



*Empowered lives.
Resilient nations.*

BUSINESS CASE ASSESSMENT FOR

Accelerating Development Investments in Famine Response and Prevention

CASE STUDY

SOMALIA





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REPORT PREPARED FOR THE
UNITED NATIONS DEVELOPMENT PROGRAMME

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1. INTRODUCTION: SOMALIA ON THE BRINK OF CATASTROPHE – AGAIN

Somalia today is once again confronted with mass famine. The lack of adequate rainfall over two consecutive seasons in 2015 and 2016 led to the failure of crop production and livestock deaths at a massive scale and rapid increases in the incidence of food insecurity, malnutrition, disease and population displacement.

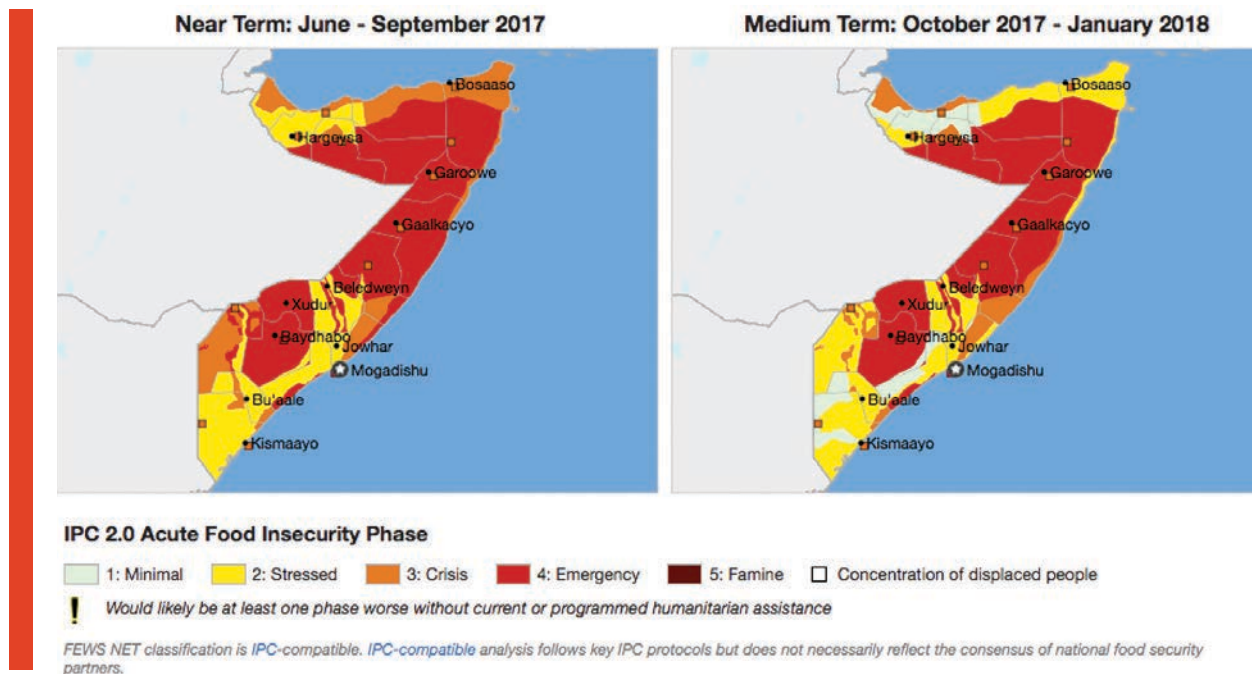
As of August 2017, 6.7 million people have lost livelihoods and are food insecure, with 3.2 million people in IPC Phases 3 and 4 who are unable to meet minimum daily requirements and require emergency assistance (a two-fold increase since August 2016). Over 680,000 people have been displaced since November 2016, with numbers expected to reach over 1 million by the end of 2017. While large-scale famine is considered to have been averted due to prompt and large-scale provision of humanitarian assistance as well as gains in strengthening core government institutions since 2012, the situation remains precarious and could deteriorate in the absence of economic recovery and sufficient humanitarian assistance.¹

The causes of the current crisis are part of a recurrent dynamic in which protracted armed conflict, state institutional weakness, low economic growth and development and recurrent climatic and environmental stresses have made the country highly vulnerable to food insecurity. This includes the drought-induced famine of 2011-2012, during which over 200,000 people are estimated to have died, as well as the conflict-induced famine of 1992 which resulted in the death of over 300,000 people.² Since 1991, Somalia has

been trapped in a vicious cycle of deep structural stresses and periodic shocks that have a mutually reinforcing relationship: the former engender high vulnerability of the population to drought-induced damages and losses, and these in turn further exacerbate and worsen underlying structural factors, including environmental degradation, economic decline, and conflict dynamics. Preventing famine in Somalia entails breaking this vicious cycle through improved governance and state-building, resilient economic growth and livelihoods, effective climate adaptation and natural resource management policies, as well as the management and resolution of conflicts. This by definition requires a much stronger emphasis on development and peacebuilding assistance by the international community. Continued humanitarian life-saving assistance alone is not sufficient—as the current food insecurity crisis clearly demonstrates—to prevent losses of life each time the rains fail.

As in 2012, the international community once again has an opportunity to respond to the current food security crisis in a way that both provides sustainable recovery from the drought’s devastating impact, and breaks the cycle of chronic vulnerability and exposure to shocks by strengthening resilience at

1 UN Office for the Coordination of Humanitarian Affairs. *Somalia: Humanitarian Dashboard – July 2017*. Issued 23 August 2017.
2 Maxwell et al., *Lessons Learned from the Somalia Famine and the Greater Horn of Africa Crisis 2011-2012: Desk Review of Literature*, 2014.



individual, community, systemic and institutional levels. Unlike 2012, important gains have been made in strengthening state capacities, governance and preparedness planning at federal and state levels, which has been important in mitigating the impact of the drought and facilitating a quicker and more effective humanitarian response. This has several important implications for the nature and scope of the international community's response:

- **Provision of emergency life-saving humanitarian assistance** is currently playing a critical role in alleviating the worst impacts of the current drought on individual welfare, preventing the increase of food insecurity, malnutrition and disease from reaching famine levels. But as in 2011-2012, this assistance is limited to saving lives and providing temporary coping capacity for weathering the crisis. Once the drought subsides, it is insufficient to allow people to rebuild their productive assets and livelihoods, which, as history shows, will resume at a level far below the pre-crisis situation.

- For this reason, **complementing provision of life-saving assistance with support for regenerating economic productivity and livelihoods is critical**, and a priority that was clearly identified by the humanitarian community following the 2011-2012 famine.³ In supporting individuals and communities recovery economically from the crisis, not only can vulnerability be reduced and economic productivity restored to pre-crisis levels; it can also—by emphasizing a 'building back better' approach—result in more resilient forms of economic production and livelihoods.
- For economic and social recovery to be sustainable and effective in increasing resilience to future shocks to food security and health (whether they are famine-related or man-made), **focus is also needed on addressing the underlying structural factors that in the past have posed significant limits on individual and community capacities, building on the important gains achieved in the area of governance since 2012.** This includes long-

3 See Darcy et al., *IASC Real-Time Evaluation of the Humanitarian Response to the Horn of Africa Drought Crisis: Somalia 2011-2012*, 2012 and United Nations, *Somalia 2012 Consolidated Appeal Mid-Year Review*, 2012. See also Munger, Sean, *The Hunger of War: The Somali Famine of 1991-1992*, February 2015: <https://seanmunger.com/2015/02/25/the-hunger-of-war-the-somali-famine-of-1991-92>.

term development support to strengthen and 'reshape' economic growth; enhance market, trade, infrastructure and regulatory environments; continue to close the governance, institutional and service provision gap; and strengthen capacities for climate adaption and natural resource management.

- **Last but not least, the current sources of Somalia's complex conflicts must be addressed in order to mitigate and reduce their impacts on economic and social vulnerability.** This entails recognition that conflict resolution and peacebuilding in Somalia is not just a political matter, but must also be addressed through how economic recovery and development is managed, given the centrality of socioeconomic factors in driving inequality, tensions and competition over scarce natural resources—which periodic droughts have exacerbated.

2. UNDERSTANDING FAMINE CAUSATION IN SOMALIA

While drought is the most visible and widely repeated cause of famine in Somalia, its role is far more complex and linked to a number of other factors, including both underlying structural and proximate factors.

Droughts pose a systemic shock that, when combined with continued conflict, insecurity and increased vulnerability caused by underlying systemic weaknesses and deficits, result in rapid and large-scale economic disruption, loss of livelihoods, acute food insecurity and exposure to disease. Following the end of the drought, systemic and individual capacities risk remaining compromised, and could further exacerbate underlying structural weaknesses. Based on the 'complex emergencies' model of famine outlined in Chapter 1, four levels of causal factors can be identified which explain the cyclical dynamic of food crisis evident in Somalia since the early 1990s.

