



European
Commission

CASE STUDY

SOMALIA



SPaN
Supporting people through crisis



Guidance Package on Social Protection across the Humanitarian-Development Nexus

DEVCO
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CASE STUDY

SOMALIA

Scene setting

Somalia is a fragile state beset by drought, conflict and internal displacement for more than 30 years. While recent progress is considered generally positive, political dynamics continue to be volatile and institutional capacity at all levels is low. Governance arrangements between the Federal (FGS) and Member State (FMS) levels are variable. The 2017 Recovery and Resilience Framework (RRF) acknowledges these challenges and emphasises the importance of working with Government institutions.²

The country is urbanising at a very rapid pace, with an estimated 58 % of Somalis predicted to be living in urban settlements by 2050. Push factors include: high population growth; recurrent disasters; and massive population displacement, while pull factors are: job opportunities; and access to humanitarian resources. Somalis are renowned for their dispersed family networks and strong social bonds. Livelihoods and diversification of families are commonly maintained with members in different locations, both nationally and internationally. The ability to send resources (particularly cash) between different locations has been further enabled by the reach and efficiency of mobile money transfers. Humanitarian indicators for internally displaced person (IDP) populations

throughout Somalia have remained very poor in spite of good access to these areas by aid agencies. Data on IDP numbers are frequently contested with estimates often considered to be inflated. A significant proportion of IDPs may choose not to return to their original areas and many may already be more accurately described as adding to the population of urban poor. The majority of IDPs are from historically marginalised and minority groups and are often vulnerable to more powerful gate-keepers in their new urban locations.

The Somali private sector is innovative in many areas, but also impeded by lack of regulations. For example, the remittance economy has driven rapid evolution of mobile money transfer technology, despite non adherence to international due diligence standards. At the same time, women's low social status, lack of access to political power, decision-making, education, and capital severely constrain their economic opportunities and productivity.

The situation in Somalia remains extremely complex and volatile, requiring large-scale direct humanitarian intervention. Humanitarian crises have been severe in 2008, 2011 and 2017, with a major famine taking place in 2011 and a famine narrowly averted in 2017. Average aid expenditure

Background to the SPaN Technical Assistance Mission

The Somalia case study was produced as part of an assignment supported by the initiative “Guidance package on social protection across the humanitarian-development nexus” (SPaN). It is jointly led by the European Commission’s Directorate-General for International Cooperation and Development (DEVCO), Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO) and Directorate-General for Neighbourhood and Enlargement Negotiations (NEAR). Between August and October 2017 the initiative and ASiST¹ assigned Social Protection specialists to identify opportunities to support a transition from current humanitarian assistance to a social assistance approach in Somalia. The outcome was a three-year roadmap for EU DEVCO and ECHO field office staff, which has been presented at the International Conference on Social Protection in Contexts of Fragility and Forced Displacement that took place in September 2017 and at the Info Point Lunchtime Conference “Towards Shock-Responsive Safety Nets: the case of Somalia” in July 2018.

¹ ASiST is an advisory service of the European Commission (EC) managed by the unit in charge of rural development, food security and nutrition (C1) within the Directorate General for International Cooperation and Development (DEVCO), which is also represented in the Steering Committee of the SPaN initiative.

² World Bank. 2018. *Toward drought recovery and resilience: The Somalia drought impact and needs assessment and recovery and resilience framework (English)*. Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/339531516991002333/Toward-drought-recovery-and-resilience-the-Somalia-drought-impact-and-needs-assessment-and-recovery-and-resilience-framework>

levels for Somalia has been consistently over USD one billion per annum since 2011,³ equivalent to approximately USD 70 per capita per annum.⁴ Humanitarian funding, while fluctuating significantly over the last ten years, has not fallen below approximately USD 250 million, and since 2011 has remained above USD 500 million.

These levels of spending have become predictable and could be partially re-categorised as a recurrent budget line. While this would allow for longer-term planning it would then become more susceptible to reductions given the imperative to meet large humanitarian crisis needs globally. As drought conditions moderately improve, humanitarian resources are now anticipated to dwindle, vying with broader global imperatives to contain migration and extremism. Hence, there is a need to negotiate, plan and implement more efficiently. However, there is little agreement on how to better manage available resources, and how to apply agreements such as the World Humanitarian Summit Grand Bargain at country level. The priority focus remains on meeting the people's immediate needs, which comes at the expense of strategic analysis and longer-term investment in Somali institutions.

