoing monitoring along EC project activities and within the International Community's Somalia Aid Co-ordination Body (SACB).

The **December 2004 Tsunami Disaster** only caused localised environmental and humanitarian devastation to parts of Somalia's Indian Ocean coastline. However, it follows a series of harsh environmental hazards such as long-term drought, cyclones, and freezing temperatures in the same regions of Somalia, which have adversely affected the livelihood of many communities. While the effects of the Tsunami have been devastating for coastal communities it should not be neglected that Somalia has several on-going humanitarian and livelihood crises throughout the North, Central, and Southern Regions, affecting over one million people, and driving the country increasingly into an irreversible environmental disaster.

The International Community, in particular the European Commission and UNDP-DDC, are therefore spearheading **initiatives¹⁹ towards identifying underlying causes of the various livelihoods and environmental crises in Somalia** in order to design medium- to long-term development concepts that integrate humanitarian assistance and mainstream environmental concerns and natural resource management.

¹⁹ European Commission Support to Marginal Rural Areas Project Design Study (ongoing)

UNDP-DDC Forum on Drought Risk and Development Policy in Africa 31-01 to 02-02-2005, Nairobi, Kenya

Annex 6: Financial Data
Annex 6a Financial Data
SOMALIA UNIT - PROJECT FINANCE SUMMARY 31/12/04 (EUR 000)

DEVOLVED		FINANCING AGREEMENT (Decision)	COMMITTED	BALANCE UNCOMMITTED	PAYMENTS	UNPAID COMMITTED	
EDF							
1st Rehab.Programme	6-ACP-SO-82/83	38,000	37,294	706	37,110	184	
2nd Rehab.Programme	6-ACP-SO-88/89						
	7-ACP-SO-17/18	54,000	52,700	1,300	52,091	609	
3rd Rehab.Programme	6-ACP-SO-80	9,780	9,129	651	7,780	1,349	
4th Rehab.Programme	8-ACP-SO-1	50,000	44,440	5,560	26,581	17,859	
5th Rehab.Programme	9-ACP-SO-1	100,000	42,130	57,870	6,245	35,885	
Regional Funds(PACE)	7-ACP-RPR-744/5	3,328	3,328	0	2,557	771	
		255,108	189,021	66,087	132,364	56,657	
BUDGETLINES							
A-P Mines 2003	B7-661	1,500	1,500	0	1,285	215	End 31/5/05
Health 2002	B7-6000	3,673	3,673	0	868	2,806	End 31/12/05
Health 2003	B7-6000	750	750	0	450	300	End 30/4/05
Food Security 1996	B7-2020	7,710	7,710	0	7,697	13	
Food Security 1999	B7-2020	4,000	4,000	0	3,947	53	
Food Security 2000	B7-2020	3,911	3,911	0		3,911	
Food Security 2001	B7-2020	1,900	1,900	0		1,900	
Food Security 2003	B7-2020	8,111	8,111	0	3,647	4,464	
		31,555	31,555	0	17,893	13,661	
OVERALL TOTALS - DEVOLVED		286,663	220,576	66,087	150,257	70,319	
NON DEVOLVED							
CO-FINANCING							
Italian	Tranches 1/2/3 (1998-2000)	15,579	15,579	0	13,705	1,874	
	Tranche 4 (2001-2) (PACE)	12,968	12,968	0	8,802	4,166	
		491	491	0	491	0	Completed
Danish		1,190	1,190	0	1,190	0	Completed
		30,228	30,228	0	24,188	6,040	
BUDGETLINES							
Rehabilitation 1997/8	B7-6410	4,875	4,875	0	4,875	0	Completed
Rehabilitation 1999	B7-6410	5,993	5,993	0	4,801	1,192	
Rehabilitation 2000	B7-6410	14,562	14,562	0	13,240	1,322	
Human Rights 1998	B7-7020	900	900	0	900	0	Completed
Human Rights 1999	B7-7020	1,158	1,158	0	1,158	0	Completed
Human Rights 2001-3	B7-7020	942	942	0	817	126	
A-P Mines 1998	B7-661	949	949	0	949	0	Completed
A-P Mines 2000	B7-661	1,268	1,268	0	1,268	0	Completed
A-P Mines 2001	B7-661	660	660	0	528	132	
Bananas 2001	B7-8710	600	589	11	531	58	
Bananas 2002-3	B7-8710	5,400	0	5,400	0	0	
Bananas 2004		2,070		2,070		0	
Rapid Response Mech.	B7-641	500	500	0	500	0	Completed
		39,877	32,396	7,481	29,566	2,830	
OVERALL TOTALS - NON DEVOLVED		70,105	62,624	7,481	53,754	8,870	
OVERALL TOTALS		356,768	283,200	73,568	204,011	79,189	

Annex 6b Financial Data

Somalia

Budget Line - Food Security, DeMining & Health

Indicative payments - 2005			€
Food/1999/053-300			13,100
Food/1999/053-249			52,583
Food/2003/055-428			394,709
Food/2003/055-769			437,271
Food/2003/071-961			1,768,693
Food/2003/073-792			110,000
Food/2003/077-010			77,747
Food/2003/077-030			140,000
Food/2003/077-040			84,404
Food/2003/077-702			73,131
Total	Food	Euros	3,151,639
ONG-PVD/2002/011-746			1,402,881
ONG-PVD/2003/021-070			299,655
MAP/2003/059-737			215,000
Total	DeMine & Health	Euros	1,917,536