STRUCTURAL DRIVERS (STRESSES)

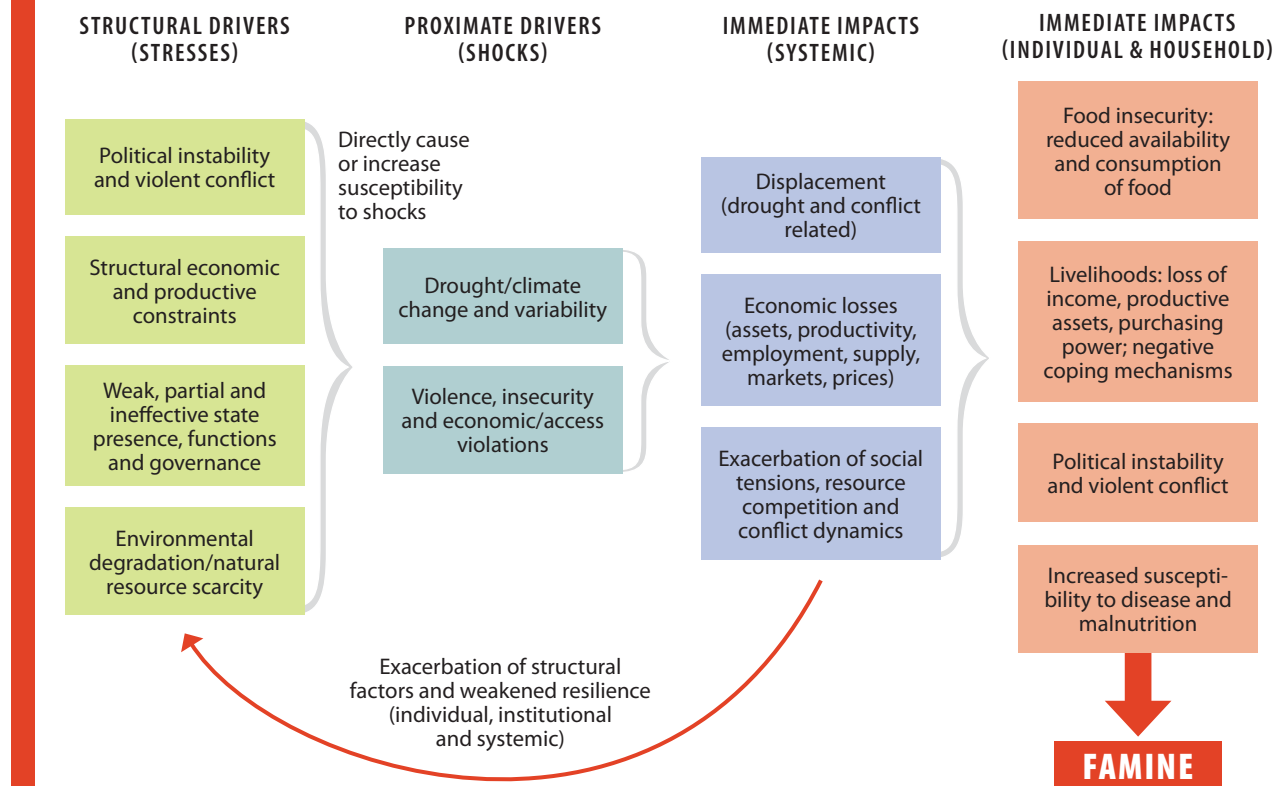
A number of political, economic, social and environmental structural factors explain the high susceptibility of Somalia's population (estimated at 12.3 million) to short-term climatic or man-made shocks, and why these engender such high costs. Since the early 1990s, these factors have combined to erode the capacity of key systems and institutions to support and maintain individual and collective well-being as well as severely constrained and distorted economic productivity and livelihoods, thus heightening vulnerability and exposure to adverse shocks. This systemic loss of resilience, which has been exacerbated over the years through

recurring shocks, can be attributed to the following chronic stresses:

Political instability and recurrent conflict. The fall of the Siad Barre regime in 1991 led to the collapse of the Somali state and the fragmentation of political power among conflicting factions, leading to recurrent cycles of conflict and insecurity that have lasted to the present day and severely inhibited socioeconomic development and growth. While parts of the former Somali state—notably Somaliland and Puntland—have managed to escape this cycle as autonomous self-governing entities with a modicum of stability, the remainder of the country (south-central Somalia) has remained locked in a pattern of recurrent conflict driven by warlordism, ideologically based insurgencies (al-Shabaab), inter-clan rivalries and disputes, and entities profiting economically from insecurity and violence. The centrifugal nature of these conflict dynamics have in the past posed a challenge to the creation of a central state, effective national institutions and a unifying vision and approach to governance—all of which have served as significant impediments to socioeconomic growth and development.⁴ This bleak narrative must, however, be qualified by developments since the formation of the Federal Government in 2012, which led to a renewed emphasis on improving governance and strengthening state capacities at

4 World Bank. *Interim Strategy Note for the Federal Republic of Somalia (FY14-FY16)*. November 2013. See also UNDP. *Somalia Human Development Report 2012*. 2012.

FIGURE 1: OVERVIEW OF FAMINE CAUSATION FACTORS IN SOMALIA



Federal and State levels, with considerable progress achieved due to strong support from the international community within the New Deal framework.

Economic and productive constraints. Decades of political instability and conflict have severely constrained Somalia’s economy, which remains underdeveloped, fragile, and in recession since the early 1990s. Although macroeconomic data is largely unavailable, GDP per capita is estimated at US\$ 435—the fifth lowest in the world,⁵ with the incidence of poverty estimated at 73 percent, and extreme poverty at 43 percent. Somalia’s main productive sector is agriculture and livestock, which accounts for the (largely subsistence-based) livelihoods of approximately 60 percent of the population, 40 percent of GDP and 80 percent of exports income (with crop production accounting for the remaining 20 percent).⁶ Productivity and value added in this sector are characterized as low, structurally impacted

by scarcity and poor management of water, land and other natural resources, and the absence of infrastructure, market integration, and technical and support services to help boost productivity. As a result, the sector is highly susceptible to price, supply and labor disruptions caused by climactic and other shocks. A major source of economic growth is the informal sector (focusing primarily on financial, transport and telecommunications services) which is fueled by remittances but which, in the absence of adequate regulation by the state, does not contribute significantly to development.

Fragile governance and institutions. Since the collapse of the Somali state in 1991 and the destruction of much of the country’s governance and economic infrastructure, with the exception of Somaliland and Puntland, little progress was made in re-establishing a national system of effective state institutions and services until the formation of the Federal Government

5 United Nations. *Humanitarian Response Plan 2017*. 2017.

6 World Bank. 2013.

in 2012. Important progress has been made in the governance and state-building agendas since then, including the establishment of federal structures (the Federal Government and the Federal Member States), and the strengthening of core institutional functions, the civil service and service delivery mechanisms at Federal and state levels, which are considered to have helped buffer the impacts of the current drought.⁷ At the same time, these recent gains are nascent and fragile: the extent of state administrative presence throughout the territory remains limited, and the central government's fiscal position has remained weak.⁸ As a result, and although improved since 2012, service provision remains limited, resulting in poor access to essential services such as education, health, social protection, energy and water/sanitation. These constraints have historically negatively affected human development⁹ and economic productivity, and are considered a key factor contributing to structural vulnerability and poverty. Second, the inability of state institutions to ensure law and order, regulate economic activity (currency, market, internal and external trade) and provide essential support for sectoral and area-based productivity, diversification and growth throughout the country has constituted a significant factor in the lack of equitable economic development, deepening poverty, inequality and exclusion – all of which have served to heighten vulnerability to economic, environmental and man-made shocks.¹⁰

Environmental degradation and natural resource scarcity. Environmental degradation and natural resource scarcity has worsened over the years due to a combination of factors. These include the absence of effective state regulatory control to safeguard natural resources which, together with harmful economic practices, have deteriorated significantly, leading to increased susceptibility to climatic factors (such as

droughts and flooding) and negatively impacting economic productivity. Critical losses in this regard include deforestation, soil erosion and diminishing volumes of water in major rivers. A clear example is the inadequacy of water supply infrastructure and management, which has led to over-grazing around water points, accelerating soil erosion.¹¹ Additional consequences of environmental degradation and resource scarcity include increased competition between groups over resources, which can be aggravated in contexts of significant declines in livelihoods and welfare.

