



# **Somaliland Economic Forum I Progress Report**

October, 2023



## Introduction

The Somaliland MDAs under the Economic sector organized the first Economic Forum in 2022. The forum brought together over 200 experts from Somaliland to discuss some of the most pressing challenges facing the Somaliland economy and suggested interventions that could turn the challenges shared during the forum into opportunities. The forum was held from September 12 to 14, 2022, in Hargeisa, Somaliland.

The theme of the forum: "**Resolving Economic Problems with Sustainable Solutions**". The sessions in the forum were seven (7): Food Security and Environment, Foreign Direct Investment and Manufacturing, Energy and Mining, Trade and Transit, Financial Services, Infrastructure Development, and Development Aid Planning and Management.

## Interventions Achieved

The aim of the Somaliland Economic Forum was to provide a space where experts in economic development can address challenges hindering economic development in Somaliland and interventions to overcome those challenges. One of the challenges emphasized during the food security and environment session was the governmental budgetary allocation for the MDAs in the food security sector. A suggested intervention was increasing the government budget for agricultural production improvement efforts. Based on this intervention, the Somaliland Ministry of Finance Development increased the budget of 2023 (compared to the 2022 budget) for the Ministry of Agricultural Development by 27%, Environment Sector (*National Disaster Preparedness Agency – NADFOR, Ministry of Environment & Climate Change and Ministry of Pastoral Development*) by 16%, and the Ministry of Water Development by 26%.

In the Development Aid Planning and Management session, most of the interventions suggested by the panelists and the forum attendees was about enhancing the effectiveness of the National Development Plans in order to achieve the Somaliland National Vision: A Stable, Democratic, and Prosperous Country Where People Enjoy High Quality of Life. In early 2023, the third NDP was launched and some of the suggested interventions were applied including

making the NDPs available to the public, establishing a monitoring and evaluation system for the NDP, ensuring adequate fundings, and setting realistic outcomes and indicators.

Finally, throughout all of the sessions, panelists and forum attendees emphasized the importance of soft infrastructures in economic development. Development of manuals, plans, strategies, regulation, policies, and acts constitute fifty percent (50%) of the achieved interventions.

The tables below detail the progress towards the interventions suggested during the 2022 Somaliland Economic Development.

# **Food Security and Environmental Protection**

Challenges Addressed in SEF 2022	Intervention – Progress Achieved	Implementing Agency	Lead Agency
<b>Enhancing Agricultural Production</b>	<p>Quality Seeds and Pesticides: Providing farmers with quality seeds and pesticides is extremely important in increasing the level of Somaliland’s agricultural production. Approximately 20,000 individuals received seeds from the Ministry of Agriculture Development and its Partners. Quality seeds and farm inputs were distributed. In 2022 and 2023, 400 pest infested farms were sprayed and suitable pesticides were distributed for the pests outbreak in Awdal, Gabilley, Maroodijeh, Sahil, Togdheer and Sanaag regions.</p>	TIKA, Oxfam, Soydavo, World Vision, FAO, GIZ, Islamic Relief	Ministry of Agricultural Development
	<p>Access to water: Under the Sustainable Land Management project funded by SDF2 in Awdal region, various types of soil bunds, eyebrow terraces, loose stone check dam, and riverbanks were constructed. Although the project is ongoing, some of the activities completed in 2022-2023 include 4153 soil bunds, 29610 eyebrow terraces, 62 loose stone check dams and a 1000-meter square river bank protection. Additionally, 23 dams, 11 shallow wells, and 34 reservoirs were constructed in both Awdal and Gabiley region [Awdal region by SDF2 in 2018-2023 and Gabiley region by KFW in 2018-2023) MoLFD, in partnership with FAO, implemented drought response emergency water distribution in 2022 and distributed 2,000, 000 litres of water in the Sool region. SOYDAVO with MOAD established contour bunds of a total length of 48,000 LM in Odweyne and Erigavo districts through a cash-for-work project. Additionally, MoLFD implemented water conservation for agro-pastoralist in Xaaxi to produce fodder production. The spate irrigation system of Xaaxi was constructed and a water canal of 1.6 km was prepared for the fodder producers. The Ministry of Water Development reported that 16 dam (Balli) and sand dam (Biyo Xidh) projects were implemented in Gabiley, Hargeisa, Alleybaday, Oodwayne, Salaxlay, Bali Gubadle, Caynabo, Ceel-Afwayn, and Berbera.</p>	SDF, FAO, KFW	Ministry of Agricultural Development, Ministry of Livestock Dan Fisheries Development, Ministry of Water Development
	<p>Capacitated workforce: To build the capacity of local farmers,MOAD held Good Agricultural Practices (GAP) training for 70 farmers in Maroodijeh and Gabilley regions. Additionally, a Fall Army Worm and Mealy Bug training and Plant Protection (PP) training were held by MoAD for 35 Plant Protection (PP) and Extension staffs in MOAD. The trained PP and Extension staff transferred their knowledge to the framers of Awdal and Sahil region. Soil and Water Conservation training for famers was carried out in the Awdal region. MoLFD provided 20 capacity-building trainings to 40 ministry staff, 15,000 pastoralists and agro-pastoralists in fodder production, processing, and marketing value addition to increase food security, employment, and income generation. They also provided registration for fishery boat owners, fishermen, and fish shops. MoLFD held six (6)</p>	Oxfam, GIZ, ICIPE, SDF, ILED, FAO	Ministry of Agricultural Development, Ministry of Livestock and Fisheries Development

