

Operational Plan 2011-2015

DFID Somalia

Updated June 2012

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Introduction

The UK Government is determined to help reduce the inequalities of opportunity we see around the world today. We believe that promoting global prosperity is both a moral duty and in the UK's national interest. Aid is only ever a means to an end, never an end in itself. It is wealth creation and sustainable growth that will help people to lift themselves out of poverty.

In May 2010, the International Development Secretary, Andrew Mitchell, commissioned the Bilateral Aid Review to take a comprehensive and ambitious look at the countries in which DFID works through our direct country and regional programmes. The review focussed on the best ways for the UK to tackle extreme poverty, ensuring that we make the greatest impact with every pound we spend. In parallel, through the Multilateral Aid Review, DFID assessed how effective the international organisations we fund are at tackling poverty.

On the 1st March 2011, the key outcomes of the reviews were announced, including the results that UK aid will deliver for the world's poorest people over the next four years. The Bilateral Aid Review has refocused the aid programme in fewer countries so that we can target our support where it will make the biggest difference and where the need is greatest. The Multilateral Aid Review findings enable us to put more money behind effective international organisations which are critical to delivering the UK's development priorities. In addition the independent Humanitarian Emergency Response Review looked at how the UK can build on its strengths in responding impartially to humanitarian needs and help ensure future disaster responses can be better prepared and coordinated.

DFID is committed to being a global leader on transparency. In the current financial climate, we have a particular duty to show that we are achieving value for every pound of UK taxpayers' money that we spend on development. Results, transparency and accountability are our watchwords and guide everything we do. DFID regards transparency as fundamental to improving its accountability to UK citizens and to improving accountability to citizens in the countries in which it works. Transparency will also help us achieve more value for money in the programmes we deliver and will improve the effectiveness of aid in reducing poverty.

The UK Aid Transparency Guarantee commits DFID to making our aid fully transparent to citizens in both the UK and developing countries. As part of this commitment we are publishing Operational Plans for country programmes. The Operational Plans set out the vision, priorities and results that will be delivered in each of our country programmes.

We will concentrate our efforts on supporting achievement of the Millennium Development Goals, creating wealth in poor countries, strengthening their governance and security and tackling climate change. The prize, in doing so, is huge: a better life for millions of people, and a safer, more prosperous world.

1) Context

After two decades of conflict, Somalia is the **world's most fragile state**¹. The political outlook beyond the mandate of the Transitional Federal Government (TFG), which ends in August 2012, is highly uncertain. The TFG is heavily dependent on the AU Mission in Somalia (AMISOM) to provide security, and at a local level security and minimal basic services are provided largely through informal community institutions. The TFG remains under attack from Al Shabaab (al-Qaeda linked insurgents) and the counter insurgency effort has in recent months drawn Kenyan and Ethiopian troops into Somalia.

The causes of conflict in Somalia are complex. Somalia has known periods of stability and security in recent decades, and some parts of it remain relatively free of violence. But multiple levels of armed conflict and insecurity exist and are increasing in some parts of the country. These include localised communal clashes over resources, political clashes over control of the state and its resources, regional involvement (sometimes through proxies), and violence fuelled by global ideologies. The effects of the conflict are far-reaching. 1.36 million people are internally displaced, and 43% of the population live on less than \$1 a day². The unemployment rate is above 60%³. Women and girls suffer disproportionately – a woman has a 1 in 12 chance of dying during her reproductive years⁴. Years of conflict, drought and flooding have caused a prolonged **humanitarian crisis** and last year Somalia was badly affected by the first famine of the twenty first century. 2.3 million people are estimated to be in need of emergency support⁵.

Instability in Somalia also has broader impacts. It presents risks to regional stability, including in Kenya, Ethiopia and Uganda. It is the source of serious threats to the UK and elsewhere from terrorism, piracy and migration. Somalia is a **priority country for the UK National Security Council (NSC)**. It was the subject of an international conference hosted by the Prime Minister in London in February 2012 at which partners agreed a package of commitments to support Somalia through and beyond the critical transition period in 2012 and to reduce the threat it represents. DFID's work is a core element of the **UK government strategy for Somalia**, which recognises that the underlying causes of instability need to be addressed. DFID staff work as one team with the rest of the UK government, in the British Office for Somalia (BOFS) in Nairobi and alongside the Somalia Unit in London to deliver the strategy.

Somalia is often thought of as three zones, with different characteristics. Semi-autonomous **Puntland** (about 2 million people) has government institutions of its own and a degree of stability, though no aspirations for independence. Like the rest of **South-Central Somalia** (about 3.5 million people) it continues to suffer from insecurity, criminality and the impact of piracy. Nearly 75%⁶ of Somalia's humanitarian needs are in South-Central. Despite the absence of central government institutions, effective development programmes are possible, particularly where local government functions effectively. Meanwhile, the current signs in **Somaliland** (about 2 million people) are more positive. The promising government there could – with the right help - continue progress which might help anchor stability for the rest of Somalia although the risk of spill-over or displaced threats from the south is prevalent. Somaliland currently offers more opportunities for working with government. There is also a firmer basis for regulated economic development, including moving beyond the current emphasis on the livestock sector. But Somalia as a whole has potential in services, notably telecoms, and for growth in fisheries and agriculture. GDP is estimated at around \$220 per capita per annum⁷.

Conflict, insecurity and constraints on access present significant challenges to delivering aid, working with partners, and monitoring and evaluating results. DFID does not have staff based in Somalia although we are making arrangements for staff to be able to spend short periods there more frequently. We work mainly through a **range of trusted UN and non-governmental implementing partners**, who are able to operate on the ground across much of Somalia, and whose work is subject to scrutiny. We are working to diversify this by using more private contractors and other partners.

Somalia has had **14 peace processes over 21 years, which have failed** to achieve peaceful agreement on who has the right to govern the country and how. An inclusive, representative and legitimate national political process and a more accountable national government will need to be delivered if lasting peace in Somalia is to be achieved. The process must support **effective local arrangements for stability and governance**. As was endorsed at the London Conference in February 2012, building on these areas of peaceful governance is key to promoting lasting stability in Somalia.