PROXIMATE DRIVERS (SHOCKS)

In Somalia, the causes of the 2011-2012 famine and the current pre-famine situation and food security crisis can be understood as the interplay between recurrent shocks (drought and ongoing conflict and insecurity) which aggravate pre-existing stresses (the structural drivers outlined above), and lead to the breakdown of key economic and social systems (immediate impacts, below). These in turn have a direct impact on human livelihoods, vulnerability and morbidity.

Climatic variability (droughts, floods). Climate changes constitute an exogenous variable, which, in the case of Somalia and the greater Horn of Africa, have had a cyclical impact. Here these have primarily taken the form of a general decline in long rains, leading to increased frequency of droughts and floods. In Somalia, droughts take place every 2-3 years in the Deyr season, and every 8-10 years in both Deyr and Gu seasons.¹² The last major drought of 2011-2012 constituted a failure of both Deyr and Gu rains in 2010 and 2011. The direct impact of this drought was a shortage of water, leading to widespread crop failure and death of livestock. The

7 Albert Soer, *Somalia: State-Building Requires Innovation*. UNDP Somalia, June 2017.

8 According to the World Bank, domestic revenues accounted for only 2.7 percent of GDP in 2016, severely limiting the ability of the state to provide services, while expenditures are primarily focused on recurring costs, limiting capital spending to just 3 percent of the total (World Bank. *Federal Republic of Somalia Economic Update*. July 2017).

9 School enrolment rates are estimated to be at approximately 31 percent, while the availability of health facilities is limited to one per 15,200 people. Life expectancy at birth is estimated at 51 years, with an infant mortality rate of 137 deaths per 1,000 live births. Further, an estimated 45 percent of the population do not have access to safe water supply, and 37 percent lack access to basic sanitation. (UN Office for the Coordination of Humanitarian Affairs. *2017 Humanitarian Needs Overview*. October 2016).

10 United Nations. *Somalia Humanitarian Needs Overview*. 2014.

11 Istanbul II Conference, Partnership Forum on Resilience. *Somalia: A Resilience Strategy*. May 2012.

12 The Deyr rains normally occur between October and December of each year, while the Gu rains normally occur between April and June. (UNDP. *Somalia Capacity Development for Humanitarian Affairs and Disaster Risk Reduction Project – Draft*. August 2017).



scale of the resulting famine and associated large-scale morbidity however, was determined by the impact of crop failure and productivity losses on market and trade dynamics, and the inability of the national economy and institutions to absorb this shock, given the dependence on agriculture at both national and household levels, and the absence of national institutions and services to address increased vulnerability among the population. In the context of the current drought, progress in strengthening state institutions since 2012 and the mobilization of civil society, private sector and communities, has contributed significantly to preventing the rapid escalation of famine conditions and morbidity. **Violence and insecurity.** Ongoing armed insurgencies and localized clan conflicts continue to create periodic shocks which have a

strong detrimental impact on social coping abilities and vulnerability. On the one hand, violence, insecurity and direct targeting of civilians directly contributes to disruptions in productivity, loss of livelihoods and distortion of trade and markets. On the other, it amplifies the impact of drought by obstructing access by affected populations to critical services and humanitarian assistance. During the 1991-1992 famine, violence and insecurity was the primary shock leading to famine conditions and over 300,000 deaths. During the 2011-2012 famine, and to a considerable extent in the current crisis, localized conflict and violence continue to serve as secondary triggers in select areas which further aggravate drought-induced losses by reducing individual and household coping and recovery capacities.¹³

13 International Crisis Group. *Instruments of Pain (III): Conflict and Famine in Somalia*. May 2017.

IMMEDIATE IMPACTS (SYSTEMIC)

In both the 2011-2012 famine and current food crisis in Somalia, underlying stresses (structural drivers) and proximate drivers (shocks) combined to generate wide-ranging systemic disruptions, which in turn have severely impacted individual welfare, livelihoods and vulnerability. A critical feature of these dynamics in Somalia is that these disruptions—and resulting losses—have served to further exacerbate pre-existing stresses, thereby creating a vicious cycle of underdevelopment and increasing vulnerability. The economic losses attributable to the 2011-2012 famine, for instance, resulted in a decline in GDP growth for years following the end of the drought, and severely weakened Somalia's agricultural sector, while negative coping strategies (e.g. over-grazing and extraction of natural resources) have accelerated environmental degradation. Dwindling resources (availability of water, food and livestock), has also served to exacerbate conflicts within and between communities and clans, further deepening violence and insecurity.¹⁴

Population displacement. Displacement in Somalia has been induced both by drought and conflict/insecurity, with the latter occurring on an almost continuous basis given the shifting geography of local conflict over time. Drought conditions have also induced significant waves of displacement as populations leave in search of better conditions and food. During the current crisis in Somalia, over 815,000 people have been displaced through a combination of drought (accounting for 81 per cent of the total) and conflict-related causes.¹⁵ In both cases, displacement results in dispossession, loss of productive assets and livelihoods, and access to basic services, thus considerably weakening coping capacities and increasing vulnerability. This is accompanied by loss of social cohesion and

associated protection mechanisms, deepened poverty and deprivation, migration to urban centers with very little absorptive capacity, and increased social marginalization.¹⁶

Economic losses. The widespread shortage of water and pasture during drought periods has resulted in catastrophic economic losses to the agricultural sector, including the failure of crops and the death of livestock, due to its dependency on natural resources and lack of resistance to climatic changes.¹⁷ Crop and livestock failures drastically reduced production and constrained supply of food, while higher prices and the loss of productivity led to lower wages and increased rural unemployment, all of which have affected demand due to decreased purchasing power. According to preliminary damage assessments, the 2016 drought in Somalia is estimated to have resulted in US\$ 1.3-1.7 billion in livestock losses and up to US\$ 60 million in crop production losses,¹⁸ with crop production estimated at 40-50 percent below normal, and livestock losses ranging between 20-60 percent depending on the region.¹⁹

Exacerbation of social tensions. Declining food stocks, income and access to scarce resources like water during periods of drought have historically contributed to tensions and conflict at community and local levels owing to increased competition, displacement and breakdown in social cohesion, and exacerbated existing tensions between clans and other social groupings. According to some studies, there is a clear correlation between increase in temperature and drought duration with the likelihood of conflict.²⁰ During the current crisis, this has taken the form of inter-clan conflicts over natural resources, which have further limited access to grazing land, and resulted in the destruction of households and livestock.²¹

14 UN Office for the Coordination of Humanitarian Affairs. *Somalia Operational Plan for Famine Prevention (January-June 2017)*. February 2017.

15 Food Security and Nutrition Analysis Unit. *Food Security and Nutrition Brief*. June 2017.

16 United Nations. 2016.

17 Maxwell et al., 2014.

18 World Bank. July 2017.

19 Food Security and Nutrition Analysis Unit. June 2017.

20 Breisinger et al., *Building Resilience to Conflict through Food-security Policies and Programs: Evidence from Four Case Studies*, May 2014.

21 Food Security and Nutrition Analysis Unit. *Food Security and Nutrition Brief*, June 2017.

IMMEDIATE IMPACTS (INDIVIDUAL & HOUSEHOLD)

The significant economic and productivity losses, massive population displacement and deterioration of social cohesion have had significant impacts on individuals and communities, resulting in extreme food insecurity, loss of livelihoods and high exposure to malnutrition and disease. During the famine of 2011-2012, this resulted in the deaths of over 250,000 people. In the current crisis in Somalia, the same causal dynamics are clearly in evidence again. Although large-scale starvation and death due to disease has been averted in large part due to the strengthened capacity of local government institutions, private sector and civil society mobilization and humanitarian assistance, the causes of this extreme vulnerability remain, and with drought conditions currently extending in light of insufficient rainfall in 2017, a slide into full famine remains a high risk.

