

44. Country profile: Somalia



1. Development profile

The political situation in Somalia has been uncertain since civil war began in 1991. The lack of an effective central government has been one of the causes of worsening infrastructure, decline in basic health and social services, violation of human rights and one of the worst socioeconomic situations in the world. Humanitarian organisations have referred to the situation in Somalia as “the worst crisis on the continent.”¹

In 2007, violence broke out in Mogadishu that resulted in deaths of hundreds of civilians and a strong increase in violation of human rights. 8,000 people were requested from The African Union Peace Support Mission for Somalia, but only 1,700 people were deployed. They have succeeded in securing an area of about 5 km radius of Mogadishu which includes the airport.² Violence has also broken out in the regions of Puntland and Somaliland, where both regions claim ownership of the area located around the city of Las-anod, which has resulted in the area being completely without any government structure. Somaliland has proclaimed its right to independence and bombings, and terrorist activities have occurred there as recently as 26 January 2010.³ The lack of authority and civility has enabled Islamic radicals and militants, who are sympathetic to Al-Shabab (the group waging war against the Somali Government), to thrive and operate. UNICEF accused Al-Shabab “of undermining its operations by taking over its compound in the town of Jowhar, putting the lives of 40,000 children at risk.”⁴ Kidnappings and piracy in Puntland have led to an international relations crisis and emphasises the Government’s complete lack of control of national security. Rebel groups engage in piracy and steal humanitarian aid that is meant for the vulnerable population. The resentment of the presence of Ethiopian troops has exacerbated the volatile situation, “seriously constraining humanitarian delivery and emergency operations in the centre and south of the country.”⁵ Despite its

¹ *Somalia-HIV Humanitarian Overview*. (n.d.). Retrieved from HIV in Humanitarian Situations: http://www.aidsandemergencies.org/cms/index.php?option=com_content&task=view&id=68&Itemid=139

² Ibid.

³ *Analysis: Explosions Raise Fears over Somaliland Stability* (2010, January 29). Retrieved from IRIN: Humanitarian News and Analysis. <http://www.irinnews.org/Report.aspx?ReportId=87918>

⁴ *UN Interview: Somali Remittances hit by global Financial Crisis*. (2009, June 23). Retrieved from Inside Somalia. <http://insidesomalia.org/200906231337/News/Business/UN-Interview-Somali-remittances-hit-by-global-financial-crisis.html>

⁵ *Somalia: Country Brief*. (n.d.). Retrieved from World Bank. <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/SOMALIAEXTN/0,,menuPK:367675~pagePK:141132~piPK:141107~theSitePK:367665,00.html>

extremely weak institutional capacity, the current Government is trying to stay in place until national elections are held in 2011.

Two decades of conflict, combined with natural disasters, have rendered 40 percent of the population in critical need of help in 2009; this is the “largest proportion of the population requiring relief of any country in the world.”⁶ The entire country is chronically food insecure and starvation and disease pose constant threats to survival for thousands of people. Another threat has arisen from recent flooding, that has lowered the food security in the riverine areas of the Juba and Shabelle Valleys even more.⁷ One in six children under the age of 5 is chronically malnourished and rates of acute malnutrition in rural populations exceed 20 percent. Displaced populations also exhibit high levels of malnutrition and food insecurity. Life expectancy is only 47 years and, “under-five and maternal mortality rates are a staggering 156 and 1013 per 100,000 live births, respectively... Only 29 percent of the population has access to an improved water source and 25 percent to improved sanitation facilities.”⁸

At 22 percent, the enrolment rate for primary school is the lowest rate in the world and twice as many boys as girls are enrolled in primary and secondary school. Another concern is illiteracy with every fifth person being illiterate.⁹

Somalia is a very poor country, one of the poorest in the world, with an income per capita of \$226 USD in 2002 where the average in Sub-Saharan Africa is \$515 USD. It is estimated that 43 percent of the population of 9.0 million are living in extreme poverty, meaning that they are living for less than \$1 USD per day. Also the general poverty, living for less than \$2 per day, is very high with 73 percent in urban areas and as high as 80% in rural areas. Income inequality is also a significant issue, “with the poorest 10 percent of the population receiving only 1.5 percent of total income.”¹⁰ The conditions regarding insecurity and access to services and infrastructure are even worse than before the civil war.¹¹ Somalia is currently not listed in the Human Development Index but ranked 161 out of 163 countries in 2001.

