Study on Sector Functional Assessments Within Education, Health & WASH in Puntland

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ABBREVIATIONS

ARR	Advanced Reform and Restructuring
CEC	Community Education Committee
DCT	Department of Curriculum and Training (MoE)
DEC	District Education Committee
DEO	District Education Officer
DFID	Department for International Development
DG	Director General
DNFE	Department of Non-Formal Education (MoE)
DPRC	Department of Planning, Research and Coordination (MoE)
DPS	Department of Primary Schools (MoE)
DSup	Department of Supervision (MoE)
EMIS	Education management information system
I-NGO	International Non Governmental Organization
ICDSEA	Integrated Capacity for Somali Education Administrations program
JPLG	UN Joint Program on Local Governance and Decentralized Service Delivery
LDF	Local Development Fund
MDG	Millennium Development Goals
MoE	Ministry of Education
MoH	Ministry of Health
MoPW	Ministry of Public Works
MTFF	Medium Term Fiscal Framework
NARs	Net Attendance Rates
NEC	National Education Committee
NFE	Non-formal education
NGO	Non-governmental organization
OVCs	Orphans and vulnerable children
PAR	Public Administration Reform
PSAWEN	Puntland State Authority for Water, Energy and Natural Resources
RDP	Somali Reconstruction and Development Program
REC	Regional Education Committee
REO	Regional Education Officer
SDM	Service Delivery Model
STWG	Sector Technical Working Groups
TFG	Transitional Federal Government
TVET	Technical and vocational education and training
UN	United Nations
UN-HABITAT	United Nations Human Settlements Program
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WASH	Water, Sanitation and Hygiene
WATSAN	Water and Sanitation
WB	World Bank
WHO	World Health Organization

EXECUTIVE SUMMARY

ASSESSMENT OBJECTIVE

The objective of this assessment report, which for the first time brings Education, Health and Water, Sanitation and Hygiene (WASH) services together within a common analytical framework, is *'to conduct a scoping and explanatory study to help identify current service delivery practices and capacity within the existing education, health and water sectors in Puntland, as well as the current response to various policy documents and frameworks adopted by the sector Ministries'.*

GENERAL BACKGROUND

The focus of this assessment is on sector strengthening, improved service delivery, and the identification of key functional assignments and provision and production constraints at the regional and district levels of Puntland. The review, therefore, assesses both the 'vertical' sector Ministries and 'horizontal' local government. Based on primary and secondary data from a three-week field trip to Puntland, desk-based reviews and two workshops, held in Nairobi in December 2011 and January 2012, this report presents an up-to-date review of the sectors from a service delivery point of view. The fieldwork was conducted in close coordination with the Government of Puntland, and included field trips to selected regions and districts. The report, therefore, balances regional and district, and local government views with those of the central Ministries. A key observation, with the central Ministries remaining under-financed and short on staff, is that many of the core regional and district structures of the vertical Ministries are either under-staffed or not staffed at all, and the Social Affairs department in the District Councils, which are responsible for education, health and WASH services according to Law No. 7, have limited to no operational capabilities.

The private sector and NGOs play a leading role in service delivery production (delivery), which is decentralized by default not by design. The Government of Puntland's role (outside of paying nominal salaries) is largely limited to policy-making, planning, budgeting and regulatory oversight and coordination. With many of the sectors regional and district offices either understaffed or not staffed at all, and many without core infrastructure, transport and other basic necessities, sector delivery is poorly regulated and fragmented. With the majority of finance for the sector off-budget, and with limited government revenues to remain a problem for the foreseeable future, government (supported by donors) must focus on: (i) outlining the preferred service delivery models for each sector; (ii) making explicit vertical sector (regional and district) and local government mandates for the services; and (iii) improving provision functions, particularly policy making, planning, coordination and regulatory oversight. Unless these priorities are carefully addressed, service delivery will remain highly fragmented.