Food insecurity. At present, 6.7 million people (approximately half the population of Somalia), are considered to be food insecure, with 3.2 million people in IPC phases 3 (crisis) and phase 4 (emergency). An additional 3.5 million are in IPC phase 2 (stressed), with food insecurity expected to worsen in the absence of livelihood support and humanitarian assistance. The direct causes of food insecurity include the loss of productive assets (crops and livestock) due to the drought; displacement (loss of access to productive assets due to both the drought and insecurity); unemployment (due to closure of businesses); negative coping strategies (distress sales of livestock and grain stocks to purchase food); and declining purchasing power in light of significantly increased food prices.²²

Loss of livelihoods. During the current crisis, livelihoods have been significantly impacted by drought-induced losses in productive assets. Farmers and pastoralists have been the most affected, suffering significant losses in food sources, income and productive assets. With respect to the

former, in some regions, losses amounted to 49 percent of production, while others were affected by a complete production failure. Successive rain failures compounded losses due to the six-month gap between harvests. Pastoralists faced similar significant losses as declining food and water sources for livestock declined, leading to widespread livestock losses (20 to 60 per cent, depending on the region). The weak condition of remaining livestock has led to reduced livestock prices and declined nutrition value—both of which negatively impact household food consumption and assets.²³ Drought conditions have eased slightly with the April-June Gu rains, but their late start and below average levels of rainfall, have resulted in a further decline in crop production, further exacerbating livelihoods and food insecurity for farmers already in a precarious situation. The depletion of livestock assets during the course of 2016-2017 has impeded recovery, leaving many pastoralists dependent on humanitarian assistance.²⁴

Disease and malnutrition. During the current crisis, exposure to malnutrition and disease have increased significantly, resulting in increasing levels of morbidity which, due to the incidence of disease, has reached famine levels in some regions. Acute food insecurity has led to high rates of malnutrition, with an estimated 388,000 children acutely malnourished, and a morbidity rate of over 20 percent within the affected population group.²⁵ The depletion of water sources due to the drought, over 50 percent of which are in the most affected areas, has overwhelmed water and sanitation services and increased exposure to unsafe drinking water and unhygienic conditions for over 4.5 million people. This has led to a sharp increase in acute watery diarrhea and cholera cases, estimated at over 19,000 cases and over 400 deaths.²⁶ Low institutional capacity in the health sector (with healthcare service delivery weak or non-existent in many region) has left over 3.3 million people in need of services, and has further contributed to the incidence of disease and associated morbidity.²⁷

22 United Nations. 2017; Food Security and Nutrition Analysis Unit. June 2017.

23 Food and Agriculture Organization of the UN. *Drought Response Plan, Somalia 2016/2017*. 2017.

24 Food Security and Nutrition Analysis Unit/Famine Early Warning Systems Network. *Post-Gu Technical Release*. August 2017.

25 Ibid.

26 World Bank. 2017; Food Security and Nutrition Analysis Unit. May 2017; UN Office for the Coordination of Humanitarian Affairs. 2017.

27 United Nations. *Humanitarian Needs Overview 2017*. 2016.

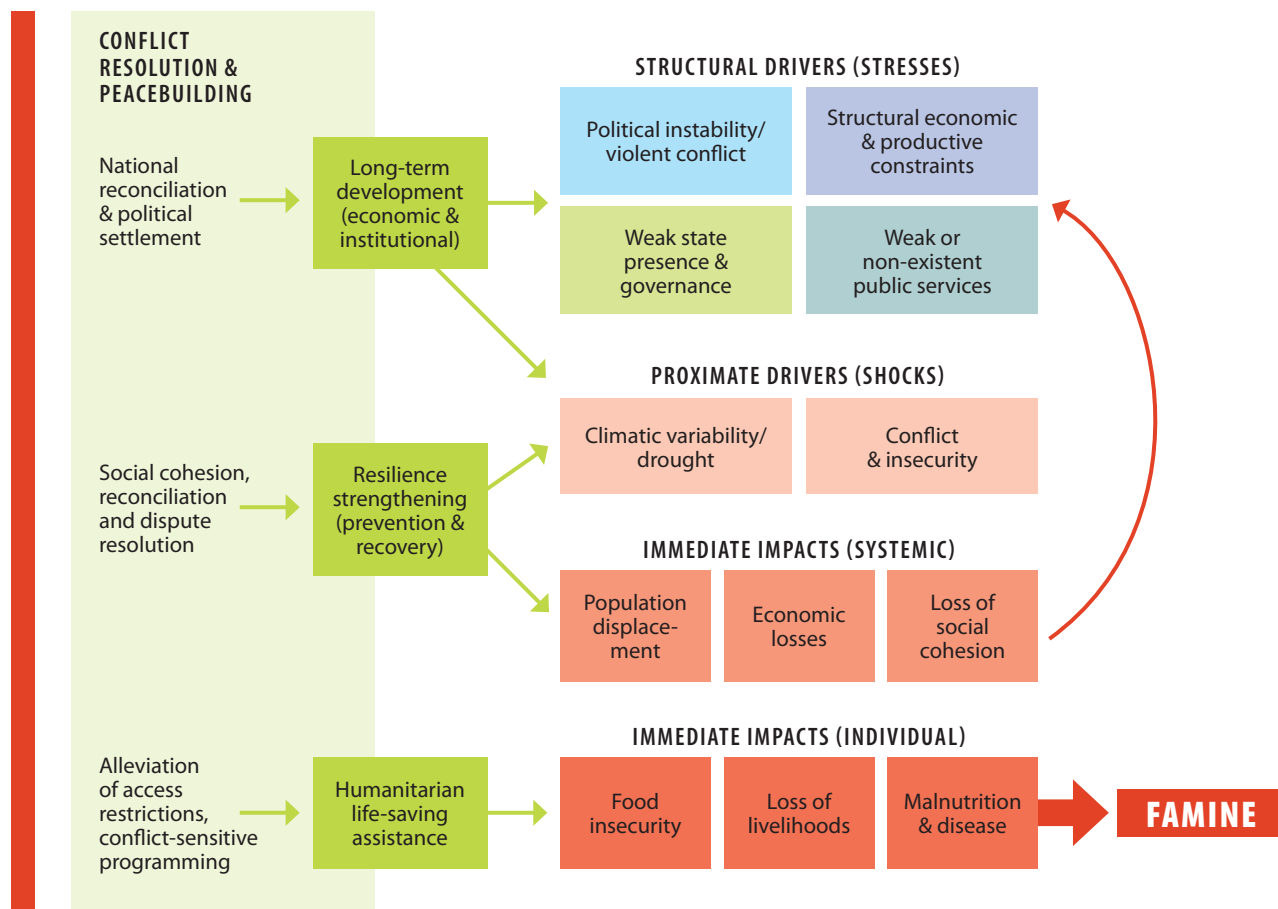
3. ELEMENTS OF A COMPREHENSIVE APPROACH FOR MITIGATING FAMINE RISK IN SOMALIA

As outlined above, Somalia's vulnerability to drought-induced famine risk is caused by the complex interplay of pre-existing structural stresses and systemic shocks, including protracted conflict and insecurity, which overwhelm the coping capacities of individuals, households, communities and productive systems, and lead to large-scale loss of productivity and life.

A key feature of famine causality in Somalia is the mutually reinforcing impacts between stresses and systemic shocks, which has led to cyclical crises. In what has been termed 'development in reverse', each new crisis increases the risk of compounding pre-existing political, social and economic weaknesses and constraints, leading to further deterioration of coping strategies and vulnerability, and a dependence on high volumes of international humanitarian assistance to mitigate large-scale human and other losses.

Looking back at how this cyclical dynamic has played out over the past 15 years, and notably between the famine of 2011-2017 and the 2016-2017 food crisis, it is clear that the fundamental and overriding priority should be to break the cycle of chronic food insecurity by addressing underlying economic, governance and climatic stresses and enhancing resilience to systemic shocks through continued improvement in governance and state-building. This necessitates a holistic strategy that links humanitarian assistance with development goals within a unitary and long-term strategy, and which in turn is integrated with strategies for promoting conflict resolution, peacebuilding and political reconciliation. Such an approach could consist of the following three levels of response, as outlined in the diagram and described below:

1. **Level 1 Response: Short-term famine prevention and recovery.** Addressing the underlying structural factors that determine Somalia's susceptibility to drought and other shocks will, realistically, take years to address. In the interim, humanitarian assistance, with a focus on both resilience strengthening and life saving support, will likely be required to mitigate the short-term impact of future droughts, address the most urgent immediate needs and enable rapid recovery. Accordingly, these interventions address the immediate impacts of shocks, seeking to mitigate systemic disruptions and associated impacts on individuals and households:
 - **Life-saving assistance:** The provision of life-saving humanitarian assistance in pre-famine or famine contexts focuses on preventing and mitigating morbidity risks associated with acute food insecurity, malnutrition, and exposure to disease. Designed to address emergency situations, these interventions address populations at highest risk or vulnerability due to expected or realized drought-induced losses to productive assets, livelihoods and income. These include farmers, pastoralists and agro-pastoralists in most affected areas, as well as displaced populations. Life-saving assistance includes



provision of emergency food assistance, provision of health and nutritional services; provision of water and sanitation services; and multi-sectoral assistance to IDPs (including NFI kits, shelter, etc.).

