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**GOVERNMENT OFFICES**  
**Ministry for Foreign Affairs**

**Policy framework for Sweden's development cooperation with Somalia**

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**Introduction**

Despite progress in terms of Somalia's political development, conditions in the country are still highly unstable and the security situation remains serious. The ongoing peace process is being severely tested and a collapse cannot be ruled out. Sweden will accordingly update its Policy framework and extend the time frame for implementation, while remaining prepared to respond to sudden changes on the ground.

**1. Political starting points for Swedish support**

After 18 years of conflict and the absence of a functioning central government, Somalia is currently engaged in its 15<sup>th</sup> peace attempt. The previous attempt to restore peace – the 2004 Mbagathi Agreement – resulted in a Transitional Federal Charter under which a transitional parliament and government were established. Despite high initial hopes for the agreement, however, fighting has continued inside the country, with the transitional institutions – the parliament, the presidency and the government – unable to maintain control except in small, highly localised areas. After Islamic groups declared a 'jihad' against both the transitional government and Ethiopia, Ethiopian troops entered Somalia at the end of 2006. The UN at once authorised the African Union (AU) to deploy a force of 8,000 troops in Somalia. By the spring of 2009, however, the force – the African Union Mission in Somalia (AMISOM) – had only succeeded in mobilising half the authorised number of troops. For capacity reasons, the area of operation has been limited to the capital, Mogadishu.

A new peace process – the Djibouti Peace Process – was initiated in 2008. Talks were held under UN auspices between representatives of the Transitional Federal Government (TFG) and the main constituent parties of

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the opposition Alliance for the Re-liberation of Somalia (ARS). On 9 June, the parties to the talks concluded a peace agreement. Among its terms were the withdrawal of Ethiopia, deployment of an international stabilisation force, cessation of hostilities, and the establishment of two committees tasked with addressing the continuation of the political process and security issues respectively. The parties subsequently reached agreement on the details of a cease-fire and the establishment of a coalition government. The parliament was then expanded to include more seats for the opposition. The expanded parliament has elected a new president, approved a new prime minister and a new, broad-based transitional government, and extended the transition period by two years to August 2011. Ethiopia has withdrawn its military forces and a process involving the formation of a joint Somali security force has been initiated. Dialogue between the Somali government and groups which have remained outside the political settlement will continue under the Djibouti Process.

Progress made since the process was launched has prevented a collapse of the transitional governing institutions and rekindled cautious hope that this time Somalia will succeed in uniting old and new, irreconcilably hostile groups in a peaceful and lasting solution. However, the fundamentalist armed groups, which are opposed to all compromises, pose a real threat to the government and the political process. Meanwhile, the new leadership, which faces numerous challenges, must deliver concrete results in order to win support from groups that are hesitant about participating in the political process. The government must demonstrate that it can handle the dire humanitarian situation and get the basic economy moving. The latter will also help generate increased income opportunities for many young people who see few other openings than organised crime or enlisting in fundamentalist armed groups.

Sweden is active in, among other groups, the International Contact Group for Somalia and is a central actor within the EU in shaping overall EU involvement in and support for peace, reconciliation and development in Somalia.

## **2. Aims and objectives of Swedish development assistance to Somalia**

Sweden's engagement in Somalia is aimed at promoting lasting reconciliation, stability and the re-establishment of effective governance, objectives essential to the achievement of the overall Swedish goal of poverty reduction. This is consistent with the over-arching goal of Swedish development cooperation: to help create conditions that will enable poor people to improve their living conditions. An overall framework for international development assistance to Somalia, the Reconstruction and Development Programme (RDP), has been drawn up under UN auspices in cooperation with the Transitional Federal Government. The framework

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was developed through a broad-based, country-wide process involving numerous Somali stakeholders. Ownership of the document is thus shared between the Somali authorities, Somali civil society and the international community. The objectives of the RDP are to strengthen and advance peace and reduce poverty. Sweden also contributes to RDP implementation through its development cooperation goal.