However, in light of the conflict, shocks, and poor infrastructure, Somalia has maintained a fairly healthy informal economy, “largely based on livestock, remittances/money transfer companies, and telecommunications.” Agriculture is by far the most important sector and livestock accounts for 40 percent of GDP and more than 50 percent of export earnings. The reliance on livestock is reflected by the fact that a large portion of the population is nomadic herders and semi-pastoralists. On the other hand, the industrial sector is almost nonexistent, as many factories have been looted and sold as scrap metal. One bright spot is the telecommunications sector, which provides wireless service to most cities and offers the lowest call rates in Africa. Money transfer institutions have also done well, since Somalia has no formal banking institutions, handling about \$1.6 billion USD in remittances annually.¹²

⁶ *Somalia*. (n.d.). Retrieved from DFID: <http://www.dfid.gov.uk/Where-we-work/Africa-Eastern--Southern/Somalia/>

⁷ *Ibid.*

⁸ *Somalia: Country Brief*. World Bank

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *Ibid.*

¹² *Somalia*. (2010, January 15). Retrieved from US Government, Central Intelligence Agency: <https://www.cia.gov/library/publications/the-world-factbook/geos/so.html>

Socioeconomic indicators ¹³	
Population (millions)	9.0
GNI per capita, PPP (current USD)	n/a
GDP (current USD) (billions)	5.665
GDP composition by sector 2005 (%)	Agriculture - 65 Industry- 10 Services- 25
GDP growth rate (%)	2.8
Percent below poverty line (%)	n/a
Inflation (%)	n/a ¹⁴
GINI index	n/a
Adult literacy rate (%)	37.8
Life expectancy (years)	50
Child dependency ratio	85.7
Elderly dependency ratio	5.2
HIV prevalence (%)	0.1
Overseas development aid per capita (current USD)	44
Net official development assistance (USD millions)	n/a
Remittances as % of GDP	18 ¹⁵
2009 Human Development Index (HDI) ranking	Not ranked

2. Vulnerability analysis

2.1 External shocks

The 2008 economic slowdown has cut remittances from Somalis abroad by about 25 percent.¹⁶ The flow of aid and goods into the country has also slowed, as donor nations do not have as much capital to fund humanitarian projects. For the past two decades, Somalia has been dealing with sequential and overlapping shocks; for example the drought in 2006 that forced many people to migrate to areas around central water sources, resulting in overgrazing of land and depletion of the water supply.¹⁷ This year the rainfall has been above average which has resulted in increased livestock and crop production in many areas of Somalia, but at the same time resulted in floods that have destroyed crop

¹³ *Human Development Report*. (2009). Retrieved from UNDP.

¹⁴ Businesses print their own money, so inflation cannot be easily determined.

¹⁵ Sheikh, H. and Healy, S. *Somalia's Missing Million: The Somali Diaspora and its Role in Development*. (2009, 13 March). www.so.undp.org/.../70-Forging-Partnerships-with-the-Somali-Diaspora.html

¹⁶ *UN Interview: Somali Remittances hit by global Financial Crisis*. Inside Somalia.

¹⁷ *Somalia afflicted by worst drought in decade*. (2006, February). Retrieved from United Nations Children's Fund: http://www.unicef.org/infobycountry/somalia_30967.html

and caused infrastructure damage in other areas.¹⁸ Both cases illustrate Somalia's vulnerability to external shocks.

2.2 HIV/AIDS

The estimated number of people living with HIV has increased from 17,000 in 2001 to 24,000 in 2007 but the prevalence rate has remained at level of 0.5 percent, which is below the average African prevalence rate.¹⁹ The HIV prevalence rate differs in different areas of Somalia, from 0.5 percent in South Central Somalia to 1.4 percent in Somaliland.²⁰ The number of orphans due to AIDS has increased rapidly from about 2000 in 2001 to more than 8000 in 2007. Another current issue is that less than 500 people receive antiretroviral therapy but there is an immediately need for antiretroviral therapy for 6,300 people.²¹