- Resilience strengthening (individual/community level):** Interventions to strengthen the resilience of individuals, households and communities to drought-induced shocks should ideally be formulated at two levels:

 - 1) As part of a prevention strategy in pre-famine contexts to safeguard livelihoods, productivity and access to services in the face of adverse climatic and economic conditions; and
 - 2) As part of a response strategy in post-drought and post-famine contexts, with the aim of facilitating recovery of livelihoods, recovering productive assets, restarting productivity and promoting economic self-reliance. Key activities across both levels include:

- Specialized assistance to populations at high risk of displacement, displaced populations and returnees to generate incomes and access essential services, with a particular focus on urban centers;
- Support for the safeguarding or restoration of livelihoods, through agricultural services and improved practices, seed distribution, livestock replenishment and livelihood diversification;
- Improvement of vital community-level infrastructure in both preventive and recovery phases, including water management facilities, roads and markets;
- Short-term market interventions to stabilize prices and supply and demand of essential commodities (e.g. food, fuel, etc.);

- Short-term employment creation to safeguard and restore household incomes and purchasing power;
- Provision of credit and insurance to farmers and pastoralists to improve coping capacities in both preventive and recovery contexts; and
- Short term and targeted social protection programmes to provide safety nets for seasonal at-risk populations.

2. **Level 2 Response: Medium to long-term resilience and development.** Medium to long-term development-oriented interventions are essential to break the cycle of recurrent famine risk in Somalia. In doing so, such interventions would need to target both the resilience of economic, social and governance systems critical for livelihoods and individual wellbeing, as well as the underlying structural constraints and stresses, which are essential for the sustainability of the former. In this regard, interventions in three main areas can be identified, which can be differentiated between medium-term resilience and long-term development objectives (table 2, below):

■ **Strengthening the quality, responsiveness and availability of essential services** will be critical over the medium to long-term in enhancing resilience to drought-induced food insecurity. These include core social services in the areas of health, water/sanitation and education, which are essential for reducing susceptibility to disease and expanding individual productivity over the long-term. Social protection programmes and safety nets will also be critical to ensure that the poorest and most at-risk populations can weather adverse conditions. Priorities in the medium-term include expanding access and availability of services nationally (financed through, for instance, a transition of international assistance from capacity substitution to institutional strengthening), whereas priorities in

the longer-term include structural reforms and investments in service delivery, human resource and infrastructure development to enhance both the quality and responsiveness of services to specific population needs as they evolve.²⁸

■ **Enhancing agricultural productivity and labor** will be vital to addressing structural deficiencies and constraints in productivity, which have been shaped by decades of underinvestment and recurrent conflict and drought-related shocks. In the medium-term, this entails a focus on promoting diversification of agricultural strategies through the development of additional product value chains, skills development and active labor market interventions, as well as processing and value-added techniques; improving asset productivity through new drought-resistant agricultural and livestock techniques, and improved methods for water management and irrigation; and improving access to financial services (credits, grants, and insurance) to increase investment opportunities and manage risk. Over the medium to long-term, focus is needed on addressing the long-standing barriers to structural transformation of the agriculture sector through improving market functionality (including through improved communications and information systems), management of rangelands and water sources, the efficiency of agricultural value chains, and economic infrastructure (notably roads). Over the long-term, investments will also be needed to improve the policy, regulatory and business environment for agriculture, underpinned by a national strategy for sectoral transformation, growth and climatic adaptation.²⁹

■ **Continuing to invest in core economic, financial and local governance capacities,** as part of the broader state-building plan for Somalia will be essential to strengthen policy, regulatory and fiscal frameworks for supporting economic productivity, inclusive development and climatic adaptation. Building on

28 Istanbul II Conference, Partnership Forum on Resilience. *Somalia: A Resilience Strategy*. May 2012.

29 Ibid., see also Breisinger et al., May 2014.

TABLE 2: OVERVIEW OF RESILIENCE INTERVENTIONS

INTERVENTION TYPE	MEDIUM TERM RESILIENCE FOCUS (3-5 YEARS)	LONG-TERM DEVELOPMENT FOCUS (5-10 YEARS)
Provision of essential services	<ul style="list-style-type: none"> Expansion of services to maximize accessibility (with international support) 	<ul style="list-style-type: none"> Enhancement of quality and responsiveness of services Policy and regulatory reforms Capital investments (delivery mechanisms, human resources, infrastructure)
Agricultural productivity and labor	<ul style="list-style-type: none"> Diversification of livelihoods Skills development Active market interventions (stabilization focused) Improved asset productivity Access to financial services 	<ul style="list-style-type: none"> National strategy and policy for sectoral transformation and growth Improved market functionality Value chain improvement and strengthening Rehabilitation / expansion of economic infrastructure Improved policy, regulatory and business environment
Core governance capacities	<ul style="list-style-type: none"> Policy and regulatory frameworks for governing economic activity and sectoral growth National policies, regulatory frameworks and programmes for climatic adaptation (drought-resistant practices, natural resource management) Strengthening of public financial management (revenues/expenditures) Strengthening of local governance (development planning, fiscal management, disaster risk management) 	

the recent gains of institutional development of the past years,³⁰ and within the framework of the newly adopted National Development Plan, key measures to alleviate key structural stresses on the economy include: policy and regulatory frameworks (and associated oversight, services and implementation support mechanisms) for sectoral activity and growth, financial services, business development and management of natural resources; strengthening of public financial management, including domestic revenue mobilization and budget execution, and strategies to close the capital and infrastructure gap in relation to core service provision. In addition, strengthening of local governance and associated institutions for economic planning, disaster risk management (including early warning monitoring and analysis) and revenue collection/expenditure management (under a future fiscal federalism framework), would be critical to enhancing the presence and responsiveness of the state to provide support to populations exposed to drought and other shocks.³¹

3. **Level 3 Response: Statebuilding and peacebuilding.** Conflict dynamics in Somalia constitute a major structural stress that serve to amplify the systemic impacts of short-term shocks, due to their contribution to the disruption of economic productivity and livelihoods, impeding provision of essential assistance and services, and obstructing effective governance at all levels. In addition, the systemic disruptions catalyzed by droughts—reduced food availability, natural resources, and productive assets—also directly contribute to conflict dynamics at local and community levels. Alleviating this structural stress and exacerbating factors requires a holistic approach to conflict resolution and peacebuilding, which—beyond the obvious need to end the major ongoing insurgencies in Somalia through an inclusive political vision and settlement on the future of the Somali state—could include the following elements:

- Integrating conflict prevention in famine prevention and recovery strategies to mitigate the impact of scarce resources on local conflict dynamics, through emphasis on inclusive approaches to livelihood support.³²

30 World Bank. 2017. See also International Monetary Fund. *Somalia Country Report No. 17/61*. February 2017.

31 World Bank. 2017; United Nations. *The Humanitarian, Development and Peacebuilding Nexus in Somalia*. 2017.

32 Breisinger et al., May 2014.



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- Providing support at the community level to strengthen social cohesion and reconciliation, including through collective dispute resolution and dialogue mechanisms, as part of early warning and response measures.³³
- Promoting dialogue at all levels on a unified vision for governance and state-building in Somalia, linked to a comprehensive settlement of grievances.
- Providing alternatives to violence-based livelihoods to youth and other groups at risk due to unemployment, marginalization and vulnerability.
- Aligning assistance for security sector reform with famine prevention and response plans, to enhance maintenance of law and order in high-risk areas.
- Reducing access restrictions due to ongoing conflict, checkpoints/barriers, and bureaucratic impediments through negotiations with responsible parties or security measures.³⁴

33 United Nations. *United Nations in Somalia Provisional Strategic Framework*. 2017.

34 International Crisis Group. May 2017.

4. OVERVIEW OF PREVIOUS AND CURRENT FAMINE RESPONSE EFFORTS IN SOMALIA

The international community has provided substantial assistance to Somalia since the collapse of the Siad Barre regime in 1991, with a key focus on humanitarian support for populations affected by violence, insecurity and recurrent droughts.

Following the 2011-2012 famine, the international humanitarian community recognized that life-saving assistance alone was insufficient to address widespread vulnerability and exposure to drought and other shocks, leading to greater emphasis on resilience-based programming with a focus on strengthening livelihoods and service provision. The establishment of a full federal government in 2012 led to international re-engagement with Somalia within the framework of 'Compact for Somalia', and a considerable increase in development assistance aligned with the Peace and Statebuilding Goals (PSG). Figure 2 below provides an overview of funding trends in Somalia between 2005-2017.

Significant increases in both humanitarian and development assistance since 2014 were not, however, able to prevent the economic losses and widespread food insecurity associated with the 2016 drought, though considerable investments and progress in extending state and governance capacities at state level have contributed significantly to mitigating the impact of the drought. The current pre-famine situation has once again drawn attention to the need for more concerted efforts to break the cyclical dynamics of drought-induced food insecurity by linking humanitarian assistance with longer-term development and state-building efforts. This section

provides an overview of trends in humanitarian and development financing, the evolution of practices to address underlying causes of vulnerability, and current efforts to promote a more integrated approach to famine prevention.