Annex 6c Financial Data

Annual Operational Review

Somalia Operations

Indicative payments - EDF 2005	1st Semester	2nd Semester	EUR Total
6 ACP SO 80	238,733	178,814	417,547
8 ACP SO 1	2,934,394	9,872,537	12,806,931
9 ACP SO 1	11,615,194	1,541,855	13,157,049
9 ACP SO 2	150,000	150,000	300,000
Total	14,938,321	11,743,206	26,681,527

Annex 7: Political and Conflict Analysis

Key events related to the SNRC in 2004; Political developments in Somaliland and Puntland

2004 began with a short-lived breakthrough with faction leaders affirming at a **Leaders Retreat** their acceptance of the Transitional Charter but this affirmation was quickly reversed as leaders allied to the Ethiopia-backed SRRC alliance wanted greater concessions on the definition of who is a leader. The situation worsened with the withdrawal from the peace process of the Ethiopian representatives, as a means to exert pressure in support of the point of view of their Somali political allies. In April, the local **EU Troika** representatives met with the Kenyan Minister of Foreign Affairs and reconfirmed EU support to the process; expressed concerns over the recent stalemate, and discussed suggestions on the way forward. As a result, the Minister established a positive working dynamic between the International Observers and the Facilitation Committee. Consequently, the Delegation contracted a new allocation of 350,000 € in support to the process.

A second considerable result was witnessed during the **5th IGAD Ministerial Meeting on 6 and 7 May** with **all IGAD Ministers present**, marking the **return of Ethiopia** to the SNRC. This unprecedented full-house participation was inspired by the Ministers' genuine concerns about the deteriorating political and security situation and the rise of Islamic militancy in Somalia as well as the increased pressure from the international community (mainly the EU) for regional cohesion. The Ministers achieved limited progress by establishing the end of July as the deadline for completion of the process, putting pressure on restoring inclusive Somali ownership. On their return for the **6th IGAD Ministerial Meeting on 21st and 22nd May**, the Ministers exhibited an **unprecedented show of unity of purpose** that became the cornerstone in the successful completion of the process. They formally launched Phase III of the peace process on clan-basis and held clans (in general terms) responsible for identifying their respective quota of MPs and focused their formal and informal efforts on the restoration of Somali inclusiveness to the process. To that effect, they agreed to share responsibility for bringing key Somalis back to Nairobi for joint consultations in their presence, with a view to endorsing a joint Road Map towards successful conclusion of the process.

Subsequently, Somalis enhanced cooperation with the process, making an irreversible return to the talks and agreeing a number of **main benchmarks for monitoring progress**: the formation of two Somali structures for the management of Phase III (a Somali Arbitration Committee and a Somali Management and Facilitation Committee, the latter also called Presidium); the distribution and selection of clan-based members for the Transitional Federal Parliament; the election of the President and formation of the Transitional Federal Government.

The Ministers maintained their commitment to the process, sustaining cohesion and holding the **7th IGAD Ministerial Meeting on 21 and 22 June**, and **8th and 9th** in July, ensuring supervision on every step of the benchmarks, facilitating the dialogue within and between clans and allowing flexibility on the end of July deadline. Ministerial Meetings focussed on the selection of Members of Parliament. The **10th IGAD Ministerial Meeting concluded on 22 August** with the swearing-in of an initial 194 MPs (out of 275). Major disputes over the selection of MPs at clan and sub-clan levels, in particular with regard to the composition of the lists of one of the main clans (the Darod) prevented the process from being completed on that occasion. After a week of intensive lobbying by the IGAD Frontline States and the international community, a breakthrough was finally achieved with regard to the composition of the lists of nominees of MPs.

As a result of this compromise, on **29 August** the SNRC reached a key threshold with the formal **inauguration of the Transitional Federal Parliament (TFP)**. In a ceremony chaired

by Kenyan Vice-President, additional MPs were sworn in, bringing their total to 258 out of 275 MPs. The **first session** of the TFA was held on **2 September**, at which the eldest member was elected as a temporary Chair and a further 5 MPs were formally sworn in, bringing the total to 263.

The **11th IGAD Ministerial meeting on 15-16 September** saw the **election of the Speaker (Sharif Hassan Sheikh Aden)**. Subsequently, **two Deputies** to the Speaker were elected and the TFA established 10 October 2004 as the date for the election of the President. On **10 October**, the Somali TFP **elected Mr. Abdullahi Yusuf Ahmed as the President of the Transitional Federal Government of the Somali Republic (TFG)** for a five year period. He secured a convincing victory through a three-round transparent and credible elections contest challenging some 26 candidates. The MPs gave Yusuf a clear lead over the combined votes of his two Hawiya contenders and in the final round, he defeated Mr. Addow by 189 votes to 79. On **14 October**, **President-elect Abdullahi Yusuf Ahmed**, guided by the Speaker of the TFP, **took the oath of office** as President of the Transitional Federal Government of the Somali Republic for a five year transitional term. The ovation by the 5,000 Somalis present was overwhelming. The Somali flag was then raised, honoured with the Somali National Anthem and 21 Gun Salutes, ushering in a new era for Somalia. The ceremony was witnessed by seven African leaders, two vice-presidents and the Prime Minister of Tanzania, the Foreign Ministers of Eritrea and Ethiopia, the Secretary-General of the League of Arab States, Norway Minister of International Cooperation, Ambassador Sahnoun represented the UN Secretary-General. President Yusuf committed himself to peaceful discourse, provision of security to all Somalis, friendly relations with Somalia's neighbours and the international community at large, fighting terrorism and upholding the rule of law. On Somaliland, he stressed that no armed conflict would be pursued, and committed himself for an early pursuit of dialogue with the local administration within the context of preserving the unity of Somalia albeit in a decentralised structure. On deployment of forces, **President Yusuf called for the urgent presence of an AU external force**. The UN Security Council welcomed the new transitional institutions in a statement on 19 November in Nairobi and agreed a lead role for the UN in the joint coordination modalities with the TFG.