Efforts to enhance aid effectiveness must be guided by the Paris Declaration on Aid Effectiveness, the Accra Action Plan to Reform Aid Delivery and the OECD/DAC guidelines on engagement in fragile states.

EU and UN policies and support to Somalia provide a platform for Swedish support, which is largely channelled through UN bodies. In light of the highly precarious situation in Somalia, there is a need for continual analysis and readiness to reset priorities regarding the extent and direction of Swedish development assistance. The Ministry for Foreign Affairs and the Swedish International Development Cooperation Agency (Sida) will engage in close, continuous dialogue on developments in Somalia and their possible effect on the orientation of Swedish support. If changes in Somalia during the period covered by this decision should necessitate a change in approach, the Ministry for Foreign Affairs, in consultation with Sida, will ensure that the Government can decide on the appropriate adjustments to be made.

Swedish development assistance to Somalia will target the following areas:

- RDP Pillar 1: “Deepening peace, improving security and establishing good governance”. Support under this pillar will be extended for peace, reconciliation and stabilisation efforts in Somalia on the basis of existing and possible future agreements within the Djibouti Peace Process framework.
- RDP Pillar 2: “Investing in people through improved social services”. Support will be provided to help poor people in conflict-ridden areas gain access to social services.
- Support to Swedish NGOs through the so-called NGO appropriation, *inter alia* for activities aimed at meeting social needs, conflict prevention and reconciliation.
- Support via the EU joint development assistance budget and through participation in the strategic management of the EU programme for Somalia.

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- Humanitarian assistance through the UN and NGOs, e.g. the UN Consolidated Appeals (CAP), the UN Central Emergency Response Fund (CERF), the UN High Commissioner for Refugees (UNHCR), the UN World Food Programme (WFP) and the International Committee of the Red Cross (ICRC).

If it is to function effectively, Swedish development assistance to Somalia must be flexible, creative and coordinated with other donors. Long-term planning is hampered by the often unpredictable developments inside the country. A good level of preparedness should be maintained in order to rapidly meet any emerging need for support for reconciliation, conflict prevention or related interventions aimed at strengthening implementation of the agreements reached under the Djibouti Process. This is crucial both to the achievement of a lasting political solution and the creation of conditions needed to overcome Somalia's lagging development and widespread poverty after 18 years of conflict.

***2.1 Support aimed at deepening peace, improving security and establishing good governance. The points of departure for Swedish support in this area are the Djibouti Process agreements, the Transitional Federal Charter and the Transitional Federal Institutions (TFIs).***

The Djibouti Peace Process and its agreements, together with the Transitional Federal Charter, now form the basis of support to Somalia from the international community, including Sweden. A number of key issues will be addressed during the transitional period. These include the future constitution, reconciliation processes, disarmament and demobilisation, and ownership of land appropriated, after years of fighting, by groups with no legal claim to it. Women's participation is of particular importance here. Support for institution-building measures should be channelled primarily via the special UN funding mechanisms developed for this purpose. Sweden will take an active part through Sida in the strategic management of such mechanisms. Where applicable, this will include evaluating the effectiveness in terms of results of the use of funds.

The continued peace and reconciliation process in Somalia is contingent on the successful mobilisation of broad political support for a lasting resolution of the conflict which has ravaged the country for so many years. Sweden must remain prepared to deploy funds at the disposal of the embassy in Nairobi to provide rapid and effective support for reconciliation and dialogue initiatives in south/central Somalia and elsewhere in the country or in the region as a whole.

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One of the greatest challenges in Somalia is the establishment of a functioning disarmament and demobilisation process. To achieve this, international monitoring will probably be necessary, for example within the framework of AMISOM or its successor. Sida should be prepared to contribute to security sector reform (SSR) in accordance with internationally agreed guidelines, including the formation of a civilian police force and disarmament, mobilisation and reintegration (DDR).