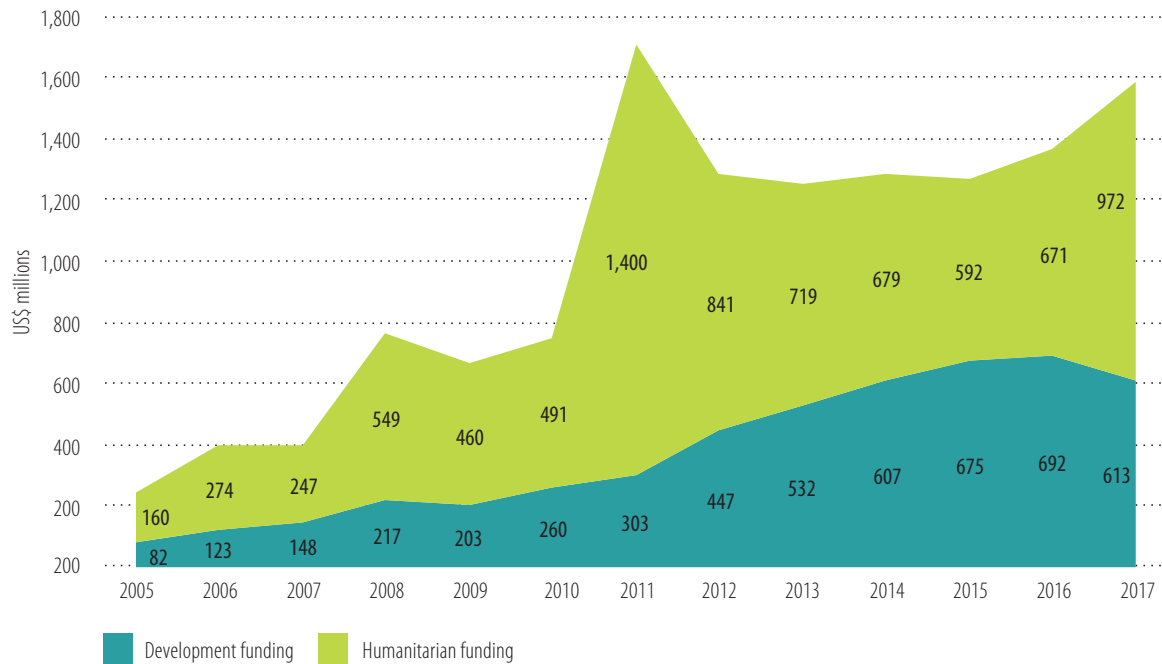
HUMANITARIAN RESPONSE

Since 1991, the various structural factors outlined in section 2 (conflict, underdevelopment, inadequate state capacities and environmental degradation) combined with weak and fragile economic and social systems, have created a long-standing and continuous humanitarian crisis in Somalia, with high levels of poverty, vulnerability and reliance on humanitarian assistance. The response of the international community has been robust, with levels of humanitarian assistance increasing steadily since the mid-2000s, albeit focused primarily on life-saving support.

While the humanitarian response to the 2011-2012 famine was considered proportionate and appropriate, it generated important lessons. A key lesson was the recognition that the high-level of famine-related deaths was not inevitable, and could have been mitigated through earlier action from both preventive and life-saving perspectives.³⁵ This recognition paved the way for a strengthened focus on measures to enhance resilience among vulnerable populations, namely

35 Darcy et al., 2012.

FIGURE 2: LEVELS OF INTERNATIONAL HUMANITARIAN AND DEVELOPMENT AID FOR SOMALIA (2005-2017)



Sources: World Bank, *Aid Flows in Somalia: Analysis of Aid Flow Data*, 2016; Federal Republic of Somalia, *Aid Flows in Somalia: Analysis of Aid Flow Data*, 2017

through short-term livelihood support, which was expected to strengthen their ability to both recovery from drought and cope with future shocks. From 2012 onwards, humanitarian appeals have contained an explicit strategic objective focused on supporting livelihoods, including through the restoration of market-based cash transfers, productive assets and rehabilitation of community infrastructure and services, among others.³⁶ In subsequent years, support for resilience strengthening has been coordinated with other forms of life-saving assistance, with targeting

based on the severity and urgency of need, and the presence of sufficient stability for livelihood activities.³⁷ Lower than predicted funding levels however, have obliged humanitarian agencies in some years to prioritize life-saving over livelihoods assistance.³⁸

In addition, from 2012 onwards, a number of UN agencies, donors and international NGOs developed specific strategies to enhance resilience among vulnerable populations, which provided programmatic frameworks for channeling

36 United Nations. *Consolidated Appeal for Somalia: Mid-Year Review*. 2012. In the 2013-2015 CAP, the following strategic approach was articulated: "In recent years, the humanitarian system has been orientated towards saving lives in times of crisis, but limited efforts have been placed on enhancing household resilience to subsequent shocks. The three-year CAP allows for the re-building of households and community capacities to enable them to withstand shocks and adapt to changing conditions. It includes a greater emphasis on reducing and managing shocks, rather than on single crisis response. It also addresses enhanced investments in building productive, human, social, natural and financial resources within households and communities. It is anticipated that this will result in a year-on-year decline in the number of Somali households that are in emergency or crisis." United Nations. *Consolidated Appeal for Somalia (2013-2015)*. 2013.

37 For an example of targeting criteria used for life-saving and resilience focused interventions, see the food security section in United Nations. *Strategic Response Plan for Somalia*. 2014.

38 According to the UN in 2016, "sustained funding was not provided to enhance resilience and link to longer-term development projects that delivered a significant impact and during spikes in emergency levels, humanitarian organizations were frequently required to divert funding from resilience building efforts to life-saving priorities." (United Nations. *Somalia Humanitarian Response Plan*. 2016; United Nations. *Somalia Consolidated Appeal 2013-2015: Mid-Year Review 2013*. 2013.)

humanitarian assistance. One of the most important frameworks is the WFP, FAO and UNICEF Joint Strategy for Enhancing Resilience in Somalia, which was based on three key building blocks: strengthening the productive sectors; improving basic social services; and establishing predictable safety nets.

At the same time, there is a recognition that short-term resilience strengthening—which focuses primarily on individual and household-level coping capacities—needs to be complemented through strengthening of broader systems and institutions, as well as progress on addressing core structural deficits. Accordingly, the 2016 revised HRP maintains the dual-focus approach to life-saving and short-term resilience strengthening, but also envisions a direct interface with longer-term development solutions to strengthen the resilience of economic, productive and service provision systems, within the overall framework of the ‘New Way of Working’ adopted during the World Humanitarian Summit in 2016, as well as the government of Somalia’s National Development Plan.³⁹

DEVELOPMENT ASSISTANCE

Levels of development financing have historically been low in Somalia due to ongoing conflict and the absence of a stable government. Following the establishment of the federal government in 2012, the international community focused renewed political and financial attention through the ‘Compact for Somalia’, signed in 2013, which was intended to frame the relationship between Somalia and the international community, and focus partnership and collaboration around four PSG (inclusive politics, security, justice, economic foundations and revenue and services).⁴⁰ Between 2013-2017, international development financing increased significantly, with more funding allocated between 2013-2017 (US\$ 3.1 billion) than in 2002-2012 combined (US\$ 1.78 billion).⁴¹

International development financing between 2014-2016 was for the most part aligned with the four peace and state-building goals in the ‘Compact for Somalia’, which in turn are linked to broad national priorities for improving peace and security, rule of law, state-building and long-term economic recovery and development. Of note is the absence of direct linkage with the international humanitarian assistance strategy, although funding allocated under PSG 4 (which is aimed at economic growth through livelihood enhancement and employment) can be considered complementary to the resilience-focused interventions in the HRPs of that period.⁴² Within the ‘Compact for Somalia’ framework, a total of US\$ 441 million is estimated to have been allocated against PSG 4 between 2014-2016, representing a total of 23 percent of all development financing for that period (see Table 3, below).

At the end of 2016, the ‘Compact for Somalia’ was succeeded by the National Development Plan for Somalia, which intends to provide the framework against which international development assistance will be aligned for the period 2017-2020.

BREAKING THE CYCLE OF DROUGHT-INDUCED FOOD INSECURITY: ELEMENTS OF A BALANCE SHEET

Despite the recognition of the importance of measures to enhance livelihoods and productivity in reducing the destructive impacts of droughts and other shocks, and the significant inflows of international humanitarian and development assistance since 2011, the current situation in Somalia makes it manifestly clear that while the latter has arguably contributed to preventing morbidity at the same scale as the 2011-2012 famine, it has not been as effective in interrupting the cycle of drought-induced food insecurity.