The assessment, which also looks at the implementation of Law No. 7 on decentralization, highlights why the law has been only partially implemented. Fiscal imbalances across the different District Governments undermine staffing and non-staffing competencies, and many districts have too few staff to meet the requirements legislated under Law No. 7. Further, with a view to formalizing the functional assignments of regional and district deconcentrated sector structures, and the roles of local government, both sectoral and cross-sectoral proposals are made. These include removing intra-governmental fiscal (revenue) transfer imbalances, considering sector categorical grants, and

understanding that unless service delivery models are quickly agreed to, and provision functions strengthened, early prospects for improving sector delivery will be thwarted.[1]

GENERAL ORGANIZING OBSERVATIONS

There are a number of organizing observations, which are critical to understanding the approach taken, in line with international practice, and allow the assessment conclusions to be clearly understood. Observations include:

- ***Form, Function and Finance***: Whilst form should be determined by function, and function similarly determined by policy mandate, in the absence of sufficient fiscal resources, setting functional assignments without recourse to available resources can lead to systemic failure. As a result, in the context of Puntland the size of government fiscal resources is critical to determining Government's role in both provision and production. Currently, most regional and district offices are either poorly staffed or completely unstaffed, and even through the functional assignments have been described for different levels, in many regions and districts there are no staff in place to take such assignments forward. Similarly, many Social Affairs Departments in the District Councils have 1-4 staff only, yet Law No. 7 dictates a leading role in service delivery;
- ***Decentralization is not a Panacea***: Decentralization alone, in the absence of core central government capacities to deliver effective policy, planning, budgeting and regulatory oversight and enforcement can lead (as it has) to highly fragmented service arrangements and a poorly regulated private sector. In Puntland, services are decentralized by default and not design;
- ***Stronger Central Functions are Also Required to Improve Decentralized Delivery***: In the context of fragmented service delivery (there are for example at least 4 different curricula in the education system), unless central provision functions (some of which can be deconcentrated to the regional or district level) are strengthened and service delivery model standards established and enforced, the potential benefits of decentralized delivery may be undermined by weak oversight and monitoring;
- ***With Government Fiscal Resources Improving, Donor Trust Funds are Vital to Build Capacities that can Soon be Financed On-Budget***: The Government's recently established medium-term fiscal framework underscores the significant progress being made in generating revenues. Donors need to consolidate support to the sectors, perhaps discussing the use of sector categorical grants or improving the current block grants (fiscal transfer) arrangement to the districts, as well as piloting new sector financing models, as critical to improved delivery;
- ***The Private Sector and Diaspora are Key to Progress***: The private sector plays a critical role in all three sectors, and in many cases is the cornerstone of service delivery. In all cases, the leading role of the private sector, and indeed the role of the international Diaspora, can be better leveraged;
- ***A Service Delivery, not Decentralization, Lens must Drive Sector Development***: The assessment team has not been guided by the need to push decentralization, but rather to use a service delivery lens to determine the optimal balance of central-sub-national functional assignments to

[1] Sector categorical grants appropriate funds for a specific purpose, and frequently require the local government to provide a small matching grant. Grants can either be made through formula or application. Block grant or broad grants are less specific and generally preferred by local governments.

maximize returns to service delivery quality and coverage, taking both vertical sector Ministries and local government into consideration; and,

- ***District and Regional Functional Assignments will Remain Largely in Terms of Provision, even in Grade A Districts, unless Sub-National Transfers are Increased***: Planning, coordination, regulatory oversight and compliance, nominal capital financing and support for maintenance costs are all functions that regional and district sector Ministries and local governments can provide, under the current resource framework.