***2.2 Investing in people through improved social services. The point of departure for Swedish support in this area is access to social services by poor and conflict-afflicted people.***

Despite the serious security situation in large parts of the country, efforts are being made to develop long-term sustainable systems capable of providing healthcare, education, clean water and sanitation, and social protection for neglected and conflict-afflicted groups. Particular emphasis should be given in this connection to efforts to develop and strengthen Somali capacity and ownership. Efforts should also be made to ensure that the most marginalised groups – often women and children – can take part in designing, developing and accessing these services. Joint donor mechanisms and development assistance programmes in the social sectors will be sought.

***2.3 Support to non-governmental organisations***

Where possible and appropriate, Sida should continue to ensure that a substantial proportion of its assistance is channelled to and implemented by NGOs active in Somalia. This applies to both Swedish and international organisations. To foster an active civil society in Somalia and contribute to capacity development, support should, where possible, increasingly include domestic Somali organisations such as women's and youth organisations, and organisations active in the human rights and media spheres.

***2.4 Support via the EU common development assistance budget and participation in the strategic management of the programme for Somalia***

Sweden contributes to EU initiatives in Somalia via support to the EU's common development assistance budget and the European Development Fund. A Joint Strategy Paper has been drawn up for the period 2008–2013. Sweden has participated in this process and will continue to be an active contributor in the strategic management of the programme.

***2.5 Humanitarian assistance***

A sizable proportion of Somalia's population has required humanitarian assistance in recent years, and the need for this form of assistance is

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expected to remain undiminished in the coming years. High preparedness for rapid response to humanitarian needs in Somalia should be maintained, whether these arise as a result of natural disasters such as drought or floods, or as a consequence of inadequate security and armed conflict – or a combination of these. Mutually reinforcing collaboration between humanitarian and long-term interventions should be sought.

In the context of Sweden's broader organisational support to humanitarian aid organisations, such as UNHCR, WFP, the UN Office for the Coordination of Humanitarian Affairs (OCHA) and CERF, the Swedish Ministry for Foreign Affairs, Sida and the Swedish embassy in Nairobi must seek, through bilateral dialogue and in other ways, to gather concrete experience of and focus particular attention on interventions affecting Somalia. Critical experience gained in the course of Sweden's own field visits should be constructively communicated to the respective organisations.

Humanitarian assistance is governed by the Swedish Government's policy on humanitarian assistance and Sida's strategy for humanitarian assistance, the objectives of which are to save lives, alleviate suffering and uphold human dignity in disaster situations. With respect to humanitarian assistance to Somalia, particular attention should be paid to the following issues:

- Safe and unhindered access to those in need from all local parties in Somalia in accordance with the Djibouti Process agreements, and greater awareness in Somalia of international humanitarian law and humanitarian principles.
- Coordination and coherence within the donor community with regard to conditions governing aid provision in conflict-ridden areas and situations, and regarding interventions in areas controlled by terrorist-labelled organisations or leaders.
- Conditions applying to internally displaced persons (IDPs) in Somalia and Somali refugees in Kenya and elsewhere in the region.
- Women's participation in the planning and distribution of humanitarian assistance.
- The contribution of humanitarian assistance to local reconciliation efforts and the provision of schooling, health care and other social activities of importance for people's ability to create acceptable living conditions as a first step on the road to recovery.

### **3. Coordination with other donors**

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Sweden will continue – both locally (until further notice in Nairobi) and centrally – to push for the need for effective coordination of development assistance with other donors. This issue is the concern of the Coordination for International Support for Somalia (CISS), a mechanism which brings together international NGOs, the UN and other donors. Of particular importance within this structure is the Somalia Donor Group (SDG). Coordination in this context involves reaching consensus on development in the country and working out a unified approach to relevant institutions and actors in Somalia. It bears on the link between the political dimension of development and the positive or negative effects assistance may have on this. It also applies to the coordination of resource management, bearing in mind that Somalia currently lacks the necessary capacity or systems to ensure responsible, transparent handling of funds. Technical assistance also requires coordination in order to avoid duplication and ensure the most effective use of available expertise.