The aid architecture for Somalia is generally considered complex and fragmented,⁵ although the degree of this complexity and fragmentation changes over time. While some aid agencies are now based in Mogadishu (the UN Special Representative and Deputy Representative are both based in the capital), most donors and senior UN and NGO staff remain based in Nairobi. Access to Government and implementing counterparts remains limited. Government officials play a limited or no role in coordination of humanitarian programming, but do participate more in resilience interventions, depending on location and agency. "Remote management" is a feature of international engagement with Somali counterparts and is a significant constraint to building relationships and trust as well as common visions, approaches and ways of working. Competition for resources among

implementing partners has restricted the development of more harmonised and coherent approaches. The inefficiency caused by the number of stakeholders involved in setting and applying the rules of humanitarian engagement at all levels, and their different views and positions, is recognised. In spite of improvements in coordination, harmonised approaches remain challenging within the wider humanitarian and development community.⁶ While channelling resources for social protection through Government system might potentially improve state systems, delivery by international implementing partners is considered a lower risk. However, this does little to build capacity in Somali institutions, causes resentment and does not account for the risks and long-term effectiveness of not funding through Somali channels.

Somalia currently has no formal national safety net provision, although there is considerable informal household level support through remittance transfers. The diaspora remit between USD 1.2 and USD two billion annually, out of an estimated GDP of USD six billion.⁷ These remittances may reach up to 40 % of the population, whether regularly or occasionally, although remittances are unequally distributed in Somali society. Humanitarian aid is impeded where access is restricted and is subject to cyclical short-term fluctuations. Targeting of marginalised and minority populations has been extremely problematic for many years although there is currently more acknowledgement of this issue.

Improved monitoring practices, at the donor and agency level, have been a major part of improved risk management and targeting processes since 2011 and will clearly be important in relation to social assistance. But it is also recognised that monitoring processes, including third-party monitoring, can themselves be susceptible to co-option and corruption, and have played little role in improving access for a range of excluded groups.⁸

What it might look like

VISION STATEMENT AND PRINCIPLES

Gains in effective planning, financing and coordination of a sustainable social assistance programme can best be made through closer donor collaboration. Working in parallel with a range of initiatives to support the Federal and Member State governments, a "safety net programme in the short term paving the way to a social protection approach in the long term", with the vision of a Government-owned⁹ social protection system is proposed as the long-term objective. A safety net approach is not equivalent to social protection, but merely one component in a broader social protection approach. That said, even in a more limited cash safety net approach, the role of the Government remains critical, in relation to policy development and institutionalisation.

Predictable assistance, provided in the name of the state, enables people to improve their wellbeing and maintain the gains they make. It reduces deprivation and inequality, helps meet people's short-term needs, and encourages economic growth. Over the long term this helps reduce the unpredictable demands for international aid and makes financing more predictable. As far as possible a long-term developmental approach would support and strengthen Somali institutions and systems. This moves away from direct delivery outside the government and towards meaningful consultation, participation, and identifying roles in project implementation for the government. It is recognised that involving the Government more meaningfully is challenging, but avoiding ways to do so is increasingly untenable.

The foundational principles of a national system are summarised as follows:

- ◆ Safety nets provided by the international community are government owned but not necessarily government implemented.
- ◆ Assistance must be administered in such a way as to build the social contract by being rooted in Somali social perceptions and traditions.
- ◆ Planning and implementation should not occur independently of an agreed national framework but contribute to an evolving national system.
- ◆ If cash assistance is provided in a predictable, long term and sustainable manner, it achieves greater impact and is more cost effective.
- ◆ The end point should not be graduation from support, but graduation from one kind of support to another kind of support, while continuing to ensure a safety net for those who slip back and need help.
- ◆ In line with the major covariate risks facing Somalia, i.e. drought and conflict, assistance needs to be able to scale-up and down in line with stresses.

³ Development assistance is reported and published by the Federal Government of Somalia in its *Aid Flows in Somalia – Analysis of aid flow data, April 2017*. This included figures from most OECD donors and contributions via UN agencies but not for example Turkey, Qatar and Saudi Arabia. Figures are also presented by sector for the last recent years.

⁴ Population estimation based on 14.3m 2016 projection. World Bank: data.worldbank.org/Somalia

⁵ Maxwell and Majid, 2014; Transparency International 2016; World Bank, 2016

⁶ Goodman and Majid (2018): *Somalia: In pursuit of a safety net programme in the short term paving the way to a social protection approach in the long term: Issues and options. Final report, Nov 2017*

⁷ See: World Bank, 2015; Hammond et al., 2011.

⁸ Transparency International, 2016; Centre for Humanitarian Change, 2017.

⁹ Clearly in Somalia, 'government' is a fluid, evolving and sometimes nebulous notion, where authority, capacity and legitimacy varies considerably between and within Somaliland, Puntland, the Federal Government and the Member States. There is however a clear international commitment to support and involve the evolving Government where that is possible and this report takes that stance.