President Yusuf nominated Hon. Ali Mohamed Gedi as his Prime Minister first on 2 November and later on 13 December. The President and PM were forced by Parliament to conceive the TFG cabinet twice in as many months, before endorsing it finally **on 7 January 2005**. The 275-member Parliament rejected a first nomination of cabinet citing breach of the Transitional Charter – failure to obtain endorsement of the nominated PM before assuming the function of formation of cabinet, ref. Art.98 – but also because of insufficient consultations with the clan caucuses at Parliament, amid accusations of blunt interference in the cabinet formation by Ethiopia.

Although largely balanced by way of clan representation, the cabinet is very large (47 ministers, 42 deputy ministers), but brings the key faction leaders together for the first time since the start of civil conflict in 1991. Concerns remain in both domestic and external circles on the size of cabinet: lean government was an ideal option for Somalia given its limited economic status. The current government is expected to depend on external support for the initial period and the anticipated meagre public income in this period will be required in highly prioritised investments such as security. President Yusuf counters with the need to form a “disarmament government”, where the degree of inclusivity of faction leaders is more important than size, citing the success of this approach in Uganda's first government under President Museveni. Women's representation at political level remains a challenge, despite their critical role socio-economically and bearing the real brunt of the civil conflict. Only one woman was given a ministerial post (four others at the deputy ministerial level), following a similar pattern of injustice against Somali women in clan appointments to the (clan-based) TFP in 2004, which failed to live up to the 12% constitutional right for women in Parliament as specified in the Charter.

Observations: There are a number of reasonable achievements solicited from the Peace Talks, considering it was largely externally driven and held outside Somalia. The SNRC differed from earlier processes in the clear united position by the frontline states consolidated in May 2004; a sustained, common position by the International Community; and a high degree of inclusiveness in participation by the Somali leaders and civil society. The creation of instruments of transition (the Charter, Parliament and Government) came within acceptable range: inclusive; clan-based (the sole surviving political institution in Somalia); balanced; and leaving Somaliland for a later stage. The level of moral recognition given by the International Community to the emerging transitional institutions is also not discouraging: good African reception, reasonable feedback by western donors, and agreement by the Arab bloc to give it a chance despite accusations of being Ethiopian-based. The reaction of the Somali public has been that of indifference, vacillating between living with a warlord-based executive and the possibility of moving irreversibly from chaos and un-ending humiliation, hunger and extortion.

Against a backdrop of insufficient reconciliation, the transitional institutions are struggling to overcome the political divide that persisted throughout the peace talks and continue to mark the Somali political landscape. In particular, the continued existence of the Ethiopian-backed SRRC is opposed by a united front of all other political alliances. Both Yusuf and Gedi hail from the SRRC alliance, while the TFP Speaker and his deputies enjoy the support of the opposing groups. **There is a pressing need to maintain aggressive advocacy for the replacement of politics of division with progressive unity of purpose** without prejudice to opposition and freedom of expression of opinion. It is only through enhanced reconciliation, championed by Somalia's new leaders with strong support from Somalia's neighbours and the international community, that this important goal can be achieved and prevent the new transitional institutions from becoming a battleground on important decisions affecting their performance. **The considerable degree of inclusivity of cabinet is its most important favourable qualification**, allowing sharing of the meagre (but possibly progressive) power and a reasonable opportunity for a fair and just process of demilitarisation. The role of Parliament is paramount in this transition (see strategic conclusions below), and having established its role whilst in Kenya, the Speaker and MPs will have to find ways to maintain the TFP's role as the process is internalised.

Political Developments in Somaliland and Puntland

The progress achieved at the SNRC led to **progressive nervousness in Somaliland**. The eruption of hostilities between Somaliland and Puntland over the **disputed regions of Sool and Sanag**, which began during the later period of Mr. Yusuf's leadership of Puntland in 2003, re-surfaced as Yusuf was inaugurated in a short but fierce armed conflict near Las Anod in Sool region. A delegation from Hargeisa visited Ethiopia to express Somaliland's willingness to enter into dialogue with "Somalia" subject to the withdrawal of Puntland troops from the conflict zone but was encouraged to consider a more subtle approach to resolving the dispute. The AU announced a fact-finding mission for conflict resolution but this is yet to materialise. However, momentum for peaceful resolution arose when traditional and religious leaders of both communities began serious efforts to establish restraint and announced their agreement to commence dialogue on the conflict. Establishing a venue and timing for the dialogue remain the outstanding obstacles.