2) Vision

Overview

DFID aims to promote longer-term stability, and to transform the lives of poor Somalis. The programme has **four pillars: a) governance and peace-building; b) wealth and job creation; c) health care, particularly for women and children; and d) humanitarian assistance**. By working in these areas, we aim both to address the humanitarian effects of the conflict and to consolidate **local areas of stability** by helping communities take control of their own affairs, create jobs, and improve access to women's and children's health and reproductive care. We will also promote government that is more broadly accepted, by helping the central and Somaliland governments to be credible alternatives to militias, and to build on widely accepted local government structures and ways of resolving disputes. We believe we can reduce instability, including its impact on the region and the UK, by reducing incentives for people to participate in violence and crime; reinforcing peaceful ways for communities to agree on the use of resources; undermining reliance on militias for security, food, incomes and services; and by shifting expectations for a stable future from extremists or warlords towards legitimate authorities. There is much to build on, including a strong tradition of business and trade; deep-rooted community mechanisms for governance and resolving disputes; a large, active and sometimes wealthy diaspora; strong nationalist and moderate Islamic traditions; and development projects which are learning how to build on Somalis' own attempts at delivering services and reconciliation. Our plans cover all three geographical zones, recognising the **differences in context and opportunities** and responding to varying and changeable circumstances including opportunities which arise in areas recovered from insurgent control.

As part of the UK cross-government team, we work with like-minded partners in support of a coherent international approach to political, development and humanitarian issues in Somalia, building on the approach agreed at the February 2012 London Conference. We will continue to offer **leadership in the international community** on our focal sectors. We will champion effectiveness, innovation and transparency in international aid and its results, with the introduction of a **Joint Financial Management Board** to oversee the use of public finances including development assistance, and a multi-donor **Stability Fund** to support local areas of stability. We will support the three zones in Somalia according to context – for example, in Somaliland by supporting authorities to identify a medium-term development vision, and championing a multi-donor **Somaliland Development Fund** to ensure that development assistance responds better to their priorities.

Alignment to DFID and wider UK Government priorities

This operational plan has been developed with other UK government colleagues as a central part of implementing the UK strategy for Somalia and addressing the priorities of the National Security Council. It is aligned with the Strategic Defence and Security Review (SDSR). Our programmes also support delivery of DFID's Structural Reform priorities. We will help the UK to **honour international commitments** by increasing access to healthcare and reducing maternal mortality. We will boost **wealth creation** through supporting investment climate reform, skills development and job creation. There will be a strong focus on **girls and women**, ensuring that women receive family planning support, develop skills to respond to demand for labour, and increasingly have access to justice; and reducing the incidence of female genital mutilation (experienced by 98% of Somali women⁸). Through innovative application of DFID's state-building/peace-building framework, the overall programme will **strengthen governance and security**. Our programme management will reflect an increased investment in **monitoring and evaluation, scrutiny and transparency** evaluation, **value for money** and compliance with **Finance for All**, the introduction of an **anti-corruption** strategy and programme, and an increased awareness of the impact of **climate change** through a **Strategic Programme Review**. We will re-double our efforts to harness the potential/positive role of the private sector in all aspects of our work.

What we will stop doing

We concluded our support to basic education at the end of 2011. DFID will, however, support education in Somalia through the Girls Education Challenge and the Girls Partnership for Education. This was part of an agreed division of labour with the European Commission (EC), which withdrew from the health sector (where DFID is doing more). The EC plans to spend £47 million (€55 million) on education over 2011-13, of which the UK share is £7 million. With some exceptions in humanitarian assistance and conflict prevention, we will not fund small projects which do not fit in with our wider programmes.

3) Results

Pillar/ Strategic Priority	Indicator	Baseline (including year)	Expected Results (including year)
Wealth Creation	Additional number of jobs created. <i>(Attributable to DFID funding.)</i>	Somalia: 0 (new programme) (2010) <i>of which:</i> Somaliland: 0 (2010)	Somalia: 45,000, 15,000 for women (2015) (end-year snapshot) <i>of which:</i> Somaliland: 22,500, 7,500 for women (2015)
Governance and Peace-building	Total number of local governments (districts and communities) that meet citizens' performance criteria (participatory planning, budgeting, execution of priority services and projects). <i>(DFID is contributing to this total result. Accurate attribution is not possible.)</i>	Somalia: 12 districts, 17 communities (281,000 beneficiaries) (2010) <i>of which:</i> Somaliland: six districts out of the nine supported (2010)	Somalia: 16 districts, 23 communities (370,000 beneficiaries) (2015) (end-year snapshot) <i>of which:</i> Somaliland: eight districts out of nine supported (2015)
Health	Number of female contraceptive users (aged 15-49 years old) for birth spacing each year. <i>(DFID is contributing to this total result. Accurate attribution is not possible.)</i>	Somalia: 10,000 (2006) <i>of which:</i> Somaliland: 4,000 (2006)	Somalia: 100,000 (2015) (end-year snapshot) <i>of which:</i> Somaliland: 55,000 (2015)
Health	Number of births delivered with the help of nurses, midwives or doctors, with DFID support each year. <i>(DFID is contributing to this total result. Accurate attribution is not possible.)</i>	Somalia: 42,000 (2006) <i>of which:</i> Somaliland: 9,600 (2006)	Somalia: 100,000 (2015) (end-year snapshot) <i>of which:</i> Somaliland: 30,000 (2015)
Humanitarian	Number of starving children aged under five benefiting from specific acute malnutrition prevention programmes each year <i>(Attributable to DFID funding.)</i>	Somalia: 60,000 (2010), 30,000 are girls <i>(Humanitarian need and activity in Somaliland currently low .)</i>	Somalia: 61,000 (2015) (end-year snapshot), 31,500 will be girls

3) Results (continued)

Evidence supporting results

What we spend in 2013-15, and where, will be largely determined by what we can prove we have achieved in 2011-13. The security situation in Somalia means that statistics are notoriously variable and unreliable. Data availability and project monitoring are still major challenges. But we are confident that we will be able to demonstrate and quantify results particularly on health and employment. We are also seeking to contribute to less easily measurable outcomes – but potentially those which have a very high impact for the UK as well as for Somalis – such as stability, community strengthening, and resilience to conflict and to extremist and criminal influence. The evidence base for our ability to affect these through our programmes is weaker, and it is an important element of our approach to find innovative ways to help create much stronger evidence.

