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Department for Africa
and the Middle East



Finland's country strategy for Somalia

2021–2024

Ministry for Foreign Affairs of Finland

EXECUTIVE SUMMARY

Somalia's continuing political instability, fragile state institutions and persistent al-Shabaab presence underline the need for strong commitments from both Somalia and international partners for the country to evolve in a positive direction. Promising steps include advancements in building state institutions and implementing economic reforms.

Somalia's socioeconomic development suffers from repeated humanitarian crises, worsened by the effects of climate change. The complex challenges, such as food insecurity, violent conflict, large-scale internal displacement and lack of livelihoods coupled with insufficient capacity for service delivery, require an effective response that operationalises the humanitarian-development-peace nexus and builds national resilience. This entails protecting persons in vulnerable positions and situations, transforming structures of marginalisation and prioritising the realisation of human rights.

The cooperation between Finland and Somalia dates back decades. The Finnish-Somali diaspora continues to be a significant resource for both Somalia and Finland and plays a key role in development cooperation, business partnerships and academic cooperation. A variety of Finnish and Somali companies are engaging in increased collaboration. Furthermore, Finland's growing investment in development cooperation and interest in deepening relations is seen in its increased presence in Mogadishu.

To support Somalia's efforts in inclusive development, peacebuilding and statebuilding, and to deepen its partnership with Somalia, Finland has adopted four strategic goals for the years 2021-2024:

1. building more diverse and comprehensive bilateral relations between Finland and Somalia,
2. actively contributing to peace- and statebuilding in Somalia,
3. advancing inclusive development in social sectors and
4. supporting gender equality and the realisation of women's and girls' rights.

Rights and participation of women, youth, minorities and marginalised groups are a cross-cutting focus in all work. All cooperation recognises the effects of climate change and builds Somalia's resilience to its impacts.

The strategic goals are pursued through a variety of ways, including multi- and multi-bilateral development programmes, support to civil society organisations, political dialogue, cooperation in the multilateral fora, secondments of crisis management experts as well as support to cooperation between academic and other Finnish and Somali institutions. The Country Strategy assumes a holistic approach, noting the importance of cooperation across relevant Finnish ministries and government authorities and with all Finnish actors in Somalia. Finland aims to promote more effective ways of jointly advancing mutual goals with the EU and its Member States and through Nordic cooperation. Coordination with Somali government counterparts and with international actors supporting development and state- and peacebuilding in Somalia remains essential.

The Country Strategy is supported by Finland's comprehensive Africa strategy as well as the EU-Africa strategy, which guides the development of Finland's ties with African countries.

1 COUNTRY CONTEXT

Somalia is recovering from decades of violent conflict, which has caused wide-spread instability, vulnerability and fragile state institutions. With the first Federal Government of Somalia replacing the transitional government in 2012, Somalia has since attempted to find its way towards a functional, stable state. With elections set for 2021, a new approach for military cooperation in the post-2021 security framework and the beginning of the process for the cancellation of debt through the Heavily Indebted Poor Countries (HIPC) initiative, Somalia may seem to have reached a turning point. However, the impact of these processes is difficult to predict.

Somalia's future can take either of two opposite directions. A positive scenario would see an increase in peace and stability opening up space for inclusive development, supported by increased development financing due to a successful HIPC process. Progress in national reconciliation would support the advancement of federalism and good governance at different levels, increasing the ability of the state to provide basic services to the citizen. In a negative scenario, weakened security leads to the eruption of further violence and a standstill of political reforms, with harmful consequences to the well-being of the population and statebuilding as a whole.

The country is still fragile: environmental and climatic shocks, political crises, increased violence, lack of progress in national democratisation objectives, corruption, increased attacks targeting international agencies, and failure in the post-2021 security set-up are possible risks. Climate change will continue to exert more and more pressure on Somalia's development, humanitarian situation and security landscape.

Somalia's socioeconomic development is hampered by recurring humanitarian crises. Events such as the Covid-19 pandemic create serious additional humanitarian, social and economic consequences. The population lacks basic resources for resilience, and the pandemic served as a reminder of the low capacity of the health sector. Internally displaced people, who amount to over 2.6 million, are particularly vulnerable to crises and present additional challenges for the already strained government capacity. Internal displacement and irregular migration into and out of Somalia are driven by various issues, including violent conflicts, lack of livelihood opportunities, and poverty.

