

A young boy with a joyful expression is captured mid-jump in a slum. He is wearing a bright blue short-sleeved button-down shirt and light-colored shorts with a pink stripe. His arms are outstretched, and his legs are bent in mid-air. The background shows a dense, makeshift settlement with simple, weathered buildings under a clear blue sky with a few wispy clouds. The overall mood is one of resilience and hope.

The Somali Pocket Compact



**Last quarter
2012**

**Commitment of President to pilot
New Deal for Fragile States in Somalia**

**14 May
2013**

Launch of New Deal process

**May –
September
2013**

**Compact process guided by New Deal
High Level Task Force**

Establishment of PSG Working Groups

**Consultations in Mogadishu, Baidoa,
Galkayo and Garowe
Multi-stakeholder workshop in
Mogadishu**

**19
September
2013**

**Brussels Conference: Endorsement of
Compact**

PARTNERSHIP PRINCIPLES

It is crucial that government and international partners work harder than ever to improve the **EFFECTIVENESS** of development assistance in Somalia and contribute to **PEACEBUILDING** and **STATEBUILDING** results. This will require a **PARADIGM SHIFT** in the way assistance is provided based on the principles of the **NEW DEAL**.

- 1 Development is Somali-owned and Somali led
- 2 Aid is aligned with overall Government priorities and sector policies and plans
- 3 Aid operations are designed and delivered in partnership with government institutions
- 4 Aid is provided in line with the government budget cycle and helps to strengthen government Public Financial Management (PFM) systems
- 5 Aid is channelled through preferred instruments of the government
- 6 Aid supports institutional capacity development
- 7 Aid is provided in a coherent and coordinated way and fragmentation is avoided
- 8 Aid is transparent and predictable
- 9 Aid is provided in a conflict sensitive manner

HUMANITARIAN PRINCIPLES

The Government and partners are fully committed to the principles of **HUMANITY, NEUTRALITY, IMPARTIALITY & OPERATIONAL INDEPENDENCE**.

SOMALIA DEVELOPMENT & RECONSTRUCTION FACILITY (SDRF)

- **CENTREPIECE** of New Deal partnership to enhance the delivery of **EFFECTIVE ASSISTANCE** to all Somalis
- **MECHANISM** to oversee and guide activities of development partners

KEY OBJECTIVES

- **ALIGN RESOURCES** behind critical Somali priorities determined and agreed in the Compact and ensure **FOLLOW-UP & MONITORING** of their delivery;
- develop sustainable **INSTITUTIONAL CAPACITY** within Somali authorities by putting Somali institutions in the lead;
- facilitate a transition towards the full use of **COUNTRY PFM SYSTEMS** by establishing and strengthening those systems, starting with the national budget framework;
- increase the **TRANSPARENCY & ACCOUNTABILITY** of the delivery and management of international assistance in Somalia;
- reduce transaction costs by **POOLING FUNDS** and adopting harmonized **RESULTS REPORTING**.

The **SOMALIA DEVELOPMENT AND RECONSTRUCTION FACILITY** serves both as the Compact's **FINANCING MECHANISM** and the broader **COORDINATION** structure.

- Supports delivery on Compact priorities;
- Encourages coordination and alignment of assistance;
- Encourages increased use of country systems over time;
- Brings together several funds (“windows”) under a common governance framework which will be administered by technical agencies based on their comparative advantage: UN, World Bank, African Development Bank, SFF;

COMPACT ARCHITECTURE

1 HIGH LEVEL PARTNERSHIP FORUM

main platform for dialogue and policy discussions

central mechanism for strategic coordination and information-sharing

2 SDRF STEERING COMMITTEE

strategic oversight and guidance for the SDRF and the implementation of the New Deal Compact, including commitments related to policy, financing and aid delivery

3 FGS & DEVELOPMENT PARTNER GROUPS

technical forum for sectoral policy formulation, planning and programmatic coordination

“ ACHIEVE A STABLE AND PEACEFUL FEDERAL SOMALIA THROUGH INCLUSIVE POLITICAL PROCESSES ”

PSG 1: INCLUSIVE POLITICS

- 1 Advance inclusive political dialogue to clarify and settle relations between the Federal Government and existing and emerging administrations and initiate processes of social reconciliation to restore trust between communities
- 2 Finalize and adopt a Federal Constitution by December 2015
- 3 Prepare for and hold credible elections by 2016