- Our proposed **wealth creation** outputs are grounded in good analyses by implementing partners of how jobs are created and the markets for particular sectors and products. We have done our own analysis of the main constraints that impede growth and job creation in Somalia. Our work on wealth creation aims to tackle these.
- Global evidence from UNICEF and the World Health Organisation (WHO), demonstrates that the **health** interventions selected will have high impact and are cost-effective. In this sector, Somalia itself is relatively rich in data and evidence. The main source of data is the UNICEF multi-indicator cluster survey (MICS) 2006. The next MICS in 2011 (results expected May 2012) will provide national health status statistics. The innovations we will support, including performance pay schemes and solar panels, have been proven in Somalia: a DFID-project which introduced them resulted in significant increases over 12 months in deliveries by skilled birth attendants, and the provision of 24-hour services.
- The **governance and peace-building** pillar is informed by external research and analysis of state and peace-building efforts in Somalia, and by DFID's state-building and peace-building framework. Research on Somalia is analytically robust but cannot be backed up by reliable and long-term quantitative data. DFID is currently developing a programme to improve the availability of data on governance and peace-building in Somalia to enable us and others to determine baseline, results and impacts of interventions in these sectors. This builds on surveys already conducted by UNDP in five districts in Somalia.
- The Food Security and Nutrition Analysis Unit (FSNAU) provides comprehensive survey and assessment data to inform baseline and results measurement for **humanitarian** programmes to which DFID contributes. However, we are still in the early stages of trying to increase our ability to monitor more attributable indicators, and increase our confidence in the monitoring (often done remotely) of UN, Red Cross/Crescent and non-governmental partners.

Value for Money (VfM) rationale

The success of DFID's investment in Somalia will be assessed both on the basis of its direct returns (such as numbers of jobs created and lives saved) and of wider, longer term security and economic gains. It can be expensive to provide aid in a conflict environment. But the potential benefits – to the UK, the region and Somalis – of increased security are also high. There are potential savings – if for example, the need for a major UN peace keeping operation can be averted, the costs of piracy can be eliminated, and the need for humanitarian assistance significantly reduced. We will need to generate more evidence of this wider impact (see above).

We believe that our programme can be effective in achieving the specific results we have set out for the next four years, on the assumption that there is no significant deterioration in the overall political and security situation. Despite the high costs of providing aid in a conflict situation, our partners are redoubling their focus on managing down the costs of delivery. UNDP, under a local government programme, are making more economical purchases in Somalia by improving the procurement standards districts use. This focus on economy is reinforcing the wider effectiveness of the programme, by increasing the capability and accountability of local governments. Working through agencies with greater reach across Somalia, such as UN and Red Cross/Crescent, also creates economies of scale reducing overall unit costs. If the security situation allows, we will also increasingly encourage competition to deliver our aid. The impact of a deterioration in security would depend on its severity and location: partners have become adept at adapting or moving in response to security changes, although this is currently extremely challenging for those trying to deliver humanitarian assistance in the South. It is likely that we would be able to continue most elements of our programme with adjustments and some scaling back; and we would also need to respond to increased humanitarian needs, potentially with even greater constraints on access.

4) Delivery and Resources

Through 2010 and 2011, the Somalia programme has changed radically, from a string of smaller projects to a small number of larger and more coherent programmes. We will build on this by contracting out more programme management; exploring new ways of channelling aid in Somaliland; looking for ways to harness diaspora skills and remittances for productive investment; using Challenge Funds, and diversifying from UN agencies and International NGOs to direct use of contractors (subject to security considerations). We are currently establishing an innovative Stability Fund, funded by a variety of donors including the United Arab Emirates (UAE) to support positive political, security and development trends at a local level. Somalia programme results will be delivered through the following partnerships:

UK Government: The DFID team is part of the British Office for Somalia in Nairobi, which includes staff from the Foreign and Commonwealth Office (FCO), Ministry of Defence and other agencies. We are working ever more closely within this wider team to a joint UK strategy and implementation plan on Somalia. Our advisers contribute to a development perspective to the whole cross-Government Somalia effort, not just DFID's programmes. We also contribute staff to the FCO's Somalia Unit, in London, which co-ordinates the UK's overall effort in Somalia.

Governments: The London Conference on Somalia decided that the **Transitional Federal Government** must end in August 2012 and that there must be a successor arrangement. We could consider channelling funds through a post-transition government, subject to very robust financial controls being in place. We have a growing relationship with the **Somaliland** authorities, and will support them in aligning behind their National Development Plan and through the establishment of a Donor Fund. We also have a good relationship with the **Puntland** authorities who are also producing a National Development Plan.

Bilateral donors: we work with other bilaterals on specific areas of co-operation. We have a number of shared advisory arrangements (e.g. share a health adviser with Sweden, and a governance adviser on Somaliland with Denmark). We have attracted funding from other donors (e.g. Sweden and Australia) into a joint health programme, and been able to include others (EU, US) in programme steering boards where they have a key interest. We have a division of labour on health and education with the EU. We plan to play a prominent role on governance, health and Somaliland. Championing donor transparency is a feature of the DFID programme across Somalia.

Multilateral agencies: we will continue to channel the majority of our funds through the UN: its agencies have the widest reach and the most experience of delivery on the ground. Our key UN partners are the Food and Agriculture Organisation (FAO), International Labour Organisation (ILO), UN Development Programme (UNDP), UN Children's Fund (UNICEF), World Health Organisation (WHO), the Office for the Coordination of Humanitarian Affairs (OCHA) and UN Population Fund (UNFPA). Although FAO and ILO scored poorly in DFID's review of multilateral aid, evidence suggests that in Somalia they are delivering. We will monitor this closely, including through the adviser we have seconded to the FAO/ ILO Sustainable Employment and Economic Development (SEED) programme. We will help the UN to improve the impact of its overall effort on peace and stability, and will support the Resident Humanitarian Coordinator's work on results, transparency, operational security and development planning. We look to the UN Political Office to radically improve its political analysis and leadership. Subject to its performance, we use the UN Common Humanitarian Fund as an important vehicle for humanitarian assistance. We work closely with the World Bank on private sector development and public finance management.