President Riyale Kahin was elected by a slim margin in late 2003. The opposition (which enjoys considerable public and external support) desisted from protest only because of the prospect of parliamentary elections. Preparations for the holding of **parliamentary elections** in Somaliland, announced for March 2005, began in late 2004 and are proving to be another important political dynamic. These elections are so critical that the tension developing over the electoral law may cause serious damage to the relative peace experienced for a decade in the area. Riyale established a new external relations policy, encouraging better relations with

Djibouti and thereby creating a certain balance with Somaliland's traditional strong relations with Ethiopia.

The year ended with preparation for the **election of a new president for Puntland**. The election of General Adde Musa as Puntland president by the Puntland Parliament on 8 January 2005 was welcomed by the Puntland public. Adde Musa, the former leader of the armed opposition against Mr Yusuf (when he was President of Puntland) and subsequent architect of a peace deal with Mr Yusuf, could play a constructive role in the Sool region conflict: he announced intentions to reduce the number of Puntland troops stationed there. Somaliland elders welcomed his election.

Annex 8: Security Issues Affecting EC Operations

Summary

In 2004 **repeated security breaches seriously hampered the implementation of EC-funded projects and constrained EC presence in Somalia**. In addition to more familiar resource-related security problems, further evidence emerged of a network of Somali militants targeting internationals in Somalia. This followed the murder of an international staff near Hargeisa in March 2004 (the fourth international aid worker murdered within 6 months in the hitherto safest towns in Somalia): heightened security measures were taken in Somaliland and implementing partners throughout Somalia were advised to increase security measures to militate against the risk of deliberate attack by militants. Two serious ECHO Flight incidents emphasised the vulnerability of humanitarian flights in Somalia. An NGO Security officer was recruited as part of a project to improve security operating standards of implementing partners in Somalia. There remain outstanding issues relating to minimum operating security standards for EC staff in Somalia. The security environment is likely to deteriorate in the immediate future and humanitarian access is likely to remain severely constrained or worsen in 2005. International staff, particularly those associated with high profile international institutions such as the European Commission, are already at high risk

EC staff presence in Somalia: Although EC Officials and staff completed a number of successful missions to Somalia in 2004, numerous planned EC missions were cancelled and EC Liaison officers (ECLOs, based in Somalia) were withdrawn due to insecurity on several occasions. An **internal EC security review** in May highlighted a number of outstanding issues relating to minimum operating security standards for EC staff based in or travelling to Somalia, particularly in light of the changing security environment: several of these have been addressed and others are in progress or pending. In view of the deterioration in security conditions and the associated high cost of life insurance cover for Somalia, the DEL agreed to co-fund life insurance for the ECLOs and provided a note to HQ in November requesting review of the absence of life insurance cover for ALATs on official missions in Somalia.

In response to the murders of 4 international staff in 2003 (3 in Somaliland), in late 2003 the DEL had invited the NGO Consortium to submit a proposal for **improved NGO security**, subsequently contracted in 2004 with co-funding by an EU MS (Denmark). The project aims to improve security operating standards of implementing partners in Somalia, including provision for an NGO Security officer to complement security advice via UNSECORD.

Confirmation of lethal targeting of internationals in Somalia: In Somaliland, following the murder of a 4th international staff (from an EC-funded project) near Hargeisa in March 2004, the EC advised implementing partners to withdraw international staff from Somaliland pending review of the security situation: the vast majority of agencies did so. Subsequently two agencies implementing substantial EC-funded projects closed operations in Somaliland and others operated via distance management without international staff in the field for several months pending internal agency security reviews.

A high level SACB mission met with senior officials of the Somaliland administration in May and agreed on a number of measures including establishment of a Special Protection Unit (SPU) within the Somaliland police to provide specially trained armed police guard at international agency offices and residences and compulsory armed police escort outside Hargeisa. The SPU was established with support from UNDP Rule of Law programme (co-funded by the EC from December) and despite a number of operational and administrative challenges, specially trained

SPU police officers are operational in Hargeisa. Outside Hargeisa agencies are required to use armed police guards and escorts pending extension of the SPU service to other areas of Somaliland in 2005.

The capture by the local community of the attackers in the incident in March and their subsequent handover to Somaliland administration confirmed the presence of a network of Somali militants present in Somaliland and linked with Mogadishu. Subsequent information appeared to confirm their responsibility for all 4 murders of international aid workers in Somaliland since October 2003. Somali militants are also considered responsible for the assassination of 4 senior police and army officers in Mogadishu between August and December 2004 and possibly the similar assassination in November of the liaison officer of a faction leader.

Serious incidents involving aid agencies: ‘Traditional’ insecurity (characterised by banditry, kidnappings, labour disputes from staff of implementing partners resulting in armed threats/violence etc), particularly in central and south Somalia, continued to hamper operations and overall appeared to occur with increased frequency indicating a general deterioration in the security environment. The most serious incidents involving international aid agencies are indicated below (excluding a number of other threats, brief detentions, and disputes).