capacity building workshops for fishers . (What was the capacity building workshops for? How many people benefited from it )		
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Challenges Addressed in SEF 2022	Intervention – Progress Achieved	Implementing Agency	Lead Agency
<p><b>Increasing Resilience against Droughts and Climate Change</b></p>	<p>Research and development: Supporting research and development is important in the battle against drought vulnerability and climate change adaptation. The following assessments were conducted in 2022:</p> <ul style="list-style-type: none"> <li>Gabiley Crop Production Baseline Survey</li> <li>Somaliland Pesticide Status Report</li> <li>Assessment of Horticultural Insect Pests and Diseases in Sanaag Region</li> </ul> <p>Research Centers and Reserve</p> <p>Fencing Grazing Reserve and Holding Ground in Aroori holding ground in 2014 in Buroa Togdheer with Support SDF1, this holding ground provides traders and producers with the means to preserve the condition and market value of export animals.</p> <p>The Aroori Livestock Excellence Centre (LCE), which provides research and training in fodder and livestock production.</p> <p>Breeding Centre for animal genetic improvement in Wajaale which is currently functional but requires further operational resources.</p>	<p>SARC, GIZ, Oxfam, SDF</p>	<p>Ministry of Agricultural Development, Ministry of Livestock and Fisheries Development</p>
<p><b>Harmonizing Joint Initiatives</b></p>	<p>Coordination of Initiatives: MoAD established a food security coordination office to coordinate projects and prevent the overlapping of activities. MOAD organized a coordination meeting in 2022 with MOLFD, NADFOR, INGOs and LNGOs working in the food security sector. This coordination meeting aimed to harmonize joint initiatives from government and other stakeholders, reduce overlapping mapping of development and need areas, indentifying ongoing interventions, and plan new initiatives based on the NDP III aligned-government priorities.</p>		<p>Ministry of Agricultural Development, Ministry of Livestock and Fisheries Development</p>
<p><b>Increasing Budget</b></p>	<p>The Somaliland Ministry of Finance increased the budget of 2023 (compared to the 2022 budget) for the Ministry of Agricultural Development by 27%, Environmental Sector (National Disaster Preparedness Agency – NADFOR, Ministry of Environment &amp; Climate Change and Ministry of Pastoral Development) by 16%, and the Ministry of Water Development by 26%.</p>		<p>Ministry of Finance Development</p>
<p><b>Preventing and Responding to Recurring Livestock Diseases</b></p>	<p>MoLFD provided treatment to pastoral and agro-pastoral communities; in 2022, 3 million animals were treated, and in 2023, 1.1 million animals were treated, for a total of 4.1 million animals. Additionally, the MoLFD vaccinated 74,259 cattle with FMD and exported them, and 351,612 heads were treated for epidemic and transboundary livestock diseases.</p>	<p>FAO</p>	<p>Ministry of Livestock and Fisheries Development</p>