NGOs: We continue to support international NGOs, to deliver humanitarian, health, peace-building and employment results, as part of wider programmes. We expect that most of our support to Somali NGOs will be through international NGOs.

Managing agents: to reduce the administration burden of an increasing aid budget, we will use more managing agents to deliver our programmes.

Private sector and diaspora: We will aim to lever more private sector investment through public/private partnerships and we are in discussion with CDC on the role that they might play in catalysing private sector investment in Somaliland. We will also investigate establishing a mechanism to attract diaspora remittances (estimated at \$1 billion/year) as productive investments. The Somali nation is not confined by its borders: we will look to encourage diaspora skills, ideas and investments wherever we think they can help to deliver results.

4) Delivery and Resources (continued)

Pillar/Strategic priority	2010/11		2011/12		2012/13		2013/14		2014/15		TOTAL	
	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000
Wealth Creation	2,000		4,000		4,000		8,000		8,000		24,000	0
Climate Change											0	0
Governance and Security	6,300		12,500		16,950		32,000		32,000		93,450	0
Education	5,200										0	0
Reproductive, Maternal and Newborn Health	2,500		8,500		9,000		19,000		19,000		55,500	0
Malaria											0	0
HIV/Aids											0	0
Other Health											0	0
Water and Sanitation											0	0
Poverty, Hunger and Vulnerability											0	0
Humanitarian	10,000		19,000		33,050		21,000		21,000		94,050	0
Other MDG's											0	0
Global Partnerships											0	0
TOTAL	26,000	0	44,000	0	63,000	0	80,000	0	80,000	0	267,000	0

4) Delivery and Resources (continued)

	2010/11		2011/12		2012/13		2013/14		2014/15		Total	
	FTE	£'000	FTE	£'000	FTE	£'000	FTE	£'000	FTE	£'000	FTE	£'000
Frontline staff costs - Pay	12	652	17	712	32	1,627	23	1,231	23	1,280	95	4,850
Frontline staff costs - Non Pay		315		722		1,002		1,046		1,088		3,858
Administrative Costs - Pay	4	109	5	125	9	153	5	94	5	94	24	466
Administrative Costs - Non Pay		57		70		67		80		66		283
Total	16	1,133	22	1,629	41	2,849	28	2,451	28	2,528		9,457

We have split the administrative budget, with Kenya, for 2012/13 into two equal parts, on the basis of staff FTEs in the two country programmes.

Administrative FTE and costs for the Somalia office (i.e. our share of the joint British High Commission (BHC) corporate services team, and other office-wide costs) have been split between Kenya and Somalia by a ratio of 25:13 for 2010/11 (corresponding to the frontline staff split between the Kenya and Somalia programmes), and for 2012/13 by a ratio of 50:50, and by a ratio of 31:23 for 2013/14 – 2014/15, as per the original plans. The outer years 2013/14-2014/15 are yet to be agreed by the centre and these have therefore not yet been changed to reflect likely increases.

FTEs may not add up exactly as numbers are rounded.

Frontline staff (FLS) costs and FTE staff numbers exclude staff funded from pure programme (PPF), working more than 50% of their time for other organisations; five PPF staff in 2012/13.

4) Delivery and Resources (continued)

Efficiency savings

Delivering Programme Efficiencies		
Category	Details	Residual cost in the SR period £'000
Strategic Reprioritisation	As part of a division of labour with the EU, we will do no new work on primary or secondary education from April 2011. In 2010/11, our education work cost £5 million.	20,000
Further examples of Programme efficiency	1. We will build more efficient management arrangements into the next phase of our wealth creation programme, and will look at linking these to our health programme management arrangements for additional efficiency savings. 2. As set out in our VfM plan, we are introducing VfM improvements to each pillar of our programme, e.g. through our Aid Enablers programme, we are encouraging the Resident Coordinator's Office (RCO) in Somaliland to increase development expenditure efficiency by 0.8% over 3 years to justify £1.37 million support from DFID (assuming Somaliland aid expenditure of £53 million p.a.) and our results adviser is supporting the RCO to improve M&E and reduce unit costs.	See below.

Delivering programme efficiencies: 1. The residual cost of improved programme management arrangements will be calculated when those arrangements are designed and should be available by March 2013. 2. If the RCO in Somaliland successfully improves efficiency, up to an additional £0.42 million a year will be spent on front line development in Somaliland over the next three years.

Administrative costs savings: Following a fundamental review of its staffing and structure, DFID Kenya and DFID Somalia merged their corporate services team with the rest of the British High Commission team in April 2011. The consolidation should result in greater efficiency and value for money on corporate services, but it is not possible to quantify the possible savings at this stage as value for money analysis has not yet been completed. These changes should, however, result in further administrative savings during the four year period. Direct Service Level Agreement costs negotiated for 2011/12 resulted in a 16% saving against our original budget forecast for 2011/12. However, staffing uplifts in 2011/12 and 2012/13 have resulted in increased costs and offset any savings. A review of Corporate Services will be conducted this year which should include analysis on cost savings.

Administrative Cost Savings Initiative	2011/12			2012/13			2013/14			2014/15		
	FTE	PAY £'000	Non Pay £'000	FTE	PAY £'000	Non Pay £'000	FTE	PAY £'000	Non Pay £'000	FTE	PAY £'000	Non Pay £'000
Reduction in Estates and Property Costs												
Reduction in costs as a result of Office Restructuring												
Other Reductions												
Total	0	0	0	0	0	0	0	0	0	0	0	0

5) Delivering Value for Money (VfM)

DFID Somalia attaches high importance to **demonstrating results**, and to **proactively managing for value for money** across the portfolio. We have also begun systematically to **strengthen logframes** and to use **economic analysis** through the programme reporting cycle. This has resulted in a higher burden of proof that interventions are maximising impact for the money spent, based on a clearer understanding of the unit costs of delivery. Improving **procurement** has also been prioritised in DFID Somalia, by strengthening staff capacity on procurement, better training, and attention to minimising costs of programme management.