- In January, UN international kidnapped in Kismayo and released after 10 days following intervention by elders.
- In March, GTZ vehicle attacked on the Hargeisa-Berbera road, Somaliland: one international staff shot and killed, 2nd international staff sustained injuries from a bullet that grazed his neck. The armed Somali escort engaged the 5 attackers: they were subsequently captured by the local community after a dramatic chase across the region and placed in police custody in Hargeisa.
- In March, 2 international staff put under house arrest in Las Anod for 3 days (on unfounded allegations of misuse of funds) and released following intervention by the Puntland president.
- In March, UN national arrested in Merka, subsequently released after negotiations by elders.
- In June, UN national kidnapped in Baidoa, subsequently released after intervention by elders.
- In July, EC-funded project national kidnapped in Jamame, subsequently released after intervention by elders.
- In August, the sharia court in Merka announced a ban on European dress, which was followed swiftly by retraction and apology by the governor of Merka.
- In November, in Huddur an international of an ECHO-funded project was threatened; following evacuation of the agency’s international staff, the national coordinator was murdered and other agencies withdrew international staff from Huddur. Unresolved tensions continue. International staff of a number of agencies have since returned.
- In December, technicals invaded an agency compound in Baidoa but withdrew following intervention by elders.
- Also in December, Somali NGO national was assassinated by masked gunmen in Mogadishu.

Several serious incidents impacted on **humanitarian flights** and access.

- In May, an improvised explosive device (IED), improvised from an anti-tank mine, was discovered by chance buried in Dinsoor airstrip (used only by ECHO Flight and occasionally UN flights): the device was rigged to be detonated by command wire. EF and UN flights were temporarily suspended to south Somalia and increased security measures taken at airstrips and approach roads to attempt to address use of remote control IEDs.
- In September an RPG was fired at a khat plane using Danile airstrip, Mogadishu (used by UN).

- In December, EF was shot while landing at Buale airstrip. One round penetrated the fuselage behind the pilot's seat and just missed 2 EF passengers. Pilot executed emergency take-off. The attacker was arrested but incident is unresolved; Buale is closed to EF [not used by UN].

Armed conflict broke out in several areas during the year: in all cases there was sufficient early warning through UNSECORD (and latterly, the NGO Security officer) for agencies to withdraw safely from affected areas. On several other occasions, elders, business leaders and civil society variously intervened successfully to avert armed conflict. Numerous minor incidents (also involving loss of life) are not covered here. The most serious incidents included the following.

- In May and June there were serious bouts of fighting in Bay and Bakool related to resource disputes (land, charcoal trade).
- In May, heavy fighting in north Mogadishu involving use of heavy weapons and mortars resulted in over 50 dead and 200 wounded, many of them civilians, in the worst fighting in Mogadishu for two years and a rare occasion of clan militia (under Musa Sudi) attacking business militia (under Bashir Raghe) apparently for control of key economic resources (El Maan seaport, Isaley airport). The latter gained significant ground and the power base of the former was severely curtailed.
- In September, following a significant build-up of militia and arms, including heavy weapons, over several months by Morgan at El Berde, near the Ethiopian border, heavy fighting broke out near Kismayo between Morgan's militia and the Juba Valley Alliance who hold Kismayo. Morgan was defeated and ultimately returned to the SNRC in Nairobi.
- In October, fighting broke out near Las Anod between Somaliland and Puntland forces; senior elders intervened before the conflict deteriorated further.
- Between October and December, unpaid Puntland militia and police surrounded the Puntland banks in Bosaso and Garowe in protest over long-overdue salaries.
- Long-standing tensions between the Habr Gedir: Sa'ad and Suleiman escalated into heavy fighting in December in Galgadud and south Mudug after failed mediation attempts by elders. Heavy weapons, technicals and tanks were used resulting in significant casualties (up to 100 dead and 60 wounded in several bouts of fighting). Humanitarian agencies provided emergency medical assistance. At least 400 Habr Gedir: Eyr clan militia with technicals went to the area to attempt to mediate. Mediation efforts by associated clan and faction leaders in Mogadishu led eventually to a temporary ceasefire but further repercussions appear likely.

Outlook: In view of the volatile political context and the substantial political/ security challenges faced by the Transitional Federal institutions, the security environment is likely to deteriorate in the immediate future and humanitarian access is likely to remain severely constrained or worsen in 2005. International staff, particularly those associated with high profile international institutions such as the European Commission, are already at high risk (as are national staff perceived to be associated with security-related issues).

Effects on the EC programme

Security breaches have a wide range of negative effects on the EC's programme in Somalia, both short term and medium term. **Access may be limited or completely banned** for extended periods for EC Somalia Operations staff and consultants assigned to perform monitoring, evaluation, studies etc. This impacts negatively on programme quality and hampers the preparation of future interventions. Similarly, delays in implementation and potential loss of quality are incurred due to the temporary evacuation of international field staff of implementing partners, which also lead to increased overheads and disrupt the normal work flow.

Somalia's reputation for the poor security context, combined with its hardship conditions, has a negative effect on **recruitment of quality staff** by partners and induces rapid turnover of international field staff to the detriment of smooth and qualitative implementation. Good quality national staff are also difficult to recruit due to the significant brain drain of educated Somalis to the Diaspora; many of those remaining in Somalia suffer from trauma from the civil war.