Challenges Addressed in SEF 2022	Intervention – Progress Achieved	Implementing Agency	Lead Agency
<b>Growing Animal Feed/fodder Output</b>	MoLFD established 10 demo farms in different ecological zones to demonstrate a variety of climate-smart animals production practices, such as drought tolerant livestock breeds, and integrated crop livestock system. MoLFD constructed fodder sheds, distributed machinery and farm tools, and provided trainings in 50 villages in Awdal, Sanaag, and Sool to increase fodder production and availability.	FAO, SDF	Ministry of Livestock and Fisheries Development
<b>Enactment and Enforcement of Agricultural Institutional, Legal, and Regulatory Frameworks</b>	<p>MoLFD worked on the following policy documents and regulatory framework:</p> <ul style="list-style-type: none"> <li>• The National Feed policy: formulated in 2022 and is ready for submission to the Ministers Cabinet.</li> <li>• The Milk Bill is in the draft stage,</li> <li>• The National Fishery law was updated</li> <li>• The Fishery Strategy was finalized.</li> <li>• The National Livestock Veterinary Code is awaiting parliamentarian approval.</li> <li>• Fishery Policy and Strategy is in draft stage.</li> </ul> <p>The Somaliland Agriculture Policy was drafted in 2023 and is awaiting approval from the cabinet. Additionally, the Seed Law and the Argo Chemical Law were finalized and awaiting submission.</p>		Ministry of Livestock and Fisheries Development, Ministry of Agricultural Development
<b>Increasing Investment in the Fishing Industry and Infrastructures</b>	Maydh jetty was constructed and is currently fully functional, allowing for the import of goods, the export of livestock, and the increase in fish catchment. Buroa and Berbera have fishery markets and trained fishermen. Erigavo and Berbera fishing markets with cold chain facilities are currently under construction.		Ministry of Livestock and Fisheries Development

# **Foreign Direct Investment (FDI) and Manufacturing**

Challenges Addressed in SEF 2022	Intervention – Progress Achieved	Implementing Agency	Lead Agency
<b>Enhancing Information and Data on Investment and Industrial Opportunities</b>	A study about the input availability and sustainable industrialization in Somaliland was conducted.		Ministry of Investment and Industries
<b>Mainstreaming Process for Obtaining Industrial Licenses</b>	An industrial registration system was developed.		Ministry of Investment and Industries
<b>Increasing Productivity and Manufacturing Capacity</b>	Two industrial zones were created in Hargeisa and Berbera. MoIID will allocate industrial zones in the remaining regions.		Ministry of Investment and Industries
<b>Developing Industrial Regulatory Framework</b>	The National Industrial Policy and the National Industrial Act have been drafted and are awaiting cabinet approval.		Ministry of Investment and Industries

# **Energy and Mining**

Challenges Addressed in SEF 2022	Intervention – Progress Achieved	Implementing Agency	Lead Agency
<b>Lowering the Cost of Energy</b>	Improving regulations: The temporary construction of distribution guidelines was created and distributed. MoEM is currently working on the amendment of the Electrical Energy law No 81/2018, the initiation of Electricity Supply Industry (ESI) and the national electricity grid system.		Ministry of Energy and Minerals
<b>Regulating Energy Companies</b>	Energy Sector Working Group was created and one of their tasks is to harmonize the energy regulation framework.		Ministry of Energy and Minerals
<b>Increasing Available Data on Mining Deposits and Varieties</b>	MoEM will conduct a comprehensive study on the availability and deposits of the Somaliland minerals potentialities and varieties (primary geo-data and geoscientific information.)		Ministry of Energy and Minerals
<b>Building the Capacity of Artisanal Miners and Enabling Access to Finance</b>	MoEM is developing training manuals and aims to conduct capacity building workshops for artisanal and small-scale miners to equip them with basic tools and techniques needed to advance this sector. Once the miners are trained, facilitating access to finance will be the second stage including conducting of baseline assessment and the creation of mining groups.		Ministry of Energy and Minerals