Somalia is a Muslim country and the use of condoms is reported to be illegal²², which also comes clear from WHO estimates of the contraceptive prevalence rate for condoms being 0.0 percent. At the same time, only 4 percent of young people can correctly identify two ways of preventing sexual transmission of HIV²³. Both of those can be important factors when it comes to keeping the prevalence rate low. Currently sexual transmission and unsafe health practices, like contaminated blood supplies, are the primarily reasons behind getting infected with HIV. Somalia has a Strategic Framework and an Integrated Prevention, Treatment, Care and Support Plan in different areas of Somalia to prevent the continuing contamination of HIV.²⁴

2.3 Foreign aid and remittances

The Somali diaspora is estimated by United Nations Development Programme to count more than one million people. The annual remittances to the country are as high as \$1 billion USD, which is about the same as 18 percent of the nation's gross domestic product.²⁵ Recently, "There has been significant (but unmeasured) private investment in commercial ventures, including in trade and marketing, money transfer services, transport, communications, airlines, telecommunications, construction and hotels, education and health, and fishery equipment, largely funded by the large remittances from the

¹⁸ *Somalia – Complex Emergency*. (2010, July). Retrieved from United States Agency for International Development: http://www.usaid.gov/locations/sub-saharan_africa/somalia/

¹⁹ *Somalia: Epidemiological Fact Sheet on HIV and AIDS*. (2008, September). Retrieved from World Health Organization: http://apps.who.int/globalatlas/predefinedReports/EFS2008/full/EFS2008_SO.pdf

²⁰ *Somalia-HIV Humanitarian Overview*. (n.d.). HIV in Humanitarian Situations. http://www.aidsandemergencies.org/cms/index.php?option=com_content&task=view&id=68&Itemid=139

²¹ *Somalia: Epidemiological Fact Sheet on HIV and AIDS*. World Health Organization.

²² *Somali Muslim group bans condoms* (2003, December). Retrieved from BBC news: <http://news.bbc.co.uk/2/hi/3340611.stm>

²³ *Somalia: Epidemiological Fact Sheet on HIV and AIDS*. World Health Organization.

²⁴ *Somalia-HIV Humanitarian Overview*. HIV in Humanitarian Situations.

²⁵ Saltmarsh, M. *Somalis' Money if Lifeline for Homeland*. (2009, November 11). Retrieved from *New York Times*. http://www.nytimes.com/2009/11/12/world/africa/12remit.html?_r=1

diaspora.”²⁶ The remittances have helped to offset a significant drop in per capita output for Somalia. Overseas Development Assistance amounted to \$384 million USD in 2007.²⁷

2.4 Civil insecurity

The humanitarian and security situations in Somalia continue to severely deteriorate, particularly in light of the surge in fighting since early May. Over the past several months, various reports have pointed to ongoing violence, targeted killings, and civilian casualties committed by all parties to the conflict.²⁸ Recent conflict has caused a collapse of central Government, widespread human rights abuses, and the displacement of more than one million people. Economic activities have been disrupted and the uncontrolled printing of currency to fund rebel groups, “has meant that Somali Shillings have flooded the markets, rapidly increasing the money supply, sending the value of the Shilling into freefall and causing hyperinflation, with price increases of between 200% and 700% within just six months.”²⁹ In Mogadishu, the Shilling depreciated about 50 percent in six months during 2007, indicating severe hyperinflation.

Because of this rapid depreciation, import prices have also drastically increased. The price of imported rice, which is the main staple food- amounting to 60 percent of the country’s total cereal requirements, more than tripled.³⁰ Local food production is not adequate to meet the increased demand and subsequently, prices have tripled as a function of supply and demand. Most of the population has no means to cope with the rapid price increases and they cannot afford food, water, and fuel. They are forced to take their children out of school, reduce the amount of medicine they buy and cut out other basic necessities in order to buy food. Many are even more reliant on remittances to meet their needs. Another issue is the killing and abduction of aid workers, which has discouraged, and even caused the cessation of international humanitarian aid.³¹

Piracy in South-central Somalia and Puntland has caused a foreign relations crisis and devastated the effective delivery of aid, as rebels steal humanitarian aid bound for the most vulnerable population. The Government has no capacity to deliver basic social services and maintain basic infrastructure, leading to the deterioration of education, healthcare, sanitation, and water supply. The lack of stability is a serious and significant deterrent to foreign investors.