Given the effective early warning of armed conflict provided through UNSECORD (latterly complemented by the NGO Security officer), enabling timely evacuation from affected areas, few security incidents affecting international staff result from fully-fledged conflict but instead generally relate to **resource-based disputes** over income opportunities (such as the hiring of local staff, vehicles and compounds or landing fees regarding ECHO Flight). Such disputes can escalate rapidly into outright armed threats and/or action, given the absence of rule of law for over a decade and the prevalence of small arms.

The lack of enabling environment results in **high overheads for aid programmes** within Somalia (e.g. hiring of security guards for compounds and in-country travel, convoy vehicles) and additional costs through the necessity for the EC, as other donors and implementing agencies, to manage its Somalia programme out of Nairobi. The associated and considerable direct and indirect overheads include support to logistical and administrative bases of implementing partners in Nairobi combined with time-consuming travel to maintain cross-border operations.

Monitoring of the security situation is labour-intensive but pressure on the Delegation in this regard has been alleviated since the NGO Security officer took up post in late 2004 (as part of the NGO Security project) working in close collaboration with UNSECORD and ECHO Flight as well as EC Somalia Operations. Effective early warning of imminent conflict for international partners in Somalia, based on these sources enables timely evacuation when necessary.

Insecurity has direct implications for Commission Services in relation to **procurement**. All contracts are signed with international service providers (INGOs, UN Agencies and to a lesser extent Consultancies). To date most contracts have been signed following direct agreements. Progressive introduction of **calls for proposals and tenders** is likely to be problematic in a number of ways in the Somali context: interested partners are limited in numbers; raised expectations in local communities where competing organisations travel to the same area at the time of preparing proposals or bids; negative travel advisories by EU MS impact on readiness/availability of service providers and experts. In view of both insecurity and the absence of regulatory frameworks, the local context prevents the Commission from working directly with local contractors (in particular for supplies and works). Overheads, including insurance, for international contractors are costly.

Annex 9: List of EC-funded non-UN implementing partners

1. AAH
2. Agrosphere
3. Africa 70
4. ADRA
5. APS
6. AWEPA
7. BBC
8. CEFA
9. CINS
10. CISP
11. COOPI
12. COSV
13. CARE
14. CONCERN
15. COSPE
16. CARITAS
17. CfBT Centre for British Teachers
18. I.C.R.C
19. I.L.O
20. GRT
21. German Agro Action
22. German Red Cross
23. GTZ
24. IAS International Aid Sweden
25. K-REP
26. NOVIB
27. Progressive Interventions
28. Safer World
29. Save the Children Fund
30. Terra Nuova
31. UNA
32. THW
33. Water for Life
34. World Vision

Annex 10: Linking Relief, Rehabilitation and Development (LRRD) in the Somali Context

1. Background – the EC and LRRD

The LRRD concept was developed to bridge the “grey areas” between relief and development in terms of objectives, procedures, time frame, partnerships, and in the types of interventions implemented. Relief is defined as aiming at saving and preserving life during emergencies, and their immediate aftermath, and natural disasters and at providing the necessary assistance and relief to people affected by longer-lasting crisis. Development interventions are meant to support policies and strategies that match priority needs of the partner country for sustainable and equitable development, and poverty alleviation. In its Communication (2000)-212, the Commission insists that the fight against poverty can be further enhanced when proper consideration is given to LRRD in programming and aid implementation. Recent reviews concluded that taking LRRD into account was more a question of approach than the need to develop new instruments: aid interventions in an emergency situation must, when possible, encompass issues of long-term development and development related ones should include activities related to prevention (notably crisis prevention) and preparedness. In this respect, a number of guidelines have been issued by the Commission:

- **Consideration of LRRD in crises prevention and in Country Strategy Papers**
- **Better use of existing instruments and instruments streamlining**
 - *ECHO*;
 - *Envelope A and B of EDF*;
 - *Thematic budget lines*: rehabilitation, food security, reconstruction, aid to refugees and internally displaced persons, mine clearance. Other instruments may also be used to enhance complementarities, such as supporting democratization and the respect for human rights, co-financing NGOs and devolved cooperation.
 - The “*Rapid Reaction Mechanism*” (Council Regulation 381/2001).

Box 1: An example: the Food Security Budget Line (FSBL) and LRRD

The importance of the FSBL in relation to LRRD is emphasised in Communication 2001 (153), Communication 2001 (473), and the report of the Court of Auditors on the Budget Line.

- a) To prevent **short term** degradation of the vulnerable populations with distribution of food aid via different partners (NGO, WFP, ICRC, UNRWA).
- b) To help the populations in the **medium term** to guarantee their own food security:
 - Income generating actions
 - Boosting and diversifying agricultural production thanks to the distribution of seeds and tools, infrastructure rehabilitation and training.
- c) To provide **long-term** support to governments and civil society to prevent crises:
 - Monitoring and analysis of the food security situation with early warning and information systems.
 - Reinforcement of safety nets
 - Supporting coping strategies
 - Fighting poverty
 - Capacity building and good governance

- **Enhancing internal and external coordination**

Improving coordination of international efforts is an essential part of making LRRD operational. Within the EU, this includes the EC instruments (ECHO, EDF, BL) and member states, while outside the EU, other important actors like the UN, USAID and the World Bank are to be considered.