LAW NO. 7 REQUIRES URGENT REVISION

The constitution defines the revenue and expenditure responsibilities of central government; it does not, however, define the expenditure responsibilities of the Region and District authorities claimed by government. These functions are outlined in Law No. 7 on decentralization but the costs of meeting district government's obligations under this law were never assessed. In a weak fiscal environment, efforts to increase national and local government revenues and maximize efficiencies are critical to success. The assessment is clear that unless the intra-governmental fiscal transfer system (and the principles that guide it) is further developed, with subventions made to better even out fiscal imbalances and to improve baseline services, the implementation of Law No. 7 will continue to be limited by lack of resources. The Social Affairs Departments to be established under the law often remain under-staffed or without staff, undermining local governments sector mandate execution.

The assessment team believes that Law No. 7 has only been partially implemented due to the fiscal disparities between Grades A, B, C and D districts (which impact wage and non-wage recurrent and capital costs), alongside uncertainty over coordination between local governments and the sector Ministries. Most Grade A and B districts have a staffing establishment from 30 to upwards of 200-300 staff, which is financed through central government fiscal transfers and LG own local revenue mobilization. In Berbera District (grade A) this has led to the establishment of a small health department, which coordinates its activities with the district health officer. In Grade C and D Districts, where staffing can range from 5-18 staff members, lack of fiscal resources makes execution of the functional assignments ascribed under Law No. 7 unaffordable and, therefore, impossible. As a result, the level of authority exercised by local governments needs to depend substantially on:

- The number of public services local government's could finance;
- Whether the costs of these services are in line with their revenue base (fiscal transfers, central and LG tax and revenue sharing and non-tax incomes); and,
- Whether they are free to adopt their own fiscal and expenditure policies to maintain an acceptable fiscal balance, given revenue and expenditure trade-offs.

STRENGTHENING SECTOR AND LOCAL GOVERNMENT FINANCING ARRANGEMENTS

Fiscal futures are beginning to balance public and private delivery systems. Since Law No. 7 was enacted, government sources of revenue have increased from less than US$10 million to more than US$50 million, and the 2011 Medium Term Fiscal Framework (MTFF) provided by the Ministry of Finance predicts revenues of around US$90 million in 2013. With the revenue-to-GDP ratio growing from less than 3% in 2002 to more than 10% in 2013 (and with a larger economy), the Government will be able to discharge more effectively part of its sector production functions, whilst also strengthening provision functions. Puntland's service delivery framework has, therefore, been shaped by the following factors:

- The provision of direct budget support (external assistance provided through the government treasury system) is undermined by a number of factors, including perceived low fiduciary standards and the current limited engagement of the World Bank and IMF, which is often critical to creating the fiscal space to strengthen sector governance;
- The two-decade-long 'humanitarian crisis' has meant that humanitarian budget lines have been tapped by donors, with limited direct support for establishment of state provision and production capacities, resulting in strong private sector and non-governmental support. Community mobilization has so far been the backbone of service delivery; and,
- Weak state coordination capacities and the need for delivery has meant that much support has circumvented government coordination systems.

What can be done to resolve sector and local government fiscal constraints? Strengthening the decentralization of decision-making authority to autonomous local government requires greater clarity with regard to the different functional assignments of local government and the sub-national assignments of the core sectors - education, health and WASH. The following measures will, therefore, need to be considered if local government is to play a key role in shaping economic growth and poverty reduction futures:

- ***Improve Revenue Mobilization***: A surge in local government revenue mobilization is required, which means improving tax and non-tax collections, recording, depositing, permissible expenditures and broadening the revenue base, yet without creating serious market distortions that could impede growth;
- ***Improve Harmonization and Alignment***: Harmonizing and aligning external assistance (which can support intra-governmental fiscal transfers) to support local government financing of basic and essential services until tax reforms, improved intra-governmental fiscal transfers and other measures such as community financing can meet expenditure needs;
- ***Strengthen Sector Financing Arrangements to Limit Parallel Delivery Systems***: The composition of public spending needs to be carefully reviewed (for horizontal and vertical functions, as well as gaps) with a view to making expenditure plans realistic. It is, therefore, important not to promote unnecessary or parallel structures, but rather group common functions and services to maximize the rate of return on government spending; and,
- ***Improve the Current Local Government Grant Formula and Consider Sector Categorical Grants:*** A more conventional and transparent intra-governmental fiscal transfer system needs to be developed (to remove vertical and horizontal imbalances), so that Grade D, C and B districts are able to exercise powers as provided under the constitution and various laws. Clearly, as MoF also now proposes, the fiscal resources transfer distribution formula needs to be strengthened, based on population size, basic social indicators, level of human development, revenue effort and poverty index.