“ ESTABLISH UNIFIED, CAPABLE, ACCOUNTABLE AND RIGHTS-BASED SOMALI FEDERAL SECURITY INSTITUTIONS PROVIDING BASIC SAFETY AND SECURITY FOR ITS CITIZENS ”

PSG 2: SECURITY

- 1 Strengthen the capacity and accountability of state security institutions to recover territory, stabilize and provide basic safety and security
- 2 Integrate security forces into federal institutions
- 3 Implement a national programme for the treatment and handling of disengaged combatants
- 4 Develop an effective maritime security strategy within the framework of the Maritime Resource and Security Strategy

“ ESTABLISH INDEPENDENT AND ACCOUNTABLE JUSTICE INSTITUTIONS CAPABLE OF ADDRESSING THE NEEDS OF THE PEOPLE BY DELIVERING JUSTICE FOR ALL ”

PSG 3: JUSTICE

- 1 Key priority laws in the legal framework, including on the reorganization of the judiciary, are aligned with the Constitution and international standards
- 2 Justice institutions start to address the key grievances and injustices of Somalis
- 3 More Somalis have access to fair and affordable justice

“ REVITALIZE AND EXPAND THE SOMALI ECONOMY WITH A FOCUS ON LIVELIHOOD ENHANCEMENT, EMPLOYMENT GENERATION, AND BROAD-BASED INCLUSIVE GROWTH ”

PSG 4: ECONOMIC FOUNDATIONS

- 1 Enhance the productivity of high priority sectors and related value chains, including through the rehabilitation and expansion of critical infrastructure for transport, market access, trade and energy
- 2 Expand opportunities for youth employment through job creation and skills development
- 3 Promote the sustainable development and management of natural resources by developing legal and regulatory frameworks and building capacity in key Natural Resources Management (NRM) institutions

“EQUITABLE, AFFORDABLE & SUSTAINABLE SERVICES AND TRANSPARENT & ACCOUNTABLE REVENUE GENERATION, DISTRIBUTION AND SHARING OF PUBLIC RESOURCES”

PSG 5: REVENUE AND SERVICES

- 1 Increase the provision of equitable, accessible and affordable social services by creating a regulatory environment that promotes decentralized delivery and prioritizes key instruments that extend and increase access to services
- 2 Enhance transparent and accountable revenue generation
- 3 Strengthen PFM to enable the different levels of government to better manage financial resources in a transparent and accountable manner, in support of national priorities

MONITORING ARRANGEMENTS

1 PSG OUTCOMES

Progress toward achieving peacebuilding and statebuilding goals will be monitored using a condensed set of indicators using statistical and perceptions based data

2 KEY PSG MILESTONES

milestones will be monitored through a qualitative assessment based on information prepared by the PSG working groups. They highlight a limited number of priority actions for monitoring

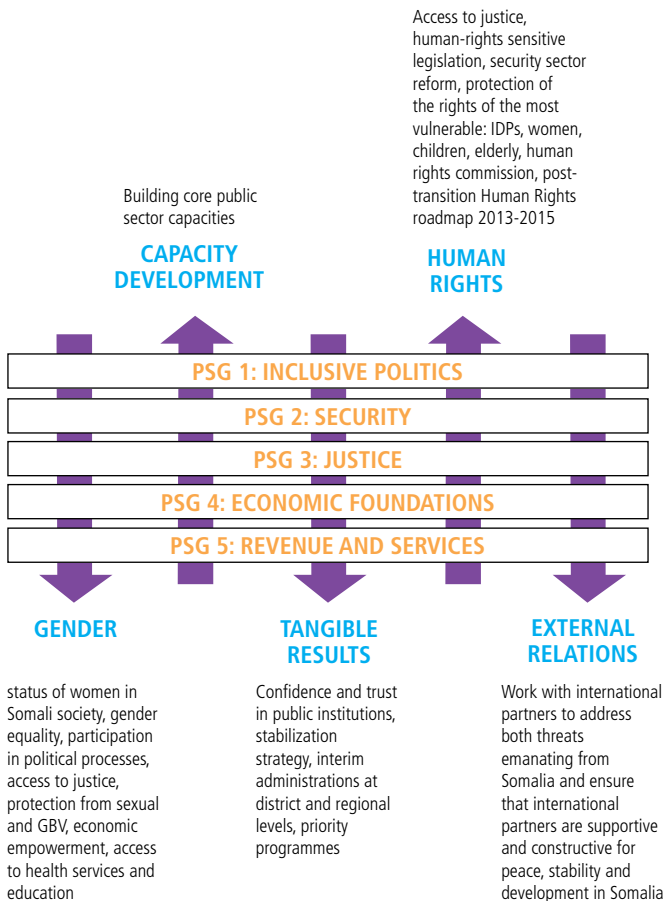
3 PARTNERSHIP PRINCIPLES

the Partnership Principles will be monitored on an annual basis. A set of indicators based on globally-recognized aid effectiveness indicators will complement qualitative assessments

ANNUAL REVIEW OF PROGRESS

will take place at a high-level meeting every year. The meeting will review progress in overall Compact implementation, update PSG milestones, assess resource requirements and renew national and international commitments.