- **Adding flexibility and speed to decision-making**

Deconcentration increases the management and response capacities of Delegations, thus improving coordination and impact. This should speed-up the time needed to react to crises and improve the concrete application of LRRD. Furthermore, the Parliament has asked the Commission to make the procedure for calls for proposals and tenders more flexible for countries in crisis to ensure swifter responses.

- **Taking into account the regional dimension and the cross-cutting aspects of LRRD**

Regional dimension: trade, prevention and reaction to natural disasters.

Cross-cutting: gender, capacity building and environment.

- **Building on experience**

The inter-department working group on LRRD will make an important contribution to building on existing experience in the field of LRRD by drawing lessons from past crises.

2. LRRD in the Somali Context

2.1 The Strategy for the Implementation of Special Aid to Somalia (SISAS) 2002-2007

LRRD is an essential cornerstone of EC engagement in Somalia since 1993. The SISAS mentions LRRD as an underlying strategic approach whereby the EC determines what kind of interventions are supported and how they are implemented and identifies the degree and type of community participation. Annex 3 of the SISAS highlights the particular context of Somalia where national authorities are inexistent, making it necessary to apply the LRRD concept on a more geographically restricted area-based scale. It also notes that continuum in Somalia is not a linear process of progress: cases of regression and contiguum are frequent. It describes in some detail what the concept entails in the Somali context and provides guidance for strengthening of the link between Relief, Rehabilitation and Development.

- Given its mandate, *ECHO* reacts to short term humanitarian needs but also focuses on preparedness and mitigation activities in disaster-prone areas, or that are neglected by the authorities, especially when no longer-term support is present, on which *ECHO* could build in case of an emergency. In practice, *ECHO* funded interventions respond to acute emergencies as well as to certain protracted crisis (health sector for example) and to emergency preparedness, particularly where no developmental support is available. Furthermore, *ECHO* responds to critical livelihood situations in areas where other EC funded interventions are not operational. To some degree this entails the support to interventions by *ECHO* partners targeting the most vulnerable population suffering from acute and/or chronic livelihood insecurity, who might require emergency interventions in case of recurring shocks. In this respect, *ECHO* ensures the presence of operational partners in areas of recurrent emergency needs.
- **EDF/BL:** Interventions funded through the EDF and thematic budget lines focus on rehabilitation and developmental related activities in areas where a minimum level of security and a local authority is in existence. These interventions may include emergency preparedness, prevention and mitigation activities and in case of the FSBL the response to food related emergencies. In particular, the *Food Security Budget Line* intervenes at a relief level (with food aid when needed or cash-for-work intervention) to prevent livelihood degradation. It also intervenes at rehabilitation level to strengthen households' livelihoods and enhance food security self-reliance. Lastly, it intervenes at disaster preparedness and prevention level through early warning and information systems. The *EDF* intervenes through support to rehabilitation and development of livelihoods at household level and strengthening of institutions taking a longer-term perspective into account. EDF funded interventions also foster preparedness and prevention as well as essential information systems.

2.2. An External Assessment

One of the key findings of the evaluation of the 3rd Rehabilitation Programme was that there is no evidence of the systematic application of LRRD in programming or project design. The evaluation noted that the LRRD, which was prominent in the 1999 Strategy, was considerably downplayed in the 2002-2007 Strategy. Extract: *Long-term crises and conflict situations, such as experienced in much of Somalia, are characterised by the simultaneous existence of all the different aid mechanisms for relief, rehabilitation and development. To the extent that there has been progression of the EC's assistance along the LRRD continuum, it has happened naturally. Equally, there are many instances of regression along the continuum as a result of conflict, fighting or natural disasters. There are isolated cases where relief was used to kick start rehabilitation and development by building trust and an awareness of the benefits that can be obtained from external assistance provided an enabling environment is installed. However it appears to have been little more than an academic construct which has had no impact on the design of the assistance.*

The evaluation recommended that the EC should ensure that the principle of LRRD is a central feature of strategy, programming and project planning. The LRRD “status” and approaches to ensure progression along the continuum should be included in all future strategies, programme documents and project proposals.

2.3. LRRD In Practice

It is apparent from the evaluation that the practical implementation of LRRD principles is not sufficiently documented in policy or project documents. In reality, Commission services in Nairobi have maintained close coordination and, where necessary, reflected LRRD in their modus operandi. However, this has not been necessarily formalised and improvements are possible. The following describes how coordination has been concretely carried out. A number of issues are also listed for further review.

➤ The Reality: Linking EU Instruments and Linking Implementation Approaches

In practice, LRRD principles are applied in two ways: first in linking EU instruments, secondly in linking implementation approaches.