FISCAL REVENUES ARE IMPROVING YEAR ON YEAR

Whilst little macro-fiscal and expenditure management work has been conducted in Puntland, the work of the Ministry of Planning and International Cooperation Macroeconomic Unit provides a useful understanding of the overall fiscal and expenditure management context, within which a view of sector development can be pegged. Of particular importance to this review is identifying the emerging revenue-to-GDP ratio in Puntland given that suggesting decentralized functions has implications for public resources. The good news is that from a low base Puntland has made significant gains in mobilizing revenues, leading to significant increases in public spending. Expenditures have increased

from US$2.5 million to more than US$30 million from 1999 to 2011. The MoP Macro Economic Affairs Unit put GDP at around US$1.56 Billion in 2010, based on Household Consumption Expenditure and premised on a population of up to 3.9 million; although, with lack of data on the composition of production, these figures are highly illustrative at best. District revenue collection is volatile and can be from US$3,000 to US$10,000 a month only, insufficient to meet any service production costs.

But even if Fiscal Constraints are Resolved Public Sector Staffing (Establishment) Numbers and Capacity Need Urgent Attention: Governments seek to attract, motivate and retain quality employees to deliver the five core functions of government: policy formulation, planning, budgeting, execution and regulatory oversight and enforcement. Civil Service Reform is, therefore, critical to build a cadre of motivated professionals to better deliver services.

IMPACT OF FISCAL CONSTRAINTS ON SERVICE DELIVERY

Local government are often unable to finance the wages of even a minimum number of staff. With each local government having a different sized population, a different tax and revenue base and different expenditure obligations, central government needs to strengthen existing measures - including the provision of subsidies - and policies that promote balanced growth across local governments and local economies. Currently, Grade D, C and B districts are the most dependent on intra-governmental fiscal transfers from central government, and as there are substantial vertical and horizontal fiscal imbalances, most local governments simply cannot meet their legislated obligations.

Acquiring better demographic data to define service delivery catchment areas is critical: Lack of information about population size across districts and urban and rural municipalities makes setting catchment areas for education, health and WASH services unduly complex, hence inefficient. Options to review the relationship between administrative divisions and population size would foster better service delivery and use of scare resources.

PRIORITIES FOR THE EDUCATION SECTOR

For Education, where private sector and donor financing (channeled substantially through NGOs), as well as support from village councils and committees continues to dominate the sector, the focus of support must be on: (I) strengthening provision functions at central, regional and district levels, both within the sector and in local government; (ii) strengthening oversight of production functions (private, Koranic and NGO-run schools); and, (iii) moving (as fiscal resources allow) towards strengthening free provision of primary education through small block grants to the schools (via the MoE) and progressively piloting provision into nomadic communities. Ongoing functional restructuring and re-setting of functional assignments will improve the delineation of decision-making across vertical and horizontal delivery structures. There are numerous sector priorities that will need to be undertaken within the coming 2-5 years, critical to strengthening the Education Sector and clarifying vertical and horizontal functional assignments. The following priority activities are proposed:

- Undertake a full sector costing (on-budget and off-budget flows) to determine current Education Sector financing with a view to indentifying how best to de-projectize the sector;
- Discuss the proposed functional assignments for REO, DEO and DC's with government, strengthen as required, and build these into the Education Law and revised Law No. 7;
- Undertake a survey of existing REO and DEO staff, structures, facilities and requirements, as well as the costs of capacitating all REOs and DEOs, and long-term recurrent and operational costs;