CROSS CUTTING ISSUES



THE SOMALILAND SPECIAL ARRANGEMENT

“ A POLITICALLY STABLE & DEMOCRATIC SOMALILAND THAT ADHERES TO THE PRINCIPLES OF GOOD GOVERNANCE ”

PSG 1: INCLUSIVE POLITICS

- 1 Strengthen electoral processes and practices by reforming the electoral system in key areas, including addressing gaps in representation, such as those faced by women and marginalized communities; conducting voter registration; and developing mechanisms for judicial and public oversight
- 2 Increase parliamentary accountability and responsiveness to the public by developing mechanisms that promote strategic communications, transparency, constituent outreach, coalition development and accountability to party platforms

“ IMPROVE ACCESS TO AN EFFICIENT & EFFECTIVE JUSTICE SYSTEM FOR ALL ”

PSG 3: JUSTICE

- 1 Strengthen the capacity of the courts through extensive training and the provision of required equipment to ensure that they can carry out their core functions
- 2 Clarify the roles and responsibilities of law making bodies and strengthen their institutional capacity including the capacity to prioritise and draft legislation that is harmonized with the existing body of laws
- 3 Promote a more responsive and accessible justice system that protects the human rights of all

“ STRENGTHEN MANAGEMENT OF NATURAL, PRODUCTIVE & HUMAN RESOURCES & CREATE ENABLING ECONOMIC & FINANCIAL ENVIRONMENT ”

PSG 4: ECONOMIC FOUNDATIONS

- 1 Develop and implement an investment strategy for public and productive infrastructures, including roads, water, irrigation, markets, ports and energy
- 2 Strengthen investment in productive sectors, particularly infrastructure, livestock, and fisheries; create a legal framework to enable economic growth (including establishing property rights and land registration mechanisms)
- 3 Building efficient credit, investment and insurance institutions that contribute to economic growth and higher living standards
- 4 Generate employment, including through the development of vocational and technical training, and establish a special business fund for young entrepreneurs
- 5 Develop and implement a comprehensive and integrated environmental management strategy that addresses desertification, promotes alternatives to charcoal as an energy source, and protects land, water, forest and coastal resources
- 6 Put in place an affordable energy plan and policy that takes Somaliland from dependence on imported fuel to a greater use of its own abundant natural resources

“ PUBLIC SERVICE CAPACITY TO RAISE REVENUES, MANAGE RESOURCES & ENSURE PROVISION OF QUALITY SERVICES ”

PSG 5: REVENUE AND SERVICES

- 1 Establish and appropriate and effective system of public financial management based on the PFM Road Map that includes strengthening the budget process, establishing a chart of accounts and enhancing public procurement
- 2 Promote the equitable distribution and access to basic services both through the use of clear service delivery mechanisms and standards, as well as the clarification of roles and responsibilities of the central and local authorities and service delivery providers
- 3 Create a merit-based and equitably distributed civil service that delivers high quality basic services and security for all Somaliland citizens

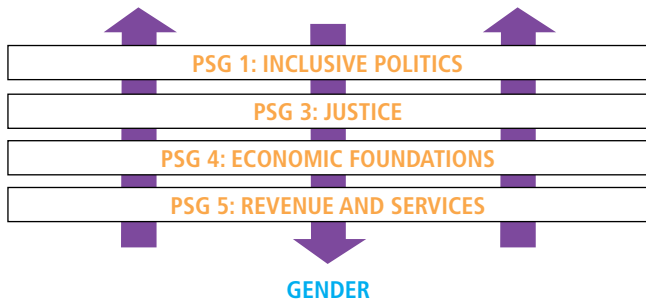
CROSS CUTTING ISSUES

formal participation and inclusion within democratic processes, promotion of civil society engagement, freedom of ideas and assembly, proactive advocacy, community-led development activities, effective participation, accountability, transparency and responsiveness by all citizens