# **Trade and Transit**

Challenges Addressed in SEF 2022	Interventions – Progress Achieved	Implementing Agency	Lead Agency
<p><b>Building the Capacity of the Logistics Sector</b></p>	<p>A logistics sector assessment has been launched and is currently underway. The assessment aims to practically identify the main challenges of the logistics sector in Somaliland in order to develop specific actions and proposals to address them. The result of the assessment will later contribute to the development of the sector's strategic plan.</p> <p>MoTRD launched a feasibility study on cross-border trade infrastructure to assess the need for and feasibility of establishing a One-Stop Border Post (OSBP) at Tog-wajale. The study will consider a number of factors, including the volume of trade between Somaliland and Ethiopia, the current state of the infrastructure, and the potential benefits of an OSBP.</p> <p>An assessment of technical barriers to trade along the Berbera Corridor was conducted to identify challenges to trade in the corridor and to recommend ways to address them. Infrastructure assessment of small-scale cross-border traders in Tog-wajale is also being conducted. The findings of the assessment will be used to develop a plan to address the challenges to trade and to promote Somaliland's exports.</p>	<p>Trade Mark Africa, DAI</p>	<p>Ministry of Trade and Tourism, Somaliland Chamber of Commerce, Ministry of Transport and Roads Development</p>
<p><b>Diversification and Moving-Away from Dependence on Customs Revenue</b></p>	<p>The Business and Trade Licensing Policy has been issued by MoTT to encourage local businesses to work in the logistics sector and empower local people to work in the sector. The policy provides a number of incentives for local businesses.</p> <p>MoIID drafted Public-Private Partnership (PPP) Policy and a PPP Act to ensure the effective implementation of PPPs in Somaliland.</p> <p>MoFD developed the Somaliland National Tax Policy (2021-2025) with core strategic targets of improving revenue collection, and increasing Somaliland's tax-to-GDP ratio from 10% to 15% by 2025, increasing the tax-to-GDP ratio by 1% every year in the next five years. This will bring Somaliland closer to reaching the target of a 15% tax-to-GDP ratio as set out in the NDPIII. The Tax Policy aims to reduce the dependency on customs revenue by decreasing the share of revenue from customs tax from 80% to 50% by 2030 through credible and reliable reforms. The Tax Policy will also increase the proportion of Inland Revenue from 20% to 50% by 2030.</p> <p>Other ongoing interventions include establishing the Somaliland Revenue Authority (SRA), enhancing public understanding of tax through education campaigns, creating tax portals</p>		<p>Ministry of Trade and Tourism, Ministry of Investment and Industries</p> <p>Ministry of Finance Development</p>

	(Online Services – E-filing and E-payment) to simplify tax payment, and enforcing tax compliance by applying the tax penalties, providing tax incentives and tax exemptions.		
<b>Establishing of Bilateral and Multilateral Trade Agreements</b>	A Business and Trade Memorandum of Understanding (MOU) was signed between Somaliland and Taiwan in 2023. A Trade Agreement between Somaliland and Ethiopia is currently being drafted.		Ministry of Trade and Tourism

# **Financial Services**

Challenges Addressed in SEF 2022	Intervention – Progress Achieved	Implementing Agency	Lead Agency
<b>Enhancing Public Awareness on Insurance and Financial Institution’s Information</b>	<p>NIA developed a series of consumer education programs in 2022. NIA organized a series of awareness raising events across the Somaliland regions and had fruitful sessions with traditional leaders and university students to raise awareness on the need for insurance products in Somaliland.</p> <p>In 2022, NIA gave several interviews and keynote speeches through mass media outlets, such as SLNTV, Radio Hargeisa among others, with the main objective of sharing information on critical aspects of insurance coverage.</p>		Somaliland National Insurance Agency
<b>Enactment and Enforcement of Financial Services Institutional, Legal, and Regulatory Frameworks</b>	<p>The Insurance Act was approved In 2023 and Is currently In the Implementation phase. In the 2022-2023 cycle, NIA has been working on the Compulsory Motor Vehicle Insurance Regulation which is being amended, the Medical Insurance Regulation, which is in draft stage, and the Insurance Intermediaries Licensing and Governance Regulation, which is also in draft stage. The Clearing House Regulation was finalized in 2022.</p> <p>The Closure Bill and the National Payment System Act are awaiting approvals.</p> <p>Central Bank of Somaliland is in the process of creating the Credit Reference Bureu.</p>		Central Bank of Somaliland, Somaliland National Insurance Agency