- Based on the detailed sector costing, agree service delivery models and delivery baselines;
- Agree the preferred School-Based Management model for Primary and Secondary Education, making sure that all new schools adopt these practices and existing schools are brought in line through cluster financing mechanisms;
- Develop the Education budget by program areas, and establish engagement protocol with donors to support this structure; and,
- Work to remove horizontal fiscal imbalances whilst piloting options for sector categorical grants to the DCs. Further work would be required to develop such pilots.

PRIORITIES FOR THE HEALTH SECTOR

Given fiscal constraints, but with the EPHS providing a strong framework for primary delivery, MoH should focus efforts in directing policy, undertaking sector planning (which involves regional and district structures), budgeting and regulatory oversight, and enforcement. However, unless the minimum staffing and skill-set capacities are costed for key provision functions, decentralized delivery will remain poorly regulated. Next steps for the sector (to be implemented over the coming 2 years) would logically include:

- Strengthening the draft National Health Policy to be clear on the roles of the MoH and local governments, which will require national consultation across vertical and horizontal structures;
- Costing the entire sector (on and off-budget flows) including the core wage and non-wage recurrent, O&M and capital costs, outside of those already costed by the EPHS, and identify sources of financing;
- Identify the preferred Service Delivery Models for health care delivery, given the central role of non-state providers, and then focus on building a system, based around the EPHS, that can, over time, move beyond primary care;
- Establish and cost a service delivery baseline for the sector, setting the budget ceilings for 3-5 years, baaed on a medium-term expenditure framework. As part of this process, move towards a functional (program based) budget for the Health Sector, around which donors can provide and coordinate support;
- Establish a set of standards and accreditation framework for the private sector (pharmacies) as well as best institutional options for regulatory enforcement; and,
- Consider piloting sector categorical grants for health care provision to support existing intra-governmental fiscal transfers.

PRIORITIES FOR THE WASH SECTOR

The WASH sector requires considerable further investment, but this must be based on clearly defined service delivery models. For WASH, where public sector delivery of water, sanitation and hygiene is virtually non-existent and the current model of delivery might best be described as a poorly regulated public-private partnership, the role of local governments (supported by central regulations) in direct service delivery regulation (especially price regulation, and oversight of WATSAN and Hygiene services) is going to be critical.

The current service delivery model, particularly for water supply services, excludes many groups. It is largely urban-focused; it is poorly regulated (pricing/quality) and fails to develop an incentive framework

for the private sector to expand the service footprint ever outwards. The extension of water supply (and later, wastewater) networked service coverage at the current prices is prohibitive to the majority of the population unless a fair balance between price and service is established. A public sector operator at the local government level is best placed to address this urgent issue. In addition, given that WATSAN is generally a highly devolved sector, a focus on bottom-up and top-down accountability, financing, pricing and regulatory strengthening and enforcement are going to be key to improve the level of service delivery and sector performance by developing a local government enterprise model that addresses these constraints. For hygiene, an integrated approach is required.

Developing robust service delivery models is vital; otherwise, it will be impossible to allocate functional assignments to central, regional, district and private sector stakeholders. Given the limitations of the existing PPP arrangements (which are largely short-term lease contracts), and the need for financial viability to include social cost-benefit analysis, new models (as proposed) are undoubtedly required. Some key next steps for the sector include, but are not limited to:

- Identify the preferred Service Delivery Model (SDM) for Water Supply PPPs, and agree this model with government and the main donors. This would bring new standards of governance, accountability and transparency;
- Identify varying models for urban and rural areas and by district grading;
- Strengthen the contractual framework for PPPs, undertaking cross-project comparators to set pricing and determine economic viability, and clarify the role of central authorities and local government;
- Leverage external funding for new projects to build better delivery standards, including maximizing impact of investments on long-term service extensions;
- Identify independent (oversight) of the sector to enforce good PPP practice; and,
- Provide support for core technical skills (hydro-geological surveys, design options, maintenance standards and regulatory compliance).