39 United Nations. *2017 Humanitarian Response Plan for Somalia: Revision*. May 2017.

40 The ‘Compact for Somalia’, which spanned 2014-2016, provided a set of common goals to guide national/international efforts, as well as a set of commitments and benchmarks against which aid would be provided in a coordinated manner. (Federal Government of Somalia. *The ‘Compact for Somalia’*. 2013).

41 World Bank. *Aid Flows in Somalia: Analysis of Aid Flow Data*. February 2016).

42 The coordination structures established for the implementation of the Somalia compact, including the PSG Working Groups, served more as forums for dialogue and discussion rather than detailed technical priority-setting and coordination of funding allocations and projects. It is not clear to what extent interventions under PSG 4 were coordinated with the humanitarian cluster system, nor the extent of possible overlap that could have occurred. (Overseas Development Institute. *The New Deal in Somalia: An Independent Review of the ‘Compact for Somalia’, 2014-2016*. December 2016).

TABLE 3: INTERNATIONAL DEVELOPMENT FUNDING AGAINST THE 'COMPACT FOR SOMALIA', 2014-2016

COMPACT PRIORITIES	TOTAL FINANCING, 2014-2016 (US\$ MILLIONS)	PERCENTAGE OF TOTAL
PSG 1 – Inclusive Politics: Achieve a stable and peaceful federal Somalia through inclusive political processes	98.2	5%
PSG 2 – Security: Establish unified, capable, accountable and rights based Somali federal security institutions providing basic safety and security for its citizens	169	9%
PSG 3 – Justice: Establish independent and accountable justice institutions capable of addressing the justice needs of the people of Somalia by delivering justice for all	39.1	2%
PSG 4 – Economic Foundations: Revitalize and expand the Somali economy with a focus on livelihood enhancement, employment generation, and broad-based inclusive growth	440.7	23%
PSG 5 – Revenue and Services: Increase the delivery of equitable, affordable, and sustainable services that promote national peace and reconciliation amongst Somalia's regions and citizens and enhance transparent and accountable revenue generation and equitable distribution and sharing of public resources.	875.6	45%
Capacity development	35.2	2%
Cross-cutting	161.7	8%
Other	122	6%
TOTAL	1,941.5	100%

Source: Adapted from World Bank, February 2016

Examining aggregate figures for international assistance since 2011 reveals two possible explanations for this failure:

- **Insufficient investment in livelihood and productivity interventions.** As outlined in section 3, measures to enhance economic productivity in the agricultural sector are critical to strengthening resilience at the level of individuals and households (through improved access to productive assets and increased income) and at the level of systems (crop and livestock value chains, market and trade, and water and irrigation systems). However, it does not appear that sufficient international funding was allocated to these types of interventions to have a meaningful impact, both in terms of promoting recovery and preventing the economic and productivity disruptions caused by the 2016-2017 drought. Between 2014-2016, an average of 22 percent of total humanitarian and development funding (US\$ 854 million out

of a total of US\$ 3.9 billion for the period) was allocated to livelihoods and productivity support: 6 percent from development financing, and 16 percent from humanitarian financing (the latter also includes food assistance).⁴³ While it can be argued that this scale of funding could have helped prevent worse outcomes during the current drought situation, it is unclear whether it was sufficient (in the absence of measures to address core structural stresses) to achieve meaningful and sustainable resilience outcomes at systemic level.

- **Insufficient prioritization of structural drivers and stresses.** As outlined in section 2, a number of structural stresses have historically constrained economic, social and institutional systems, leading to their fragility and susceptibility to disruption in the face of droughts and other shocks. As outlined in section 3, long-term development interventions operating at national scale are necessary to alleviate these stresses

43 Resilience focused programmes account for an average of 49 percent of all development funding received under PSG 3 (community based development and NRM, resilience and productive sector interventions). Calculations are based on figures from World Bank, 2016 and Federal Government of Somalia, 2017.

TABLE 4: DEVELOPMENT FINANCING AGAINST SELECTED 'COMPACT FOR SOMALIA' PRIORITIES (2014-2016)

		DEVELOPMENT FINANCING (2014-2016), US\$ MILLIONS				
		2014	2015	2016	TOTALS	% OF TOTAL
Total development financing		607	675	692	1,974	
PSG4	Infrastructure	51	51	49	151	8%
	PSD / employment	22	21	30	73	4%
PSG5	DBS, salaries, stipends	59	32	30	120	6%
	Health	199	152	145	496	25%
	Social protection	4	3	3	9	0.5%
	Other social services	7	11	13	31	2%

Source: World Bank, 2016

through, for instance, through transformation of the agricultural sector, expansion of market and transportation infrastructure, and the strengthening of policy, regulatory and service capacities within state institutions.

However, during the period 2014-2016, for which disaggregated development financing data is available, financing for these types of priorities appears to have been unavailable or insufficient to achieve results at national scale. As illustrated in Table 4 below, only US\$ 151 million were allocated for infrastructure during this period (8 percent of the total), which in principle would benefit economic productivity, while only US\$ 73 million (4 percent of the total) was allocated to private sector development and employment creation. In terms of service provision, health received substantial funding (US\$ 496 million or 25 percent of the total), while social protection and other social services (excluding education) received allocations of 0.5 percent and 2 percent respectively. Core institutional capacity support, in the form of direct budgetary support, salaries and stipends amount to US\$ 73 million, or 4 percent, while other capacity development priorities received US\$ 35 million, or 2 percent.

While it is impossible to precisely assess the impact of these funding levels on the structural constraints, and by implication the extent to which this created resilience for economic and social systems, one could argue that much higher levels of funding (from both international and

domestic sources) would be required to achieve meaningful resilience results, in light of the impact of the current drought-induced crisis. An important exception to this is the progress achieved in strengthening the presence and capacity of the state at federal and state levels, which, as outlined earlier, is considered to have helped mitigate the impact of the current drought—financial figures do not provide an adequate basis to assess the effectiveness of such developments.

CURRENT DIRECTIONS: BRIDGING HUMANITARIAN AND DEVELOPMENT EFFORTS

In recognition of the complex and cyclical causal dynamics affecting Somalia's vulnerability to drought and other shocks, the Federal Government of Somalia, the United Nations and other international partners, have developed frameworks which provide a basis for an integrated approach that combines humanitarian and development efforts to address vulnerabilities and build resilience at structural, systemic and individual/household levels:

The Somalia National Development Plan (NDP). The NDP, covering the period 2017-2019, constitutes the first development plan since 1986, and provides strategic direction to development priorities, interventions and international aid over the short to medium term. Against the strategic goals of poverty alleviation, economic revival and societal transformation, the NDP identifies building resilience capacity as a key cross-cutting priority, with a focus on three objectives: 1) Strengthening

social and economic capacities to mitigate and manage crisis; 2) addressing extreme poverty; and 3) promoting inclusion of priority groups in social and economic initiatives. Against these objectives, the NDP resilience strategy identifies seven areas of needed action at policy, regulatory, capacity building and programmatic levels.⁴⁴ With this explicit focus on resilience, the NDP provides a critical platform for ensuring that national and international efforts are coordinated and aligned against common priorities, and facilitating multi-year targeted development financing. Both of these are critical prerequisites for scaling up developmental responses and ensuring they adequately target key structural and systemic priorities for enhancing resilience to future drought and other shocks.

UN Integrated Humanitarian, Development and Peacebuilding Approach in Somalia. The United Nations has developed a Strategic Framework for Somalia (2017-2020) articulating how the UN system as a whole will help address political, security, humanitarian and development priorities within the overall framework of the NDP. In line with the ‘New Way of Working’, the UN “not only seeks to respond to the humanitarian crises with life-saving assistance,

but also to promote development and State-building approaches to bridge the humanitarian-development-peacebuilding nexus”. As such, the UN is organizing its efforts under both the HRP and NDP frameworks five broad strategic priorities, which together speak to the comprehensive approach outlined in section 3 for enhancing systemic resilience to shocks and addressing structural drivers of vulnerability in Somalia:⁴⁵

1. Deepening federalism and state-building, supporting conflict resolution, and preparing for universal elections;
2. Supporting institutions to improve peace, security, justice, the role of law and safety of Somalis;
3. Strengthening accountability and supporting institutions that protect;
4. Strengthening resilience of Somali institutions, society and population; and
5. Supporting socioeconomic opportunities for Somalis leading to meaningful poverty reduction, access to basic social services, and sustainable, inclusive and equitable development.