Somaliland National Human Rights Commission Law, Human Rights Commission and non-state human rights organizations encouraged to provide reports and assessments

STRENGTHENING CITIZEN-STATE-RELATIONS

HUMAN RIGHTS



Positive & inclusive role for women, fight power imbalances, gender inequality, inadequate role of women within political sphere

PARTNERSHIP PRINCIPLES

The Somaliland government and development partners re-commit to the principles agreed at the High Level Fora on Aid Effectiveness in **PARIS** (2005), **ACCRA** (2008) and **BUSAN** (2011), including the **NEW DEAL TRUST PRINCIPLES**. Based on these global commitments, all development partners pledge to respect the following principles:

- 1 OWNERSHIP BY SOMALILAND GOVERNMENT & PEOPLE
- 2 CONFLICT SENSITIVITY
- 3 WILLINGNESS TO ACCEPT & MANAGE RISKS
- 4 ALIGNMENT OF INTERNATIONAL ASSISTANCE
- 5 HORIZONTAL COORDINATION & DIVISION OF LABOUR
- 6 CAPACITY DEVELOPMENT
- 7 STRENGTHENING SOMALILAND'S PFM SYSTEMS
- 8 CHANNELING ASSISTANCE THROUGH NATIONAL SYSTEMS
- 9 TRANSPARENCY & PREDICTABILITY
- 10 BUILDING STATISTICAL & M&E CAPACITY

On the basis of these principles, the Somaliland government and development partners will develop a set of more specific commitments & benchmarks, and monitor progress towards the achievement of these.

FINANCING ARRANGEMENTS

- 1 SOMALILAND DEVELOPMENT FUND (SDF)**
to ensure alignment with Somaliland priorities, lower transaction costs, better value for money for partners & sustainable results

- 2 MULTI-PARTNER TRUST FUNDS (LIMITED IN NUMBER)**
have to be multi-sector or sector-based, aligned with the development plan's priorities & use government systems

- 3 JOINT EVALUATION OF FUNDING MECHANISMS**
to determine how scarce resources can provide better value for money, ensure processes are harmonized & tangible results are delivered

- 4 BUDGET SUPPORT MODALITIES**
are the government's preferred mode of external financing in the longer term

- 5 STAND-ALONE PROJECTS**
based on Somaliland priorities, coordinated with government programmes, follow the partnership principles

AID MANAGEMENT

- NATIONAL PLANNING COMMISSION (NPC)**
15 ministers, governor of the central bank, representatives from parliament, academia, civil society
leads prioritization and monitoring efforts
inter-ministerial coordination & risk management

- HIGH LEVEL AID COORDINATION FORUM (HLACF)**
co-chaired by government & donor
platform to review and discuss priorities & budgets
assesses progress against priorities
discusses assessments on aid effectiveness

- INTER-SECTORAL FORUM**
sector chairs & co-chairs
provides updates and exchanges information on cross-cutting issues

- SECTOR COORDINATION FORUMS**
co-chaired by minister & development partner
coordination of work-plans, joint assessments, monitoring and reporting at sector level

MONITORING ARRANGEMENTS

1 PEACEBUILDING AND STATEBUILDING OUTCOMES

based on mutually-acceptable indicators to be developed by government & international partners

builds on ongoing data collection efforts

aims to build Somaliland's statistical system

2 JOINT M&E OF PROGRAMMES & PROJECTS

at agreed times, against agreed milestones

reports to be prepared jointly by MoNPD & Sector Coordination Forums

3 GOVERNMENT & DEVELOPMENT PARTNER'S PERFORMANCE

indicators to be developed

ANNUAL REVIEW OF PROGRESS

will be conducted by the High Level Aid Coordination Forum to be held annually to review overall Somaliland Special Arrangement implementation, update PSG milestones, assess resource requirements and renew international commitments.

HIGH LEVEL PARTNERSHIP FORUM (HLPF)

*Strategic
guidance
on overall
priorities*



*Prioritization
between
sectors*

SDRF STEERING COMMITTEE (SDRF SC)

*Agreement
of priorities
of each
sector*



*Communication
of overall
sectors
allocations*

**PSG
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A hand is reaching out from the right side of the frame towards a large, dark stone archway. The background is a bright blue sky with scattered white clouds. The archway is part of a larger structure, possibly a ruin or a monument, with other arches visible in the distance.

FOR MORE INFORMATION

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