- 1 -

INTRODUCTION, SCOPE, APPROACH & ECONOMIC CONTEXT

1. INTRODUCTION, SCOPE, APPROACH AND ECONOMIC CONTEXT

1.1 INTRODUCTION

1. ***This report presents the assessment findings of the 'Study on Sector Functional Assignments within the Education, WASH and Health Sectors in Puntland'***. The assessment builds on the strong foundation of analytical and diagnostic work provided by JPLG in support of Law No. 7, including the United Nations '*Guideline For The Sector Technical Working Groups In Decentralization and Local Government*', the 2011 '*District Capacity Assessments*', the Puntland State 2008 '*Policy Framework for the Decentralization of Education*' supported by UNICEF, the 2009 '*Induction Module For Councillors and Technical Staff*', the draft 'Public Private Partnership' Guide for Puntland and Quarterly JPLG report. The report also draws heavily on the Puntland State Laws and sector policies.

2. ***The assessment has been financed by UNICEF in support of the UN Joint Program on Local Governance and Decentralized Services Delivery (JPLG) and aims to provide a critical input into rethinking (unbundling) the education, health and water and sanitation sectors***. As outlined in the '*Guideline for the Sector Technical Working Groups in Decentralization and Local Government*', the main objective of Puntland's legislative reforms process in recent years has been to strengthen decentralized delivery, to promote: (i) the institutions of a strong, legitimate and stable state (ii) opportunities for local democratic participation by all citizens; and, (iii) more effective, efficient and equitable public service delivery for the social and economic development of the country.

3. ***This assessment, which comes at a time when government and the international community are considering how best to strengthen meaningful decentralization at the sectoral level, provides key elements of a future road map around which decentralization objectives can be meaningfully forwarded***. Furthermore, the assessment is framed five core management functions of the State of Puntland (See Figure), and by the following general service delivery context:

- The Government of Puntland has made considerable political commitment in support of decentralized delivery, by passing the 2008 Constitution and Law No. 7 2003 on Decentralization. However, as the 2001 Mid Term Evaluation of the JPLG makes clear ' *the current LG legislation (Law 7/2003) should be replaced. It is confusing and contradicts both the new Constitution and the realities on the ground*.'
- The current *de facto* service delivery arrangement shows a strong dependence on non-state delivery mechanisms which are in essence already highly decentralized; apparently necessitating greater oversight and enforcement capacities at the central, regional and district levels;
- The formal mandates of '*vertical*' sector ministries and '*horizontal*' regional and district council and administration structures remain unclear and need rationalization;
- Lack of budgetary resources and staffing across all three sectors seriously impedes the expansion of state delivery and leads to a service delivery model that promotes state delivery and stewardship roles. However, revenue to GDP growth rates in recent years have been impressive

and state expenditures have grown from US$2.5 million in 2001 to more than US$30 million in 2011, with substantial implications for state presence in health and education in particular;[2]

- The large percentage of pastoral communities—whom by definition do not benefit for formal (static) state delivery programs—calls for adaptive service delivery solutions to be piloted; and,
- Off budget transfers and private flows are critical to the current service delivery model for health and education, with water already operating under a public private partnership arrangement.