²⁶ *Somalia: Country Brief*. World Bank

²⁷ *Data Profile*. (n.d.). Retrieved from World Bank: http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?&CF=&REPORT_ID=9147&REQUEST_TYPE=VIEWADVANCED

²⁸ *Oxfam’s remote partnerships, monitoring and evaluation mechanisms in Somalia*. (2009, December). Retrieved from Oxfam: ec.europa.eu/echo/files/about/actors/.../2009/Presentation5b_Oxfam.pdf

²⁹ Holleman, C. *Conflict, economic crisis and drought: a humanitarian emergency out of control*. (2008, October). *Humanitarian Exchange Magazine*. Issue 40. <http://www.odihpn.org/report.asp?id=2944>

³⁰ Holleman, C. (2008)

³¹ Ibid.

3. Monitoring and evaluation

As there is no functioning government in Somalia, there is no monitoring and evaluation system. NGO's and aid agencies working in the area conduct their own monitoring and evaluation.

4. Social Assistance Programmes Overview

*All currency conversions are based on 17th February 2010 Rates

- 1 SOS = 0.00065 USD
- 1 EUR = 1.369 USD
- 1 GBP = 1.57161 USD.³²

Programme#1: cash for work	Programme name	Cash for Work ³³
	Programme components	<ul style="list-style-type: none"> • Selected projects were designed to be work-intensive and to benefit the whole community, with communities making the final decision. • The choice of water catchment rehabilitation as an activity was based on participatory methods of problem identification and problem ranking by villagers.
	Programme duration	<ul style="list-style-type: none"> • June 2004 - October 2005.
	Programme coverage	<ul style="list-style-type: none"> • Almost 25,000 direct beneficiaries.
	Beneficiary determination process	<ul style="list-style-type: none"> • This was in line with preliminary ACF assessments as well as the wealth rankings of the Food and Security Analysis Unit (FSAU) of the United Nations Food and Agriculture Organisation (FAO). • The selection of beneficiaries occurred at the village and household level, with geographical targeting serving as the initial filter. • Fifty-five villages were assessed using Participatory Rural Appraisal methods to obtain information on village populations, main livelihood systems and their viability, availability of water, and access to transport and amenities, such as shops. • A participatory wealth ranking exercise was carried out and subsequently crosschecked at the household level. • At least 20 households in each of the assessed villages were interviewed. • Information was gathered on possession of assets (livestock, tools, land and stock), coping mechanisms and level of indebtedness. • Data were compiled using an aggregation system of standardizing livestock ownership to allow for a comparison between different villages. Communities with the highest proportion of identified vulnerable households (based on

³²Currency Converter. (n.d.). Retrived from OANDA: <http://www.oanda.com/currency/converter/>

³³ Table text from Mattinen, H. and Ogden, K. *Cash-based interventions: lessons from southern Somalia*. (n.d.) Retrieved from Overseas Development Institute: www.odi.org.uk/events/cash_transfers/Articles/Disasters_Mattinen.pdf

		<p>wealth ranking, especially livestock ownership) were selected.</p> <ul style="list-style-type: none"> The final beneficiary selection criterion (defined by the communities at the village level) had livestock ownership as its determining factor (that is, no camel, no cattle and no more than five sheep or goats).
	Finance	<ul style="list-style-type: none"> Novib/Oxfam Netherlands provided the funds. \$138,891 USD was distributed to 4,029 households, reaching almost 25,000 direct beneficiaries. During the first two phases of the project, a total of \$83,199 USD was distributed to 2,859 families: an average of \$29.9 USD per family for the completion of 10–12 days of work. During the third phase, 1,170 households received \$47.6 USD for the completion of 20 days of work (\$55,692 USD in total).³⁴
	Administrative framework	<ul style="list-style-type: none"> Action Contre la Faim (ACF) implemented the project
	Monitoring and evaluation	<ul style="list-style-type: none"> Monitoring took place in 2 phases: monitoring of the project work; and post-distribution monitoring (PDM) of the distributed cash or vouchers. ACF water and sanitation team surveyors, together with the water catchment committees, monitored work in each water catchment area once a week. Once the work was finalised, ACF monitors approved the cash or voucher distribution. Two weeks after payment, ACF returned to the respective communities to carry out PDM. Structured household surveys were conducted with approximately 10 per cent of beneficiaries. The main aim was to assess the level of satisfaction among beneficiaries and to evaluate whether the project had met its objectives. Utilisation of cash was the key indicator. Apart from household surveys, semi-structured focus group discussions and interviews with key informants were organised to appraise the qualitative aspects of the project, but these remained extremely limited and sporadic.
	Programme barriers	<ul style="list-style-type: none"> The timing of the project was adequate for water catchments, but affected the restocking goal negatively during the first phase. The distribution took place during the hunger gap and after a harvest failure—food stocks being low, households legitimately preferred investment in immediate basic needs to other aims. The amount of cash was calculated for the most part by taking into account the restocking objective and following the traditional pattern of restocking among the poorest households. It was seen to be too low to allow both for the satisfaction of basic needs as well as restocking, especially during the hunger gap.