Challenges

Between 2011 and 2015, challenges we will face in driving VfM through our programme include:

1. Developing a systematic **framework for monitoring progress** in improving VfM across all programmes and corporate services
2. Demonstrating **VfM in technically demanding areas**, including governance, health system strengthening, employment creation and humanitarian programmes
3. Putting the **new DFID Business Case** into practice – especially undertaking option analysis early on and ensuring design is informed by VfM analysis
4. Attaining appropriate levels of **VfM expertise and awareness** for different roles in DFID Somalia – advisory, programme and corporate staff
5. Increasing **implementing partners'** understanding of VfM and ensuring they are able to manage DFID-supported programmes to maximise and report on VfM

Actions

1. In 2011/12 we have developed a DFID Somalia **VfM Improvement Plan**. The plan includes:
 - a) Summary of DFID's corporate understanding of VfM and including links to detailed guidance on sector VfM metrics
 - b) Indicators of progress to help monitor how effectively DFID S is mainstreaming VfM good practice across our working
 - c) A summary VfM template for each pillar to populate that shows the main VfM issues in their sector and steps being taken to both monitor VfM progress and respond to this management information in portfolio intervention decisions
 - d) Performance criteria for staff to include in PMFs on VfM Introduced a requirement of one to two VfM metrics each for economy, efficiency and effectiveness in new programmes.
2. Undertaken a **VfM study of humanitarian action** as well as in **health**. Developed an initial set of common VfM metrics for humanitarian and health interventions, and required information on VfM from humanitarian agencies to inform spending decisions
3. Established an **Accountability and Results Team** (including results and economics advisers, DFO and LCO) and assigned roles in QA for Business Cases.
4. Ensure that all new **logframes are in line with good practice**, and all current logframes are validated annually.
5. Increase awareness and capacity of DFID's approach to **VfM amongst implementing partners**

Going forward we will deepen progress in these areas with priority in the following areas:

1. Finalise VfM summaries for each pillar and use this as basis for **quarterly review of progress of VfM** in each pillar portfolio
2. Complete set of **VfM metrics that are meaningful** in driving performance and demonstrating cost effectiveness of interventions against useful comparators
3. **Integrating VfM metrics within broader M&E** rather than treating as separate issue to results, technical performance and programme management
4. Deepen VfM analysis in monitoring ongoing programmes e.g. using **new Project Completion Report format**
5. Require **implementing partners** to provide better evidence of how they manage to maximise VfM of DFID funds, as well as encouraging other donors to make similar asks of the same implementing partners

6) Monitoring and Evaluation (see Annex B)

Monitoring

How: Somalia is one of the most difficult environments in the world in which to undertake project monitoring, with conflict and security presenting significant challenges to our partners and particularly to direct monitoring by DFID staff. Addressing these challenges is an immediate priority and one on which we have already scaled up our efforts. DFID Somalia will explore innovative tools that harness the use of technology in Somalia, such as mobile and web-based data collection, and direct participatory monitoring. To facilitate increased and more regular access by DFID staff, we will invest in strengthened risk management (working with the UN), and establish increasingly professional and efficient management of in country travel. We will also use the new UK offices in Mogadishu and Hargeisa as bases for accessing wider parts of Somalia. Each of our programmes will be underpinned by a monitoring framework that will track progress against programme targets and provide the data required to monitor delivery of the Operational Plan and Results Framework. Good data sources exist, such as the six monthly post-rains assessments of the humanitarian situation and UNICEF Multiple Indicator Cluster survey on health. Where the evidence base is weak or data are unavailable for monitoring, we will commission research or support partners to undertake new data collection. (See Annex A for more on how DFID Somalia is delivering a step change in results).

Who: Our UN, non-governmental and other implementing partners will be responsible for day-to-day monitoring. DFID Somalia lead advisers or programme managers will provide oversight, and be responsible for reviewing progress against their results framework regularly. The Accountability and Results Team (ART) will provide a quality assurance role, feeding into design work to ensure an effective monitoring framework, and contributing to annual reviews. The Somalia Results Adviser is supporting teams to improve the quality of their results. We will also develop an independent third-party monitoring system for our governance and peace-building work, and possibly also our health and wealth creation programmes.

When: DFID Somalia maintains continuous dialogue with implementing partners about programme performance, and agrees with them a formal results reporting cycle (usually quarterly). During annual reviews we assess progress against programme outputs and how this is contributing to the achievement of outcomes, broken down where possible between outcomes for women and men. The overall Somalia results framework is reviewed at least every six months, and this Operational Plan annually. DFID Somalia uses quarterly team pillar reviews meetings to peer review results performance.

What: The monitoring will be used for project management and to assess portfolio performance and value for money, and to inform future programming decisions. We will use the results framework to report on key results, and to feed into DFID Somalia's communication material and DFID corporate reporting.

Evaluation

DFID Somalia is working to ensure that more robust empirical and perception data is available to inform impact evaluations of our interventions. Through research we will evaluate the impact that sustainable jobs and improved health services have on men and women in Somalia. We are using evidence from impact evaluations of community-based development programmes in other fragile states to inform the design of our community-based development project in Somalia, and plan to undertake an impact evaluation of that project. We have also developed an evaluation strategy, which will determine which of DFID's other projects in Somalia will be subject to evaluation and how. DFID Somalia will support partners to ensure that evaluations are carefully planned, conducted and used – the results adviser we have seconded to work part time in the UN Resident Coordinator's Office will help provide this support. Our Accountability and Results team, led by an A1 evaluation adviser, is helping ensure our programmes comply with DFID's guidance on impact evaluation, and we are prioritising making adequate financial resources available for evaluations.

Building capacity of partners

To strengthen the capacity of the international community and Somali authorities to focus on results and use information for improved decision making, the DFID Somalia Results Manager dedicates approximately 50% of their time to working with external partners to help build their ability to do good monitoring and evaluation (M&E), and to steer donor dialogue towards results. Fragmentation of data systems and weak monitoring is also an issue at the sector level. We will encourage joined-up lesson learning and evaluation, and support the UN Resident Coordinator's Office to strengthen monitoring and evaluation across the UN system.