Somalia remains highly dependent on aid and poverty rates are high, with nearly 7 out of 10 Somalis living in poverty according to World Bank estimates. Somalia is also highly dependent on money transfers made by diaspora from abroad – approximately 1,4 billion USD a year as estimated by the World Bank. The onset of the pandemic reduced remittances and paused revenues from ports of entry and overflight, which

further slowed down the national economy. However, there has been gradual development in statebuilding, especially in public administration and financial management. Domestic revenue collection has taken strides forward. Growth projections were severely hit by the pandemic. After real annual GDP growth dropping to -2,5 per cent in 2020, the World Bank expects it to return to the 2019 level of 2,9 per cent in 2021 and to increase to 3,2 per cent in 2022.

All efforts to foster development, peace and statebuilding in Somalia have to take into account the country's enormous youth population that requires economic and political opportunities while also presenting a great source of human capital. According to the UNFPA, around three quarters of the population is estimated to be under the age of 30. The overall population may more than double to nearly 35 million by 2050, according to UN.

There is increased momentum to promote peace and security in Somalia, as evidenced by the first steps in implementing the National Reconciliation Framework, concrete local-level conflict resolution initiatives and willingness for dialogue between the leadership of Somaliland and Federal Government of Somalia. However, the overall security situation has not notably improved. Somalia remains a country that generates instability in the region, and where instability is in turn generated by regional power competition. Al-Shabaab has been able to effectively take advantage of state fragility and the inability of the Somali government to provide security, justice and basic social services to the people. Significant areas in southern and central Somalia are still under al-Shabaab control. Meanwhile, Somaliland and Puntland in the north have enjoyed relative calm, with smaller pockets of Islamic State fighters in addition to al-Shabaab.

It has been widely recognised by both international actors and the Somali government that a military response alone will not defeat al-Shabaab. Improved peace and stability require development of the security sector as well as progress in statebuilding, national reconciliation and social development. This includes formation of state institutions that are legitimate, enjoy the trust of the population and are capable of providing basic services. It is necessary that the roles and responsibilities of the Federal Government and Member States are agreed, the constitution finalised and inclusive politics reforms advanced. Anti-corruption efforts need to prevent increasing financial flows from ending up in the hands of a few. For democratic, inclusive and legitimate political processes to take shape, women, youth and minorities including persons with disabilities cannot be left out of decision making.

Human rights violations remain a prevalent issue in Somalia. Sexual and gender-based violence (GBV) is wide-spread, and female genital mutilation (FGM) rates remain extremely high at 99 %. Somalia is among the worst countries for children

affected by conflict, with both al-Shabaab and state security forces guilty of grave abuses. Press freedom is frequently violated and journalists harassed. Citizens suffer from overlapping layers of inequality, and people in most vulnerable situations and marginalised communities have significant unmet protection needs. The ineffective justice system combines formal legislation with customary and religious law, while al-Shabaab maintains its own, alternative court system enforcing its interpretation of Sharia law in areas under its control.

The Horn of Africa is a region of strong geopolitical interests. Owing to the key location next to the important trade route through the Red Sea and Gulf of Aden, there is a global competition for ports, military bases and economic influence. Somalia acts as a stage for proxy competition by actors supporting either the Federal Government or certain Member States, which in turn fosters instability and hinders political reconciliation. Western actors with significant investments in military or economic development and cooperation have to position themselves in relation to these influences. The EU aims to strengthen its role as a value-based actor.

Somalia participates in regional cooperation through the Intergovernmental Authority on Development (IGAD) and the African Union (AU) and is also a key actor in Red Sea cooperation. Somalia has signed, but not yet ratified, the African Continental Free Trade Agreement. Neighbouring countries' approaches to Somalia are affected by their own security concerns and large Somali populations. Ethiopia and Kenya have security and economic interests and a troop presence in Somalia. Somalia and Kenya have an open maritime border issue as well as tensions that sometimes erupt as local armed clashes in the border areas. Ethiopia and Djibouti have encouraged dialogue between Somaliland and the Somali Federal Government. Recent years have seen a shift in dynamics in the Horn of Africa as a result of the evolving cooperation between Somalia, Ethiopia and Eritrea.