- ✓ **Linking instruments:** The main EU instruments available for Somalia are closely co-ordinated by the Commission services, in particular at the level of Nairobi between ECHO and the EC Somalia Unit. Coherence and complementarities are ensured through constant dialogue, joint appraisal of situations, joint review of proposals submitted by NGOs to ECHO, and association of ECHO to the design of new EDF/Budget line programmes. In particular, the EC Somalia Unit is invited to comment on all ECHO proposals planned for areas where rehabilitation or developmental interventions are ongoing or foreseen or where a follow-up intervention is required. Furthermore, where possible and feasible, ECHO funded interventions have been continued through budget lines and EDF funding, for example in the case of rural water interventions in Southern Somalia. The EC Somalia Unit involves ECHO in the development and formulation of strategies for Somalia to promote LRRD and to take humanitarian aspects as well as prevention, preparedness and mitigation into account.
- ✓ **Linking implementation approaches:** ECHO and the EC Somalia Unit regularly dialogue on implementation approaches to ensure that ECHO interventions, while fulfilling the ECHO mandate, consider as much as possible the long-term implications of the action, possibly contributing to rehabilitation. Overall, all instruments attempt to be as much development oriented as possible and feasible in a given situation. A good example is the current crisis in parts of Northern Somalia where planned ECHO funded interventions consider the long-term impact to ensure that no unsustainable water sources are rehabilitated and developmental interventions can pick up when ECHO funded interventions stop. These interventions are furthermore complemented by others funded through the Food Security Budget line (*see box 2 below*).

➤ Information and Early Warning Systems

In line with the LRRD concept, EDF and thematic budget lines secure the long-term funding of information systems. Both, the Food Security Assessment Unit and the Water and Land Information Management Systems are aiming at providing relevant information and analysis on crop and livestock production, food security, nutrition, water and land resources for early warning and programming.

➤ Fostering Internal Coordination

Though regular meetings are held between ECHO and the ECSU, these are not institutionalised as suggested in the SISAS. In light of the evaluation, co-ordination could be further formalised through quarterly meetings, involving the ECSU and ECHO to harmonise notably programming issues. Particular focus should be given to core sectors such as health, food security, rural development and water.

Furthermore, and in line with the SISAS, ECHO and the ECSU should examine, on regular basis, the evolution of the situation in the different operational areas in Somalia with the view of confirming their state of classification within the relief to development continuum and/or continuum.

Finally, in the case of Calls for Proposals, and where relevant, ECHO should be associated to the drafting of the technical requirements and associated to the assessment of proposals. Similarly, ECHO should be consulted on proposals submitted to the Delegation in view of direct agreement (example of international organisations) in those areas of relevance to LRRD.

➤ **Using External Coordination Mechanisms**

The Somalia Aid Coordination Body is an essential tool in making the LRRD operational. Overall coherence is assured through the sectoral committees. In practice, partners are encouraged to first share their proposals with the relevant SACB sectoral working groups irrespective of the source of funding. This could be further enhanced by giving the SACB the possibility to express an opinion on all new proposals. The SACB Humanitarian Response group strengthens analysis, monitoring, and the response capacity of the SACB partners in case of emergencies. It complements the SACB sectoral committees and is called upon when an emergency goes beyond a localised, sector specific crisis requiring a larger multi sectoral and coordinated response. The SACB Flood Working Group monitors developments along the rivers and co-ordinates the response in case of limited events. Even though it has proven to be difficult, it prevented major contradictions between intervening agencies in the field and has enhanced a quick and united response.

Box 2 – An illustration: the response to the Sool Plateau crisis

The Sool Plateau located in the North Eastern part of Somalia is a chronically vulnerable region, which has been experiencing four successive years of below average rains. In 2003, reports from the Food Security Assessment Unit stressed that the livelihoods situation in the region was worsening. An inter-agency assessment carried out in October 2003 concluded that the situation was one of humanitarian crisis with 21.000 middle and poor households (i.e. 50% of the population in the affected area), suffering from depleted assets, reduced income and increased expenditure. Rain failures decimated herds (with reported livestock mortality above 50%), water prices massively increased, livestock prices dropped, therefore affecting people's purchasing power. Lastly, migration opportunities have been exhausted, either poorest pastoralists could not migrate due to the high mortality rate among pack camels (over 80%) or pastoralists who out-migrated had to come back due to water constraints in the hosting areas.

This pervasive crisis required an immediate and concerted response from donors, in particular the EU through ECHO and the Food Security Budget Line, in order to avert a major disaster. ECHO and the ECSU prepared a coordinated response to address the immediate humanitarian needs (ECHO) but also to support an intermediate phase tackling livelihoods and recovery (FSBL). Eventually, chronic underlying issues will need to be better understood and addressed through EDF funded studies. A study for rural marginal areas planned for 2004 will in particular retain the Sool Plateau as an example for possible longer term interventions through EDF.

➤ **Issues**

A challenge is to examine scope for linkages with ECHO activities that derive from "un-planned" humanitarian needs (major natural shocks for example). The following is for consideration in this respect:

- When ECHO reacts to an emergency, it examines how longer-term approaches can be taken into account. However, short-term relief mechanisms do not –and in some cases can not- systematically take into account long-term development issues (Communication (2001) 153). In such cases, the Commission services should examine how the EDF/BL instruments can link with the ECHO supported activities (as specified in Communication (2001) 153).

- In case of a new emergency in an area where activities are funded through EDF/BL, ECHO should as much as possible (depending on contextual constraints and partner's operational capacities) fund activities building on what is already supported, in a complementary manner.

- When ECHO plans to support preparedness and mitigation activities in the absence of any other donor activities, this should be done in consultation with the ECSU and a "linking plan" developed jointly. When EDF/BL funding cannot be made available to link with the activities in question, then ECHO should continue to support the activities, if justified by the need to develop an operational capacity in a highly volatile and "humanitarian needs prone" area.