7) Transparency

DFID Somalia will take the following action to help DFID meet its commitments under the UK Aid Transparency Guarantee:

- We will **publish** programme/project information in easy to understand formats on the DFID website. We will publish detailed information on all new programmes and all procurement over the relevant thresholds. Annual project performance reporting and end of project evaluation will also be published. We will ensure that wherever possible all information in the public domain is comprehensive, accessible, comparable, accurate and timely.
- We will work hard to promote **access to information** in Somalia. This will include continuing in-house production of communication materials such as country fact sheets and sector briefs, providing information on our main actions and results. These will be made available in paper and electronic format to members of the public, partners and stakeholders. Selected documents, including this Operational Plan, will also be published in the Somali language.
- We will also ensure that the details of new and ongoing projects are publicised in the **media**, highlighting exactly what the projects aim to achieve, where they are being implemented, who the partners are and what the stakes are for beneficiaries, their families and communities.
- We will work with **implementing partners to enable them to conform to the standards set out in the International Aid Transparency Initiative**. We have already initiated discussions with partners, and intend to write transparency standards into all future project contracts and agreements. Implementing partners will be asked to raise awareness of projects among targeted beneficiaries using appropriate local dialects.
- We will help to strengthen transparency amongst other donors and the broader **development effort in Somalia**. We will support efforts led by the UN Resident Coordinator's Office to implement the Busan 'New Deal' for Fragile States and to develop an accurate Development Assistance Database in order to increase transparency of donor flows – and in particular results - to Somalia. Transparency will be a key feature of DFID's work and dialogue over the next four years.
- We will also work with government officials to help them prioritise and manage revenue and donor support, and encourage them to be more transparent to their citizens about their budgets and plans. We aim to help establish a Joint Financial Management Board, endorsed at the London Conference in 2012; this will oversee transparency in both TFG and donor financial flows. Through our governance programming we will increase the capacity of non-governmental organisations to hold both donors and government **accountable** to citizens for how aid is spent in Somalia. In health we propose to publish health and financial information in health facilities to facilitate transparency and empower stakeholders with relevant information. We are also currently looking at IT solutions, such as using Skype, to better enable remote management and strengthen engagement with our partners.
- We will organise stakeholder meetings to share **new policy directions and programme priorities** of the UK government to better fight poverty.

List of Annexes

Description
A – Endnotes
B – Step change in monitoring results
C – Regional differences - Somaliland, South-Central and Puntland
D – Girls and women
E – Results framework
F – Human Rights Assessment

Annex A: Endnotes

1. See e.g. The Index of State Weakness in the Developing World - The Brookings Institution, 2008
2. UNHCR, 2011
3. Somalia Joint Strategy Paper, 2008-13, page 17
4. UNDP Joint Programme on local governance and decentralised service delivery 2008, page 6
5. WHO 2007
6. FSNAU, January 2011
7. FSNAU, January 2011
8. World Bank Development Indicators Database 04/05/05
9. Somalia National Reproductive Health Strategy and Action Plan, 2010 (WHO, UNFPA, UNICEF)

Annex B: Step change in monitoring results

DFID Somalia will take the following actions to deliver a step change in monitoring and understanding our results:

Improve aid effectiveness and results

- Approximately 50% of the Results Adviser will be dedicated to working with external partners on bolstering national level monitoring.
- There will be a much sharper focus on partners' results frameworks, ensuring robust monitoring and evaluation plans are in place, there is a clear evidence-base for their interventions, underpinned by clear theories of change, or evaluation of innovation where the evidence base is weak.
- We will increase our investment in making sure that the UN Common Humanitarian Fund is effective

Deliver a step change in results

- At least 10% of all our programme funding will be allocated to monitoring and evaluation.
- We will invest in our partners to scale up efforts to provide on-going monitoring of wider impacts, such as, security and conflict
- We will look to different approaches and innovation to improve monitoring. For example , we will support conflict and mapping mechanisms that provide trends in conflict tensions, governance and security. We will look at IT solutions, such as Skype, to remotely monitor results and engage with our partners.
- Partners will be required to demonstrate sufficient allocation of programme and human resources to M&E at the outset, and annual reviews will drill down on whether plans have been successfully implemented.
- We will ensure that partners M&E frameworks have clear plans on establishing baselines, and log-frames set realistic targets and milestones and work to realistic timeframes, and we are upfront about the timeframes.
- We will invest in strengthening risk management (working through the UN), and establish clear rules and procedures for managing visits. This will help facilitate increased and more regular access by DFID staff.
- We will also invest in third party monitoring to verify or triangulate results and support independent evaluations. For example we are supporting OCHA in undertaking an independent evaluation of the overall humanitarian response in South-Central Somalia.

Transparency and accountability

- We will ensure that our partners publish their results in the new online Development Assistance Database for Somalia where Somalis and the wider diaspora can view the results and provide feedback.
- We will also publish detailed project information, making summary information available in the Somali language in line with the Aid Transparency Guarantee.

Annex C: Regional differences - Somaliland, South-Central, Puntland

We have separated our initial programme allocations and intended results between the three geographical zones in Somalia: Somaliland, Puntland and South-Central. We will keep these intended results and allocations under review, and adjust them according to results.

Working in Somaliland

- Somaliland, with five successful elections behind it, a functioning and quite stable central authority, and relative stability and absence of daily conflict in most localities, represents both an opportunity for delivering development results, and a challenge to reinforce its relative stability for the benefit of its people and of the region and the UK.
- We expect the focus of the programme to be on jobs and economic development; health and reproductive care; and governance and security at local and central levels. We expect to be able to do more on governance and security than we can in Puntland or South-Central. We will help with central government core functions, and with policing and justice. Humanitarian assistance is not excluded, but historically the needs have been much smaller than in South-Central.
- We will take a lead on Somaliland in the international community, from both development and political points of view – as the UK strategy promises. This will include championing transparency and effectiveness, major preoccupations of the authorities. The authorities are keen to diversify delivery mechanisms. They see UN and INGO programmes as ‘not theirs’. We are establishing a Development Fund with DANIDA to align donor funds with government priorities. We are also implementing an investment vehicle, which might attract diaspora funds and helping to address other key barriers to investment.
- Subject to demonstrating results, our allocations for development (i.e. non-humanitarian) spend in Somaliland will rise. We have based our figures on an assumption of continued stability and modest improvement. We estimate the likelihood of this as medium and the impact of this not being the case as high although Somaliland remains highly vulnerable to the spill over or displacement of conflict in the South, and on its disputed border region with Puntland.