There is an increased presence of donors, including EU Member States, in Somalia. Somalia is striving towards the normalisation of relations with other countries and it wants to attract direct investment, business cooperation and more frequent use of country systems by aid donors. However, this depends on Somalia's ability to maintain partners' confidence in its commitments to reforms and progress on democratisation. Strengthening resilience and institutional capacity is key to ensuring that significant mutual investments in crisis response, security and development over the years yield sustainable results, and Somalia evolves in a positive direction.

2 FINLAND'S RELATIONS WITH SOMALIA

The long history of cooperation between Finland and Somalia dates back decades. Bilateral development cooperation was initiated in the 1980s and was among Finland's largest bilateral country programmes. After the state collapse in the early 1990s, Finland's support to Somalia was mainly focused on providing humanitarian assistance. Conflict in Somalia also brought significant numbers of Somali asylum seekers into Europe, including Finland.

Today, the partnership between Finland and Somalia is implemented through a variety of forms, instruments and programmes. Somalia's peace, stability and development is important to Finland for multiple reasons ranging from geopolitical key location, important trade routes and economic potential to regional stability and migration issues. Finland's approach in Somalia is comprehensive, combining political dialogue, development cooperation, humanitarian assistance and military and civilian crisis management. Finland has raised its presence and profile in Mogadishu, where an office space has been set up at the EU Diplomatic Compound. Relations between Finland and Somalia are becoming increasingly diverse and comprehensive.

One of the special characteristics and drivers of the relationship between the two countries is the Finnish Somali diaspora, including almost 22 000 Finnish citizens speaking Somali as their native language. The Finnish-Somali diaspora engages actively in business and development cooperation. In the latter, especially the health and education sector development has benefitted from the Finnish-Somali diaspora engagement. The diaspora continues to be an important resource for both Finland and Somalia. Finland also gives humanitarian aid to Somalia. This is channelled through key partner NGOs working in Somalia specifically as well as global contributions and core funding to UN agencies and pooled funds.

Finland's development cooperation efforts focus especially on state- and peacebuilding, gender equality and women's rights. Finland's development cooperation in Somalia is based on the 2030 Agenda for Sustainable Development, Somalia's National Development Plan 2020-24 and Finnish development policy.

Finland also gives humanitarian assistance to Somalia. This is channelled through UN organisations, Finnish NGOs and the International Red Cross and Red Crescent Movement. Humanitarian assistance is always needs-based and, by nature, it is not a component of Finland's long-term cooperation programming. Finland also contributes to the budget of the European Union humanitarian assistance and provides

unearmarked core funding to UN humanitarian organizations and the Central Emergency Response Fund. This flexible funding allows the organizations to plan strategically their activities and respond without delay to sudden onset disasters.

Civilian and military crisis management are also key tools in advancing statebuilding, and Finland is a significant contributor to EUCAP Somalia, UNSOM and EUTM Somalia. Ministry of the Interior of Finland, along with the Finnish Immigration Service, is also in active contact with Somalia on issues of migration and returns of Somali citizens.

There are various Finnish NGOs operating in Somalia that are well known and established in their fields. These include health, education, environmental issues, humanitarian aid, child protection, media freedom, reconciliation and local governance. Finnish businesses have also shown increasing interest, and some are already operating in Somalia and Somaliland. In the past years, Finnish Higher Education Institutions have also shown interest towards cooperation with Somali institutions.

EU is the largest contributor of development aid in Somalia. As part of the EU, Finland participates in the planning and implementation of the EU's strategies in Somalia and the region. Finland also works closely with the Nordic countries. Finland engages in multilateral political dialogue in various sectors through strategically relevant forums on the country level and has visible roles in aid coordination structures, for example those related to the social development sector and peacebuilding.

3 FINLAND'S STRATEGIC GOALS

3.1 Relations between Finland and Somalia become more diverse and comprehensive, including trade relations

The first strategic priority for Finland is to develop its bilateral relations with Somalia. As Somalia takes steps forward in statebuilding, Finland's relations with Somalia are broadened to match this development. Finland continues to raise and regularise its presence in Mogadishu. In the political front, Finland is committed to active political dialogue with Somalia through, for example, regular political consultations and high-level visits.