HOW IT COULD BE DONE

Increasing convergence of policies and standards agreed between donors and government will lead to a more predictable and effective approach operating at scale. A pre-requisite to developing a more coherent approach is improved collective donor coherence and capacity, built through convening a Donor Working Group (DWG). More meaningful participation of Government in the policy making and design process needs to be encouraged, despite the challenges of distance and communication. Without this, initiatives and programmes are likely to continue to remain fragmented. Together, a DWG and Government needs to set the policy and a framework for a harmonised safety nets approach. Under their guidance, Technical Working Groups should be requested to develop policy options, technical feasibility studies, and means of coordinated implementation. Some of the many policy and technical issues which need to be explored and resolved are outlined in the section below. All require further study and assessment of feasibility, cost and prioritisation.

BANKING REGULATION

In order to conduct the due diligence requirements required under international law, central banking oversight of banks and mobile transfer operators is an important strategic goal.

REGISTRATION

A system of harmonised recording and maintaining of records on eligibility, entitlements and monitoring access to benefits is a key requirement of a distribution system. Currently in Somalia such registries are operated separately by implementing partners and are not compatible between organisations. It is not uncommon for implementing agencies to conduct household registration processes for a single project use, leading to costly repeat exercises. None of the many independent and proprietary systems currently being used are suitable as a future government to person payments system, nor are they currently interoperable.

IDENTITY

There is no national identity system. As with registration data, proprietary agency or temporary project identity cards are in common use, with limited interoperability. A standard identity system would be of great benefit for a safety net distribution system. A national foundational identity system has multiple uses including one-person, one-vote elections.

STANDARD OPERATING PROCEDURES (SOPS)

Standardisation and adherence to agreed policies enables planning at scale and can help ensure equitable distribution of resources. It also helps inform programme design, as standardisation reduces variables when comparing activities, results, outcomes and impacts between projects. Balance needs to be struck between national uniformity and adaptation to local circumstances.

SHOCK RESPONSIVE DESIGN

Evidence from Somalia and elsewhere demonstrates that long-term resilience building which helps avoid a crisis is more cost effective than preventive action at the onset of a disaster¹⁰. Even more costly is a post-disaster response, which inevitably comes after loss and damage have occurred¹¹. In order to provide flexible and rapid response, design decisions need to be made in advance of a predicted response. For example, the type and value of assistance to be provided under given circumstances; the systems that need to be in place; critically, financing arrangements (risk ownership or contingent liability) needs should be agreed in advance. Without such a framework being agreed, any use of resources is susceptible to short-term political decision making. Humanitarian funding needs to be provided not only in response to a crisis, but in advance of a possible event. Navigating the legal and policy issues at donors' headquarters to amend financing regulations will be challenging.

TARGETING

Consultations indicate a strong demand for official assistance that is "visible". Targeting needs to be demonstrably accountable and help build recognition of the Government's role in delivering basic services to its citizens. While only a thorough consultation process can reveal what is appropriate and affordable for Somalia, trialling categorical vulnerability targeting should be considered. In many other contexts, commonly chosen vulnerable groups include: households with young children; persons with disabilities; and the elderly. Exclusion criteria can be used to remove the better off (e.g. with formal employment) from accessing the scheme.

POPULATION ANALYSIS

Given their large numbers (in absolute terms and as a percentage of the population) and underlying vulnerability, information and analysis on displaced people should be consolidated. Further research should be conducted on their conditions, including

IDP access to assistance and other economic activities, as well as their motivations, plans and livelihood strategies (e.g. for moving or staying in their new urban locations, sending money back to family members in their areas of origin etc.).¹²

MONITORING AND EVALUATION

Somalia remains a highly complex and contested environment in which good quality data and information can be difficult to obtain as well as to interpret. Combining multi-sectoral technical expertise with good contextual knowledge is key to understanding the Somalia operating environment. Third-party monitoring organisations will continue to be relevant. In the short-term, this capacity could report to the Donor Working Group to ensure available knowledge is incorporated into analysis and the decision-making processes from the outset. In the medium-term a research and advisory facility could be created, with a strategic focus on social protection-related issues.

Summary of assessed response options

The table below uses an outcomes matrix as proposed in the concept paper "Social Protection across the Humanitarian-Development Nexus" as a tool to help planning- and decision-making when assessing the status quo and designing response options for working through existing social protection systems. The main criteria and values that the programme seeks to meet are listed in the left-hand column while the core distilled criteria which are indicative of the respective value are listed to the right. It is important to note that the matrix provides only a heuristic ranking to assist policy and/ or programme makers in their planning and should be complemented by further analysis and adjusted to the particular country context at a specific time. Context specific values and criteria may be added and further disaggregated, to include, for example, values of transparency and accountability, criteria of improved donor – government dialogue, and predictable development cooperation, and coordination, to achieve common

goals. The model is based on Eugene Bardach's Policy Analysis Model (2012)¹³ and is part of the Oxford Policy Management (OPM) Toolkit to Shock-Responsive Social Protection (2018). It has been modified from the version in the concept paper with regard to the criteria and the ranking system.