Working in Puntland

- Puntland lies between Somaliland and South-Central on the political and security scales. It is semi-autonomous with government institutions of its own but does not seek independence. It has a degree of stability, which must be watched closely. More recently, Al Shabaab’s presence in the area has been growing as it has been pushed out of more southerly areas. And areas on Puntland’s borders remain contested. Meanwhile, the de-stabilising impact of piracy on Puntland may reduce as the practice is increasingly less tolerated by local communities.
- Development assistance can function well here, even if vulnerable to change. Half of our results in employment, and about 40% of our health results are expected to be achieved in Puntland.

Working in South-Central Somalia

- South-Central Somalia is notorious for conflict. While the area in and around the capital Mogadishu controlled by the Transitional Federal Government is growing, thanks to ground gained by the AU Mission in Somalia, large parts of South-Central are still controlled by Al Shabaab. Access is extremely limited, with widespread expulsions of humanitarian organisations by Al Shabaab in 2011-12. There are however some areas of relative stability, and areas where security forces have made progress in opening up potential opportunity. Development and humanitarian assistance function here, albeit it with difficulty and inherent risk, and are vulnerable to change.
- Most of our humanitarian support has been in South-Central: 82% of current needs are there. But half of our results in employment, and about 40% of our health results are expected to be achieved there. The main geographical difference in programming terms is on governance and security: rather than focus on core state functions, we aim to work on peace-building and strengthening communities at a local level, where things work relatively well. We will focus hard on getting evidence that this works. This will complement our support for national level efforts at a political settlement and reconciliation; and for legitimate, credible and accountable federal institutions in the future.
- Our plan is based on an assumption of a very modest increase in accessible areas in South-Central. Much depends on the success of AMISOM and others in releasing areas from Al Shabaab’s control. We estimate the risk of worsening conflict to be high, but the impact of this on the programme to be medium: we are designing programmes to be flexible in location, and to be able to work in conflict. We need to overturn a perception that nothing works in South-Central and that money spent there risks being wasted. We will work hard to gather both personal and statistical evidence that this is not the case.

Annex D: Girls and women

Girls and women in Somalia face profound challenges: Women's rights are too often unrealised and protection from sexual violence remains inadequate for many. There is a lack of systematic data on gender issues in Somalia (which precludes Somalia from being ranked in the UN's 2010 Gender Inequality Index). The Somalia Reproductive Health Strategy (UNICEF 2009) estimates that 98% of Somali women are subject to female genital mutilation (FGM) and that a woman has a one in 10 chance of dying in her reproductive years. Women remain marginalised in political decision-making processes. Women make up a majority of the rural labour force, and yet their potential productive contribution to the economy is unrealised. Men and boys also face specific challenges in Somalia. Opportunities to fulfil secure bread-winning roles are limited by insecurity and lawlessness – leading many to resort to violence and crime as a way to defend or provide for the family. A whole generation of young men has now known only a culture of arms-bearing: since the collapse of the state in 1991, Somalia has become one of the most heavily armed societies in the world. As outlined in our gender action plan, we will step up to address these challenges.

The Somalia programme will address DFID's gender priorities

1. Our efforts to **delay first pregnancy** will be managed through a health programme, which will directly increase the power of girls and women to make informed choices about their reproductive health and have control over the decisions that affect them. We will enable 100,000 women, 25,000 of whom will be adolescents, to access contraception by 2015. This work will also include working with the Somali media through TV, film and radio to provide key health messages to rural communities. The shift to long term financing will promote sustained political commitment to health services and increased opportunities for girls and women.
2. The Somalia programme will provide **direct assets for girls and women** through a maternity voucher scheme already proven to have significantly increased access to reproductive health services. Skills - as assets - will be provided by way of training women health workers (1,000 nurses and midwives). Some 2,500 women will be empowered with enhanced skills to respond to demand in different productive sectors under our wealth creation work; we will aim to better understand and invest in the role of women in trade and agriculture. A third of the jobs we will create will be for women.
3. To prevent **violence against girls and women**, DFID has funded medical treatment, advice and the preliminary investigation by trained police officers in Somaliland for victims of sexual violence. We will address FGM under our health pillar from community to ministerial level. Under our humanitarian pillar we will continue to fund programmes that meet the needs of the most vulnerable, including work on the protection of women and children in armed conflict. The Communique for the February 2012 London Conference on Somalia recognised the attention that must be paid to protection of girls and women. We are working to ensure that other international initiatives and agreements do the same. And, under our governance and peace building plans we will continue to increase access to justice across Somalia for poor men and women (7,425 cases in 2010 dealt with through formal and informal justice systems increasing to 10,868 in 2015 - all attributable to DFID's work). We will also continue prioritising access to justice for women and support women's engagement in local peace processes. We are supporting a UN programme that is expanding legal aid services across the country and aiding women lawyers to represent women before the courts. This programme also supports the operation of a Sexual Assault Referral Centre in Hargeisa, Somaliland – where victims of sexual assault can receive medical care and counselling, be assisted in reporting offences to the police and having access to free legal advice. This work resulted in the number of sexual assault cases addressed by the courts from just five in 2009 to 43 in 2010, and this number will continue to increase. In doing so, it will help end taboos and impunity for sexual violence.
4. While we do not have an education programme in Somalia (following an agreed division of labour with EC), the Girls Education Challenge will be launched in Somalia as well as eight other countries in May 2012. If non-governmental organisations operating in Somalia successfully bid for funding, this will enable girls from marginalised communities in Somalia to **attend primary or secondary school**.
5. In addition, we are supporting the **inclusion of women in the political process**, as endorsed at the London Conference. Through the civil society platforms we fund women engage in policy dialogue with government and authorities across Somalia.

Stepping up our approach

Transforming opportunities for women and men respectively and tackling the social threats faced by them will take time. However, by working together with international partners, and advocating more concerted and targeted action, **meaningful progress is in our reach**. Our work on women's health provides us with an opportunity to drive international and Somali action on FGM. Our lead role among donors on governance and humanitarian work will enable us to make the protection of women's rights, including action on sexual violence, central to international efforts. Our work across sectors will be linked, maximising our impact on these issues over the next three years. As major stakeholders in the EU and UN we will push for gender issues to be a central part of the way they do business and will help to strengthen their capacity for this where needed. **We aim to create measurable, positive changes in the lives of Somali girls and women - specifically on reducing sexual violence, increasing women's economic and political empowerment, and protecting women's rights and safety**. To do this we recognise that we – and the partners we fund - need to invest more in understanding how Somali culture, politics and the economy pose different challenges and opportunities for girls and women, and for boys and men.