To create a system capable of achieving the high degree of coordination required with regard to interventions by the international community in Somalia, Sweden proposed the establishment of a Coordination and Monitoring Mechanism (CMC). The mechanism was, however, unable to fulfil its potential owing to the transitional government's unwillingness to take part in international coordination efforts. The recently begun work of mobilising support for the expanded transitional government's programmes and capacity, including previous reconstruction measures as new areas are stabilised, will require harmonisation between traditional and new donors (e.g. Arab countries), as well as the coordination of specific support measures. The question of introducing a similar coordination mechanism should therefore be taken up without delay. Working in consultation with other donors and the UN, specifically the UN Political Office for Somalia and UN aid agencies, and within initiatives such as the Coordination of International Support for Somalia (CISS) and the SDG, Sida will take part in efforts to ensure effective aid coordination, including links to political support for a lasting solution in Somalia.

#### **4. International donor conference for Somalia**

Sweden has undertaken to participate in the planning of an international donor conference on Somalia, with Italy as the main organiser. The date of the conference will depend on developments in Somalia. Sweden will continue to be an active partner in the now ongoing conference preparations along with other interested parties, including the UN and the World Bank. The Ministry for Foreign Affairs and Sida will together work to ensure that any conference or conferences concerning Somalia are results-oriented and as well prepared as possible.

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**5 . Support to promote constructive involvement of the diaspora**

Sida will work to facilitate constructive use of the knowledge, skills and expertise among Swedish Somalis living in Sweden in the reconstruction work under way in Somalia. Sida, in consultation with other authorities, non-governmental and international organisations and countries with large numbers of exile Somalis, should develop forms of support appropriately designed to promote constructive participation by the Somali diaspora in the reconstruction of Somalia. Sida will be expected to apprise the Ministry for Foreign Affairs of the forms of support developed and how work in this area will proceed.

**6. Risk management**

Development assistance to Somalia takes place in an extreme, high risk environment. Awareness of and readiness to handle the dangers are essential. Follow-ups of aid interventions are hampered by lack of or inadequate security, and thereby access. There are no adequate systems for handling development assistance provision, such as banks, auditing firms and the possibility of instituting legal proceedings in the case of a breach of agreement. Most assistance provision is dependent for its implementation on local actors, often with limited capacity. Accounting requirements need to be adapted to the specific conditions prevailing in Somalia, as well as to the aid modalities used. Sweden will accordingly encourage implementing bodies to develop suitable follow-up procedures. Sweden will also support the development of bookkeeping and accounting procedures adapted to the specific circumstances surrounding programme and project implementation. The implementing organisations will otherwise adhere to recognised accounting principles, including common principles for external controls and fund utilisation. The risk picture should be a matter for discussion during consultations between Sida and the Ministry for Foreign Affairs.

**7. Extent and volume of Swedish support**

Swedish support to Somalia will cover the whole of the country, i.e. northern and central Somalia, Puntland and Somaliland. Account must be taken of regional variations in terms of needs, the security situation and the prospects of achieving stated goals. Support to Somaliland, which has a special political status (though a part of Somalia, it is not covered by the Transitional Federal Charter), could be channelled directly to authorities or other actors in Somaliland. Puntland will be treated as part of the Transitional Federal Charter and the Transitional Federal Institutions. However, its current, decentralised self-governing status will be taken into account in order to ensure aid effectiveness.

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In 2008, a total of SEK 201 million in development assistance was disbursed to Somalia. Of this, SEK 57 million was allocated under Sida's country strategies framework, a further SEK 3.7 million was channelled via NGOs and SEK 140 million went in humanitarian assistance, a percentage of which was allocated to Somalia out of Swedish core support to UN humanitarian organisations and CERF. Longer-term development assistance is planned: SEK 80 million in 2009 and SEK 90 million in 2010. Humanitarian aid, which is strictly needs-based and contingent on the country's implementation capacity, is expected to reach approximately the same level as in 2008, namely SEK 140 million, in 2009 and 2010. The volume of assistance will depend entirely on the prospects of providing effective and results-oriented support in Somalia.

Swedish support to Somalia should be broadened as conditions make it increasingly possible to support emerging national, regional and local administrations. Support for institution-building, capacity development and reconstruction are critical to Somalia's ability to build up a functioning government administration.