³⁴ Mattinen, H. and Ogden, K

		<ul style="list-style-type: none"> During the first phase of the project, the price of sorghum was 62 percent higher than during the subsequent post-harvest season, and despite these poor cash-to-food terms of trade, much of the cash went towards buying food. If food availability in the markets was sufficient and supply deemed flexible, distributing a higher amount of cash could have allowed for coverage of both food and restocking needs. By contrast, increasing the amount of cash while supply was limited could have caused inflation, whereas an external food injection could have helped to stabilize prices. As experienced by ACF, the size of the payment in Somali shillings during the second phase rose unexpectedly due to the revaluation of the local currency. In order to keep the payment per working day intact, the number of working days was increased. Distributing foreign currency, such as US dollars, would have further augmented concerns about exchange rates. Monitoring was the least participatory part of the project. Key data was collected through structured questionnaires, leaving little room for open and frank discussion and inclusion of unexpected information. Cash-based projects would benefit from more participatory evaluations, allowing communities greater expression. This could lead to new programming insights. Cash enabled beneficiaries to address their basic needs, according to their own priorities, and to take control of the relief themselves. Nevertheless, this empowerment was limited by the fact that ACF set restocking as a specific programme objective (albeit de facto only on paper).
--	--	--

Programme# 2: unconditional cash transfer	Programme name	Cash Relief Programme(stop-gap measure)³⁵
	Programme objective	<ul style="list-style-type: none"> The programme aimed to increase the purchasing power of vulnerable households, reduce pressure on local social support systems and improve health and nutrition.
	Programme components	<ul style="list-style-type: none"> The programme provided the most vulnerable households in Sool and Sanaag with temporary one-off payments of \$50 USD, to meet food, water and medical needs over a six-week period.
	Programme duration	<ul style="list-style-type: none"> 21 December 2003 to end January 2004.
	Programme coverage	<ul style="list-style-type: none"> 13,830 drought-affected households.
	Beneficiary determination process	<ul style="list-style-type: none"> The target group comprised the most structurally vulnerable drought-affected pastoral communities in Sool and Sanaag. These included women-headed households, the disabled and the elderly.
	Finance	<ul style="list-style-type: none"> The project was funded by Novib/Oxfam Netherlands, who distributed a total of \$691,500 USD to 13,830 drought-affected households, making it the largest cash response ever mounted in Somalia.
	Administrative framework	<ul style="list-style-type: none"> The programme was implemented by Horn Relief and Norwegian People's Aid (NPA).

³⁵ Table text from Ali, D. Toure, F. and Kiewied, T. *Cash relief in a contested area: lessons from Somalia*. (2005, March). Retrieved from Humanitarian Practice Network (HPN), Overseas Development Institute: www.odihpn.org/download.asp?id=2627&ItemURL...pdf

	Monitoring and evaluation	<ul style="list-style-type: none"> • Clear monitoring agreements were negotiated with the beneficiaries, the VRCs and the money-transfer companies, and specific clauses were included in the agreement between the three partner organisations (OCHA, Horn Relief and NPA). • Horn Relief and NPA/SVO staff deployed in the field reported on a daily basis, tracing teams' locations, assessing progress and noting any unexpected security incidents.
	Programme barriers	<ul style="list-style-type: none"> • Politically, the cash intervention antagonised the Somaliland government, which chose to believe that the cash would be used to buy arms and <i>qat</i> on behalf of the Puntland administration, instead of for investment in livelihood restoration. • There were programming difficulties; it proved hard to get hold of sufficient cash in the right denominations, for example, and a combination of factors including exchange-rate fluctuations meant that some beneficiaries received substantially less in local currency than others. • Due to the fact that the programme was designed as a stop-gap measure to stabilize the communities until long-term interventions were implemented, its effects were diminished because the follow-on interventions only got under way several months after the cash was distributed.