The table provides a short overview of options that have been identified to reach the following objective: transition from current humanitarian assistance to a social assistance approach in Somalia and receive a package of predictable and consistent social assistance that results in reduced vulnerability and increased resilience.

The SPaN approach applied is to facilitate the transition or transformation of a short-term emergency approach into longer-term safety-nets mechanism by aligning various donor-funded initiatives under one umbrella with increasingly policy and implementation alignment.

¹⁰ Benefits of Early Response and Resilience Building: Somalia Analysis. Cabot-Venton, C. USAID 2018.

¹¹ Ibid.

¹² These include research with the University of London under the R2HC (Research for Health in Humanitarian Crises) programme and research involving the School of Oriental and African Studies (SOAS), London.

¹³ Bardach, E (2012) A Practical Guide for Policy Analysis The Eightfold Path to More Effective Problem Solving Fourth Edition

Value	Criteria	Option 1 Status quo: Fragmented range of individual donor-funded programmes	Option 2 (Shadow) Alignment: Stand-alone programme that aligns with existing or future SP programme: full govt-run social protection scheme	Option 3 Vertical Expansion: Work with existing programme to increase benefit value or duration: transitional safety net	Option 4 Horizontal Expansion: Work with existing programme to add new beneficiaries: as a part of the transitional safety net	Option 5 Piggybacking: Use elements of an existing programme or system infrastructure	Option 6 Design Tweaks: Adjusting the design of routine SP programmes	Option 7 Tailored approach (if applicable)
Meeting needs	Efficiency and effectiveness of targeting approach	0	3	2	2	n/a	n/a	n/a
	Appropriateness of nature of support / volume of support	0	3	1	2	n/a	n/a	n/a
	Adequacy of benefits	0	3	1	2	n/a	n/a	n/a
Coverage	Optimal coverage	0	3	1	2	n/a	n/a	n/a
	Proportion of coverage of the targeted population reached	0	3	1	2	n/a	n/a	n/a
Timeliness (prior to programme start)	Timeliness of response to the beneficiary	0	3	3	3	n/a	n/a	n/a
Predictability	Predictability of funding to implementing agencies	0	3	2	2	n/a	n/a	n/a
	Predictability of social assistance support to households	0	3	2	2	n/a	n/a	n/a
Minimising duplication		0	3	3	3	n/a	n/a	n/a
National Capacity	Supports/enables Government-led coordination with long-term development partners	0	3	2	2	n/a	n/a	n/a
	Strengthens inter-linkages with existing SP schemes	0	3	n/a	n/a	n/a	n/a	n/a
	Ends or significantly reduces duplication of delivery systems and processes	0	3	2	2	n/a	n/a	n/a
Long-term sustainability	Extent of government or long-term institutional strengthening	0	3	2	2	n/a	n/a	n/a
	Participatory phasing-out strategy in place	0	3	2	2	n/a	n/a	n/a
Cost Effectiveness		0	2	1	1	n/a	n/a	n/a
TOTAL		0	44	25	31	n/a	n/a	n/a

Notes: SP: social protection;

Scoring system:

High	= 3 Great improvement
Medium	= 2 Some improvement
Low	= 1 Slight improvement
No change	= 0 No change
Negative low	= -1 Slight decline
Negative medium	= -2 Some decline
Negative high	= -3 Great decline
Not applicable	= n.a.

Source: Authors, building on Eugene Bardach (2012) and O'Brien et al. (2018c).

What happens next

- ◆ A Donor Working Group is in the process of being formed and Terms of Reference (TORs) agreed on.
- ◆ A Technical Assistance Facility (TAF) will support international donors to Somalia in their dialogue on a social safety net system, through the DWG, with FGS, FMS and other Somali institutions. It will facilitate dialogue and understanding of governance, systems, policy, financing and technical processes.
- ◆ It is foreseen that the TAF will be able to absorb additional contributions from other donors, who may opt for the provision of short-term and/or long-term experts on relevant issues, as well as helping integrate additional initiatives from other donors.
- ◆ A prioritised agenda for policy and technical issues to be worked through, needs to be agreed.

EU role in facilitating progress

EU DEVCO and ECHO staff in Somalia are jointly engaged in an analysis and exploration of developing a transitional safety net. To this end, a Donor Working Group has been convened. The DWG will liaise with government and coordinate the development of priority policies and approaches

as outlined above. The design of an integrated development programme has been approved, including a component implementing a safety nets approach. This will be responsive to the principles set out in this case study.



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