Civil society organisations are important actors in the relationship between Finland and Somalia. These include diaspora organisations, which are an important bridge, providing information and expertise on both countries.

In the sectors of education and culture, potential student and teacher exchange through programmes such as Erasmus plus and Higher Education Institutions Institutional Cooperation Instrument (HEI ICI) is encouraged. Cooperation between different academic and scientific institutions is also supported.

Provided that the security situation continues to improve, there are opportunities to support the development of the Somali private sector and to deepen commercial relationships between Somalia and Finland. Economic and private sector developments are important contributors to peacebuilding and stability. The role of the diaspora is central in promoting commerce and trade between Finland and Somalia.

A vibrant domestic private sector is essential in providing jobs and skills, particularly for the youth. Finnfund, FCA Investments, Finnpartnership and other investment and financing instruments can play an important role in providing much needed capital to the market. There has been examples of Finnish companies starting their operations in Somalia with support from Finnpartnership. In particular, digitalisation, enhancing climate resilience and solutions for low emission development may offer commercial opportunities. Economic cooperation is supported through political dialogue. Finland also supports the creation of an enabling environment for enterprises through multilateral finance institutions.

3.2 Finland actively contributes to peace- and statebuilding in Somalia

Building a peaceful, stable and inclusive Somalia requires continuing efforts to strengthen state institutions, promote national unity, improve the safety of citizens and support inclusive social development. Finland supports peace- and statebuilding in Somalia through political dialogue, crisis management and development cooperation programmes implemented by, for example, Finnish NGOs, UN partners and the World Bank. With initial progress in building core state functions at the federal level, Finland will broaden its efforts to advance statebuilding, good governance, capacity building and reconciliation efforts at the level of Federal Member States and districts.

Political tensions between the Federal Government and Member States continue to hinder cooperation in statebuilding and federalism, with negative consequences for development and government legitimacy. Finland will continue to participate in joint political dialogue with other international partners to promote dialogue and cooperation between the Somali stakeholders.

Active conflicts and unresolved grievances create insecurity at all levels of the Somali society. To advance peacebuilding from the grassroots up to the highest political level, Finland continues to support the national reconciliation process through Finnish NGOs and other actors, UN partners and political dialogue.

An inclusive national reconciliation process requires the participation of civil society as a whole. Finland will therefore pay special attention to advancing the role of women, youth and minorities, in line with the Finnish development policy, the Finnish Government Programme and Finland's National Action Plan on Women, Peace and Security. In addition, Finland's activities will be guided by the upcoming National Action Plan on Youth, Peace and Security. A more strategic focus on peace- and statebuilding in the Country Strategy also responds to the recommendations of an evaluation of the country strategy approach in fragile contexts, carried out in 2019-2020.

Finland continues to support Somalia in the HIPC process by contributing to the EU budget support and relevant World Bank programmes as well as through policy dialogue. Particular emphasis is placed on the interlinkages of economic growth, good governance, peacebuilding and humanitarian-development-peace nexus. Finland influences key issues as part of, and together with, the EU and its Member States and co-operates in Team Europe Initiatives.

Finland continues to support the EU's Common Security and Defence Policy engagement in the Horn of Africa and the effective implementation of the mandates of the EU operations in the area: EUTM Somalia, EUCAP Somalia and EUNAVFOR Atalanta. These operations contribute to the strengthening of national security forces, civilian law enforcement, maritime security and broader Rule of Law. Seconded Finnish experts have a visible profile in these missions. Crisis management in Somalia is advanced jointly with the Finnish Ministry of Defence and Ministry of Interior. Finland also contributes to national and regional safety by granting long-term support to mine clearance and to work preventing illicit proliferation of small arms and their ammunition

Finland also advances statebuilding by supporting Somalia's capacity in migration management. Finland supports the the Immigration and Naturalisation Directorate (IND) in order to enable Somalia to exercise better border control, to facilitate better managed migration and to curb transnational, organised crime. These issues along with cooperation with Somali immigration authorities and the Ministry of Internal Security of the Federal Government of Somalia fall into the agenda of the Finnish Ministry of Interior and the Finnish Immigration Service, highlighting the need for regular dialogue and information exchange.