44 These consist of reintegration of displaced and returnees; diaspora engagement in development; management of migration and refugee return; management of environmental and natural resources; strengthening of disaster management capacities; expanding social protection; and improving food security and nutrition. (Federal Government of Somalia. *National Development Plan 2017-2019*. 2017).

45 United Nations. *UN Strategic Framework for Somalia (2017-2020)*. 2017.

5. TOWARDS A COST-BENEFIT ANALYSIS OF FAMINE PREVENTION IN SOMALIA

An understanding of the cost and benefits associated with the different levels of a holistic approach to strengthening resilience to drought-induced famine (section 3 of this report) is essential in informing decisions on the allocation of financing over the short to long term, and the phasing and sequencing of interventions (including the transitioning from life-saving to resilience focused interventions).

While data is lacking to undertake a quantitative analysis, qualitative indicators can be utilised as a starting point for further data collection and research.

Table 5 below compares, in qualitative terms, the costs and benefits of life-saving, short and medium-term resilience strengthening and long-term development interventions. Several observations can be drawn from this comparison:

- Each intervention type has different associated risks (enabling environment, speed of returns, etc.), which must be factored into costs (as discounting). These provide important criteria for determining appropriateness of different interventions given contextual variables.
- Life-saving assistance, while critical to meet emergency needs and to prevent catastrophic loss, is not sustainable beyond the immediate short-term in the absence of recurrent assistance. It can also generate dependency risk and contribute to prolonging economic recovery.
- Short to medium term resilience strengthening measures are particularly vulnerable to short-term shocks (which in the case of Somalia include both environmental and conflict-related disruptions) in the absence of addressing overarching stresses (systemic resilience).

- Development interventions have a long-term implementation timeframe, with results and impacts for beneficiaries materializing over 5-10 year period (particularly in a context of extremely low institutional capacity such as Somalia). This underscores the importance of early action to initiate interventions to reduce resilience gaps.
- All three sets of interventions are highly vulnerable to consistent disruptions created by conflict and violence. This underscores the need for concurrent measures to mainstream conflict prevention and management as well as political measures to resolve disputes at national level.

Life-saving interventions. The principal benefits of immediate life-saving assistance are the avoidance of mortality and reduced risk of acute food insecurity and exposure to malnutrition and disease. Trends in humanitarian assistance over the past 10 years demonstrate the persistence of high levels of acute vulnerability due to repeated shocks and the weakness of productive systems and institutions. In the absence of progress to address underlying structural stresses and resources to strengthen systemic resilience at scale, humanitarian assistance remains the only viable way to preserve a minimally acceptable level of welfare. At the same time, and not counting the injection of funds into local economies, life-saving assistance by definition does not contribute to expanding livelihood options or productivity.

TABLE 5: COMPARATIVE COSTS AND BENEFITS OF FAMINE PREVENTION INTERVENTIONS

INTERVENTION TYPE	COSTS (DIRECT & INDIRECT)	BENEFITS (DIRECT & INDIRECT)	EXAMPLES
Life-saving assistance	<ul style="list-style-type: none"> Project costs Sustainability risk (assistance temporarily alleviates impact of drought; does not address underlying causation) Economic opportunity cost (does not safeguard or strengthen productive assets) Substitution risk (dependency on humanitarian assistance / disincentive to invest in production and institutions) 	<ul style="list-style-type: none"> Immediacy of relief Reduced risk of acute food insecurity and malnutrition Avoided mortality/diminished productivity & coping abilities due to disease/stunting Temporarily increases household purchasing power 	<ul style="list-style-type: none"> Direct cash and food assistance Direct provision of health and nutrition treatment Emergency supply of water and sanitation (water trucking/ temporary facilities)
Short-medium term resilience strengthening	<ul style="list-style-type: none"> Project costs Enabling conditions (security, market access, some measure of price stability) Sustainability risk (in absence of structural enablers) Speed of return risks (risk that project results not achievable in time for beneficiaries) 	<ul style="list-style-type: none"> Reduced risk of food insecurity; improved purchasing power Avoided losses as a result of drought (Preserves productive assets and income) Productivity gains (including indirect economic multipliers) Increased resilience to environmental shocks (prevention and impact mitigation) Avoided recurrent humanitarian costs (short-term prevention and treatment) 	<ul style="list-style-type: none"> Rapid employment (cash for work) Restoration of productive inputs and assets (grains, livestock) Preservation of productive assets (irrigable land, livestock) Enhanced productivity (drought resilient practices, economic infrastructure) Rehabilitation/improvement of service provision (water, health, etc)
Long-term development (systemic resilience & structural improvement)	<ul style="list-style-type: none"> Low long-term cost: capital investments transferrable to national budgets Long-term implementation & results horizon (5-10 years) Complexity (multi-sector and multi-process) Sustainability risk 	<ul style="list-style-type: none"> Enhances systemic resilience to shock reoccurrence Long-term productivity and growth at scale Significant economic multipliers, positive ROI Avoided costs of international capacity substitution 	<ul style="list-style-type: none"> Value chain diversification, strengthening and development Improved market functionality Police and regulatory frameworks for sectoral productivity Large-scale infrastructure rehabilitation Enhancement of service delivery institutional capacity

Short-medium term resilience strengthening. Short to medium-term resilience strengthening interventions (what are termed ‘resilience light’ in some humanitarian plans for Somalia) focus on improving coping capacities to prevent or mitigate the disruptive effects of climatic shocks, or to facilitate recovery through resumption of productivity. Livelihoods assistance help preserve productive assets and incomes (thus avoiding asset and income losses), and can also have generate important economic returns, either directly—through additional productivity gains resulting from improved production practices or access to services

and infrastructure—or indirectly, by benefiting the broader population (who gain from improved availability and pricing of goods, or through services generated through productive activity such as labor intensive public work schemes). Similarly, strengthening service provisions can generate important both systemic and individual productivity returns. An example of this is the World Bank-financed *Somalia Emergency Drought Response and Recovery Project* to improve access to water, sanitation and hygiene for 300,000 beneficiaries through repair and rehabilitation of existing boreholes. The expected productivity gains from improved access to water is



expected at US\$ 11 for every dollar invested, and the cost (US\$ 2.5 million) is considerably lower than water provision through water trucks (estimated at US\$ 36 million for the same target beneficiary group).⁴⁶

Long-term development interventions. The primary benefit of interventions that directly address the structural factors or stresses undermining systemic and individual resilience is the avoided compound losses over the long-term accruing from recurrent shocks. In other words, development interventions can potentially break the cycle of negatively reinforcing factors and enable a positive

overall growth and development trajectory. Specifically, when confronted with recurring shocks (whether climatic or man-made), these interventions should enable individuals and productive systems to take early action (though use of early warning systems, stockpiling, modifying production, earlier marketing of products, among others); withstand potential disruptions to economic activity (through differentiated or resistant product lines, market stabilization measures, insurance schemes for pastoralists and contingency water reserves, for instance); and recover rapidly (through access to credit, savings and facilitated restocking).

46 World Bank. *Somalia Emergency Drought Response and Recovery Project*. 2017.

6. COUNTRY-SPECIFIC RECOMMENDATIONS ON BETTER INTEGRATING HUMANITARIAN, DEVELOPMENT AND PEACE INTERVENTIONS TO PREVENT, MITIGATE AND ADDRESS FAMINE RISK

Based on the analysis of famine drivers in Somalia and ongoing efforts to promote greater integration across humanitarian, development and peacebuilding efforts, the following observations and recommendations can be made:

- Overall international financing to Somalia since 2012, while significant from the perspectives of humanitarian assistance and strengthening state and institutional capacities, has not been sufficient to prevent the reoccurrence of drought-induced food insecurity and famine risk. This points to the need to more accurately assess the financial requirements of an integrated approach for preventing famine across, as well as a framework enabling the appropriate balancing of investments to ensure that short, medium and long-term priorities are adequately financed;
- Short term resilience measures targeting the individual and household levels are not sufficient in the absence of longer-term measures to strengthen systemic capacities and address underlying structural constraints and weaknesses. This requires the elaboration of a programmatic and operational 'interface' between humanitarian and development responses to ensure a holistic approach to resilience strengthening that addresses priorities at both levels concurrently and facilitates information sharing, joint targeting, monitoring and coordination;
- It is important to acknowledge that addressing structural factors will take years, even in the best-case scenario, given Somalia's deep social, economic and institutional deficits. 'Prioritising among the priorities' needs to be reflected in a strategy for state-building that is phased over time, with a focus on addressing urgent priorities and laying the foundation for development over the short to medium-term, and large-scale investments for growth and development over the long-term.



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