# **Infrastructure Development**

Challenges Addressed in SEF 2022	Intervention – Progress Achieved	Implementing Agency	Lead Agency
<b>Improving Infrastructure Conditions</b>	<p>The African Development Bank allocated grant towards Feasibility Studies, Environmental and Social Impact Assessment, Resettlement Action Plan (RAP), Detailed Engineering Design, Cost Estimates and Preparation of Bidding Documents for Upgrading to Paved.(Bitumen) Standard of Lowyaddo-Farddaha-Borama Road Project.</p> <p>The Feasibility Study of the Hargeisa-Odweyne-Burao road project is currently ongoing. Once it is complete, the government of Somaliland is planning to launch investment campaign for the construction of the Hargeisa-Odweyne-Burao as this road can be viable for toll investment where the cost of the construction plus profit will be recuperated from the imposed toll charges.</p> <p>MoTRD will rehabilitate 62 km of road and four bridges between Burao and Berbera with the aim of improving connectivity between Burao and Berbera. Additionally, the Ministry of Transport and Roads Development rehabilitated four bridges named Dubur, Laaleys, Gelokor, Kalajab Bridges.</p>	African Development Bank, SDF	Ministry of Transport and Roads Development
<b>Enhancing Technology Knowledge</b>	<p>The MoICT has enhanced Technology Knowledge in Somaliland through conferences, Awareness, Trainings, and Conferences:</p> <p><b>Conferences</b></p> <ul style="list-style-type: none"> <li>○ The Somaliland ICT Conference took place for the fifth time this year.</li> </ul> <p><b>Technology Trainings and Educational Initiatives</b></p> <ul style="list-style-type: none"> <li>○ Cyber and Information Security Training was held in 2022</li> <li>○ Software Development Training was held in 2023</li> <li>○ Technology Innovation Capacity Building Programs in 2023.</li> <li>○ Harmonizing University ICT Curriculums.</li> </ul> <p><b>Awareness Raising Programs</b></p> <ul style="list-style-type: none"> <li>○ Excessive Use of Technology and its Health effects in 2022 through media outlets.</li> </ul>		Ministry of Information and Communications Technology, Higher Education Commission
<b>Enactment and Enforcement of Institutional, Legal, and Regulatory Frameworks for the Infrastructure Sector.</b>	<p>The MoICT is working on the following Acts and Regulations:</p> <ul style="list-style-type: none"> <li>○ Cyber Security Act and Cyber Crime Act: awaiting parliament approval.</li> <li>○ Data Protection Act: finalized.</li> <li>○ Government Technology Act: first draft stage.</li> <li>○ Telecom Consumer Protection Regulation: finalized.</li> </ul>		Ministry of Information and Communications Technology

# **Development Aid Planning and Management**

Challenges Addressed in SEF 2022	Intervention – Progress Achieved	Implementing Agency	Lead Agency
<b>Enhancing the effectiveness of National Development Plans</b>	Make the NDP publicly available: A soft copy of the third National Development Plan, and all the previous NDPs, can be found on the Ministry of Planning and National Development website. A hard copy of the NDPIII has been designated to all the government institutions.		Ministry of Planning and National Development
	Establish a monitoring and evaluation system: The NDPIII has a section titled “Monitoring, Evaluation, Accountability, and Learning” which is also complemented by the “NDPIII MEAL Supplement”, which is a detailed technical manual, produced a separate booklet, that targets all M&E staff of Somaliland’s governmental institutions and development partners and projects that align their interventions with the NDPIII.		Ministry of Planning and National Development
	Ensure adequate funding: A resource mobilization strategy was created within the NDPIII which analyses the myriad of financing available to the country from different sources. It includes assessments on the public sector resources of tax and non-tax revenues, financial sector support to the private sector, private sector flows, and Official Development Assistance (ODA) available to support the development of Somaliland. Additionally, the government initiated the National Development Fund (NDF) based on transparent and accountable governance principles to facilitate the joint financing of priority interventions.		Ministry of Planning and National Development
	Set realistic expectations: During the preparation of the NDPIII, following the data demand put on the governmental institutions by NDPII which resulted in the lack of evaluation at the end of the NDPII period, the conscious decision to be selective with the number of outcomes and outcome indicators was made by the Ministry of Planning and National Development. Although the NDPIII has two more sectors than the NDPII, the total number of outcomes were reduced from 223 to less than 70.		Ministry of Planning and National Development
<b>Improving aid tracking</b>	MoPND will once again start publishing the Somaliland Aid Flow Report before the end of 2023. Additionally, the MoPND is currently working on an aid registration and tracking system.		Ministry of Planning and National Development
<b>Enactment and Enforcement of Institutional, Legal, and Regulatory Frameworks for Aid Planning and Management .</b>	The following regulations are in draft stage: National Planning Act National Planning Policy Coordination policy Monitoring and Evaluation Policy Statistical Strategy		Ministry of Planning and National Development

**Thank You**