

CONCLUSIONS FOR DAY ONE OF THE SECOND ISTANBUL CONFERENCE ON SOMALIA

31 May 2012

General Conclusions

The Conference emphasized the importance of encouraging inclusive and equitable growth to reduce poverty in Somalia, including through the promotion of inclusive business practices. It was acknowledged that without stability, security, capable authorities and the rule of law, economic growth and large scale investment would be significantly constrained.

Participants agreed on the importance of planned and prioritised public sector institutional capacity development at all levels to provide institutional oversight as well as to establish and implement a regulatory framework, including appropriate standards for civil works. Alongside this, the Conference recommended the establishment of private-private partnerships to strengthen the capacity of the local contracting industry to participate in tenders and deliver on contracts.

It was reiterated that large scale, multi-year, predictable financing was urgently needed, both for infrastructure projects and to enhance the resilience of Somali communities. It was agreed to explore the role and design of an investment guarantee fund in Somalia without any delay. The Conference agreed on the importance of determining a number of priority infrastructure projects for which in-depth feasibility assessments should be undertaken.

Resilience Conclusions

Recognizing the urgent need to enhance resilience of Somali households and communities, the Conference agreed on the need for sequenced, multi-year and sectoral investments that are specific to each geographic reality within Somalia. Such investments will create productive opportunities and expand basic social services. Job opportunities for men, women and youth represent essential employment instruments in this regard. The Conference confirmed the importance of timely, predictable and transparent safety nets that would protect vulnerable households as well as enable them to take advantage of new opportunities and access social services while enhancing their capacity to respond and adapt to shocks and hazards. The Conference acknowledged that good governance supports the resilience outcomes, and highlighted the need for Somali communities to be at the centre of this process, in order to create stability. Several partners are aligning their current engagement in Somalia and others are encouraged to do so.

The Conference recognized the importance of a household and community approach towards resilience and strongly encouraged the international community and Somalis to support it. Success will depend on international assistance evolving to medium –longer term strategic investments in Somalia, with less reliance on short term ad hoc response. The partners on community resilience support the realignment of their respective programmes and the monitoring on a regular basis of the implementation of the resilience strategy.

Water Conclusions

The Conference recognized that local private sector initiatives have made significant progress in improving water systems in towns and in some rural areas. This entrepreneurship is a driving force in water system development locally, despite on-going conflict and the constraints of post-conflict reconstruction. There is therefore clearly both a need and a case for investing in water infrastructure in Somalia. Through partnership, outside investment can capitalise on the capacity of the local private sector and widely established localised management models.

The Conference also recognized that a common strategy for the development of the sector should focus on investment in systems and people, with systems investment in hardware, software, and regulatory frameworks, and in people in vocational, management, and governance capacity. It should follow three core principles:

1. Management and service delivery are decentralised to the extent possible and make use of innovative technologies.

2. Investment in any infrastructure must include investment in human resources, and sustainable operation and maintenance capacity. Through regulation, public needs and private sector interests should be balanced allowing for the development of a pricing strategy for sustainable cost recovery.
3. All development in the sector must take place under a common strategic framework that is enacted through government-led sector coordination and within a multi-threat risk management framework

The Conference further recommended that targeting and sequencing of water development initiatives should be based on needs and take into account existing inequities in water access.

Roads Conclusions

The Conference noted that Somalia's road network is barely adequate to meet the transport needs of the economy. It also acknowledged that its condition had deteriorated sharply due to low investment and maintenance. It was agreed that Somalia had very limited capacity and an under-defined institutional and legal framework--though some routine maintenance work had been successfully completed.

The Conference further noted that future action should be categorized as short term or medium term as follows: In the short term (two years), the focus should be to undertake a comprehensive road inventory and, on that basis, formulate a road transportation master plan for the next five to ten years.

At the same time, the Conference affirmed the critical importance of developing institutional capacity in the sector by defining an institutional framework; training sector staff and supplementing them with international expertise (including where possible from the Somali Diaspora); and developing guidelines for sector-specific procurement, tendering and contract administration. Over the medium-term (three to five years), larger-scale reconstruction would involve selecting projects to be implemented, based on technical and economic feasibility studies and identifying potential anchor financing (including possibly multi-year donor trust funds). The Conference also stressed that nationally-owned road contractors should be involved to the greatest extent possible. Priority road rehabilitation and construction projects should be realized as soon as is feasible in order to meet the road accessibility needs of the Somali people.

Energy Conclusions

The people of Somalia have suffered from a lack of access to reliable and efficient energy and call upon the United Nations and other international organizations to take measures to mitigate energy poverty on an urgent basis.

The Conference agreed that access to reliable sources of energy is critical for improving social indicators and triggering economic development in Somalia. It welcomed the offer by the Republic of Turkey to field a technical mission to undertake a detailed assessment to identify gaps and prioritise investments in the energy sector in Somalia.

Participants concluded that Energy Sector Investment Plans needed to be developed at the national level to ensure that initiatives deal comprehensively with the energy challenge. It was noted that tripartite partnerships between the governmental institutions, the private sector and development partners needed to be nurtured. The Government of Turkey in collaboration with Somali government institutions and the United Nations agreed to support the development of institutional structures in the field of energy and natural resources.

The Conference took note of the need to initiate vocational trainings and university level studies in order to develop a trained work force that is able to respond to the changes in the energy sector and is well positioned to setup related businesses. Participants endorsed the proposals by the Republic of Turkey to offer training in the energy sector in Somalia.