Annex E: Results Progress

Progress towards headline results – one year on*

Pillar/ Strategic Priority	Indicator	Baseline (including year)	Progress towards results (including year)	Expected Results (including year)
Wealth Creation	Additional number of jobs created	0 (2010) <i>of which:</i> Somaliland: 0 (2010)	The 2015 target has been achieved nationwide . 45,000 (7,100 in Somaliland) jobs were created in 2011/12, of which 22,500 were for women (3,100 in Somaliland).	45,000, 15,000 for women (2015) <i>of which:</i> Somaliland: 22,500, 7,500 for women (2015)
Empowerment and accountability	Total number of local governments (districts and communities) that meet citizens' performance criteria (participatory planning, budgeting, execution of priority services and projects)	12 districts, 17 communities (281,000 beneficiaries) (2010) <i>of which:</i> Somaliland: six districts out of the nine supported (2010)	19 district governments met citizens' performance criteria in 2011/12 (1.2 million beneficiaries)	16 districts, 23 communities (370,000 beneficiaries) (2015) <i>of which:</i> Somaliland: eight districts out of nine supported (2015)
Reproductive, Maternal and Neonatal Health	Number of female contraceptive users (aged 15-49 years old) for birth spacing each year	10,000 (2006) <i>of which:</i> Somaliland: 9,600 (2006)	New data is not yet available but project implementation is on track.	100,000 (2015) <i>of which:</i> Somaliland: 55,000 (2015)
Reproductive, Maternal and Neonatal Health	Number of births delivered with the help of nurses, midwives or doctors, with DFID support each year	42,000 (2006) <i>of which:</i> Somaliland: 9,600 (2006)	New data is not yet available but project implementation is on track.	100,000 (2014-15) <i>of which:</i> Somaliland: 30,000 (2015)
Poverty, Vulnerability, Nutrition and Hunger	Number of starving children aged under five benefiting from specific acute malnutrition prevention programmes each year	60,000 (2010) 30,000 are girls (Humanitarian need and activity in Somaliland currently low .)	147,000 children supported in 2011/12, of which 72,100 are girls. Which is steady progress towards the 2014/15 target.	61,000 (2014-15) 31,500 will be girls

* These results may not directly aggregate with other country results due to different measurement methodologies

Annex F: Human Rights Assessment

Local context analysis:

Somalia has suffered a human rights crisis for the last 20 years, characterized by serious violations of human rights and humanitarian law, e.g., the lack of protection of civilians, rule of law and accountability leading to extrajudicial killings of judges and journalists. The humanitarian situation has resulted in massive displacement and raised acute protection concerns. Somalia remains dependent on remittances. Investment is very low and unemployment at around 65%. 70% Somali homes have a female household head. Smuggling and trafficking in people is widespread. An entire generation has grown up without access to education. Women and children's rights are routinely violated, e.g., domestic violence, sexual violence and female genital mutilation. Deteriorated healthcare have led to some of the highest maternal mortality and morbidity rates in the world. The country as a whole suffers from a lack of knowledge about human rights and there is an absence of evidence-based, triangulated reporting on the human rights situation.

Likely direction of travel:

- The overall trajectory is negative, e.g., Al Shabaab has increasingly targeted children for recruitment, forced marriage, and rape, attacked teachers and schools, conducted summary executions, unlawful arrest and detention, torture, flogging, amputation and stoning.
- On the positive side: AMISOM are implementing measures to minimize civilian casualties. such as the identification of no fire zones and the training of personnel on humanitarian law and the protection of civilians. Somalia accepted, fully or in part, all 155 recommendations formulated by Member States for the improvement of its human rights situation during the Universal Period Review of the Human Rights Council in Sept 2011.

DFID's approach:

- DFID Somalia and the British Office for Somalia are working jointly to improve awareness of, and adherence to, human rights. The London Conference Communiqué called for action to protect women and children, journalists, and civilians, and for Somali authorities to uphold human rights and end the culture of impunity, and it agreed to step up international efforts including through the UN human rights architecture. DFID's programmes will focus on:
- Safety, security and access to justice: 1,650 police in Somaliland will be trained in human rights and the accountability of the police force and public's confidence in police performance will be increased. Legal aid will be delivered to 5,000 Somalis and 800 people will be able to access justice and address grievances through mobile courts without resorting to violence. 150 survivors of sexual and violence will receive justice and recovery support. (July 2010). Broader UK government funding will develop niche areas of the security and justice chain to help combat terrorism.
- Hold decision makers to account: 3,500 (700 women) political party and association personnel will be trained on election procedures, and 18 pre-election stakeholder dialogue events supported between political parties, government and civil society in Somaliland. (July 2012)
- Build effective and legitimate institutions: 16 district councils will operate more transparently, inform communities about their rights and responsibilities, manage their finances better, and prepare realistic plans for services to help. (July 2012)
- Health services: 100,000 women will be using contraceptives up from 14,000 in 2010. 14,700 children under one will receive three doses of diphtheria, pertussis and tetanus. An extra 5,800 births are attended by a skilled health professional, and 21,000 under-fives will be treated for acute malnutrition. (2015)
- Humanitarian: treating 100,000 acutely malnourished children and women, providing supplementary feeding for more than 1 million children accessing supplementary feeding, providing 100,000 people with food assistance for minimum three months, providing 1 million people with access to clean water and healthcare, providing 100,000 people benefitting from seeds and fertilisers or cash for work, and treating/vaccinating 1 million animals.(March 2013)
- Livelihood and employment: 600,000 days (180,000 for women) of short-term work rehabilitating infrastructure will be created. 5,000 people (2,500 women) will secure new private sector jobs after training. 420 km of irrigation canals will be rehabilitated for agriculture use in South Central Somalia. 20,000 sustainable, permanent, long-term jobs will be created, and £6 million of private sector investment will be mobilised in Somaliland. (2015)