3.3 Finland advances inclusive and gender sensitive development in social sectors

The third strategic priority for Finland in Somalia entails support to social and economic development, focusing on health and education sectors, with emphasis on inclusivity. Inclusive social development, including promoting the rights of persons with disabilities, is a shared strategic objective of the Finnish government, Finnish civil society actors, Finnish institutions and the academia.

Improving social services, including health and education, supports state- and peacebuilding goals, and strengthening the institutions and ministries in charge is one of the key pillars of creating a more stable and inclusive Somalia. Inclusive social development also requires paying attention to issues such as food security and nutrition, and climate change adaptation. The operationalisation of the humanitarian-development-peace nexus is key in building resilience and advancing long-term social development.

Access to health and quality education for all is crucially important in Somalia. To support the health sector in Somalia, Finland continues to strengthen the capacity of

the ministries of health, other key line ministries as well as health service providers. The focus is on reducing maternal and neonatal mortality and morbidity in the country.

Finland will also commence more strategic support to the education sector. Somalia has a significant youth population, and educated youth is a resource that Somalia needs to utilise. Cooperation between Finnish and Somali universities and institutes contributes to sustainability and long-term capacity building and can be further promoted. Finnish NGOs and private sector cooperation in the education sector will give added value to bilateral cooperation in education.

Various development cooperation instruments (multilateral, multi-bilateral, NGO support, cooperation with Higher Education Institutions and private sector instruments) are employed in support to the social sectors. In addition, Finland promotes national-level policies that focus on universal rights, inclusive development, increased stability and economic opportunities. UNFPA, World Bank, the EU with its Member States, NGOs as well as relevant Somali ministries are key partners in inclusive social sector development. The private sector also plays an important role in service provision and job creation and is a source of innovation in various sectors. It can also contribute to digitalisation as part of the strategic support to education and health sectors.

3.4 Finland supports the strengthening of gender equality and the realisation of women's and girls' rights

The fourth strategic priority for Finland in Somalia is to promote and support women's and girls' empowerment and rights as well as the inclusion of women across all political, economic and social spectrums in Somalia as envisioned in National Development Plan 2020-2024, the Women's Charter and the Gender Policy (2016). The objective of the Somalia's Gender Policy is to promote gender equality and sustainable human development by ensuring that equal value is placed on the contributions of women and men in the post-conflict reconstruction process and national development. Sustainable development and economic goals cannot be achieved without the rights of women and girls being realised. However, Somalia still has a long way to go in developing key legislation and policies to address the core rights of women, human rights of marginalised groups, sexual and reproductive health and rights of women and girls, gender-based violence and female genital mutilation.

Dialogue with government counterparts, civil society and other partners combined with support to UN agencies and civil society organisations are the instruments used to address gender inequality. Finland will also actively address gender equality as part of the EU, with the EU and other EU Member States, and in support to the security sector, humanitarian work and other development instruments.

Promoting the right of women and girls of all abilities to access quality, inclusive and non-discriminatory health services, especially sexual and reproductive health services, is a special focus area for Finland. The Somali government has committed to zero tolerance for female genital mutilation and gender-based violence, to addressing vulnerability factors and to strengthening legal frameworks. Finland supports the government in reaching its goals through a close partnership and dialogue and by supporting different agencies and NGOs working towards eliminating female genital mutilation and gender-based violence and all violence and harmful practices against women and girls.

4 IMPLEMENTATION AND MONITORING

The country team in the Regional Department of the MFA and the Embassy are in charge of the implementation of the Country Strategy. This is done in close collaboration with Departments/Units in charge of different instruments and activities identified under each strategic objective. While the country team is responsible for coordinating country level activities, other Departments/Units keep country teams informed and involve them in discussions as well as activities relevant to the strategic goals. The country team will hold regular country dialogues with relevant Departments/Units within MFA and with stakeholders outside the MFA that are active in the country to discuss the implementation of the Country Strategy. Stakeholders outside the MFA are encouraged to have dialogues with the country teams on the ways they can contribute to the strategic goals and benefit from synergies in each country.

The Embassy and the team as a whole provide analysis on the implementation of the strategy as part of their regular reporting. The implementation of the Country Strategy is reviewed in the annual discussions with the Ambassador. Possible updates are based on the annual discussions by the leadership of the Regional Department.