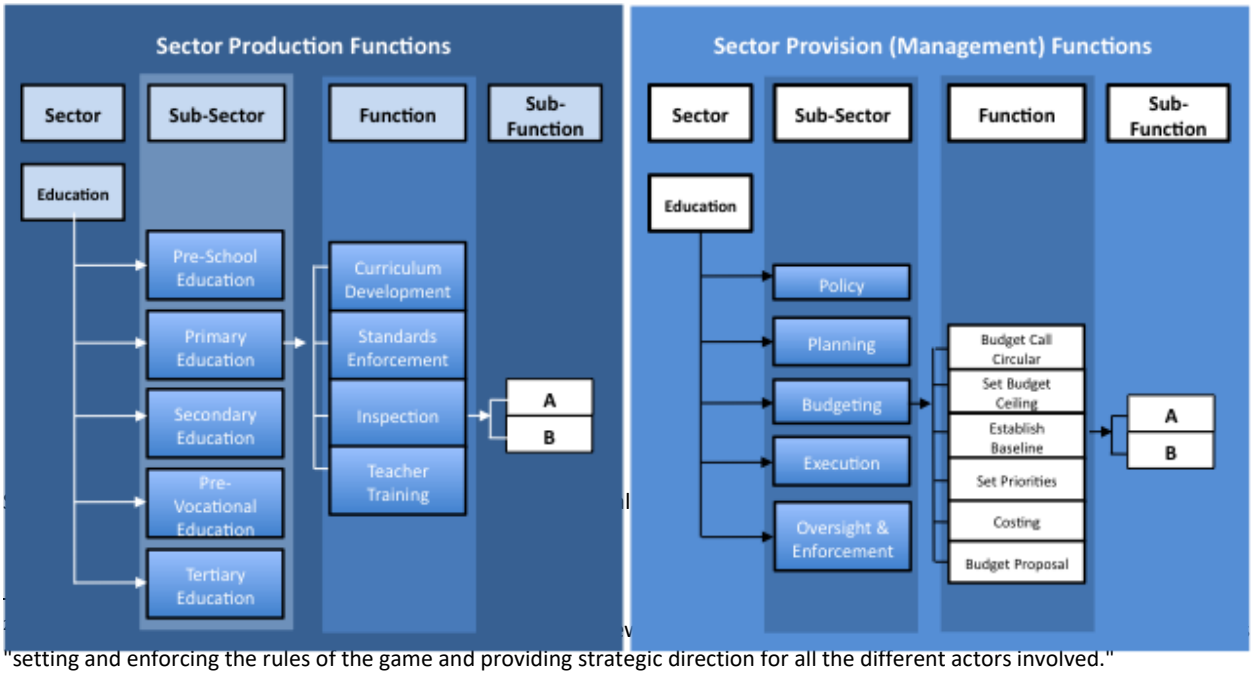
1.2 Scope & Rationale

4. ***The scope of work is largely shaped by the Sector Guidelines developed by the JPLG—which provide the main tool of analysis—around which the orderly 'unbundling' of the sectors can be forwarded based on field-based evidence***. The rationale is clear: addressing the structural constraints to the delivery of basic and essential services requires an explicit focus on removing the binding constraints to delivery, by promoting clarity with regards production and provision mandates within and outside the sectors. The recently completed District Capacity Assessments, which provide rich information about local government capacities, are an invaluable input to this work.

1.3 Approach to Unbundling the Sectors

5. ***Unbundling the education, health and water and sanitation sectors effectively means identifying which of the five core state functions (and sub-functions) identified below are delivered by which executive agency, or non-state service provider, at which tier of government.*** Such an approach is required in Puntland because Law No. 7 is not explicit as to which functions and sub-functions within sector Ministries can be effectively delivered by regional and district administrations. Furthermore, the draft education and water Acts are similarly unsighted as to how the sectors can work effectively with district administration, outside of committee representation. Such an approach is therefore importance given that district administrations have been granted fiscal assignments; the revenues from which need to be carefully coordinated with central Ministry budgets. ***Figure 1*** illustrates unbundling the '***production***' and '***provision***' ***functions*** and ***sub-functions*** for the education sector.

Figure 1 Unbundling Sector Production and Provision Processes – Education Sector



"setting and enforcing the rules of the game and providing strategic direction for all the different actors involved."

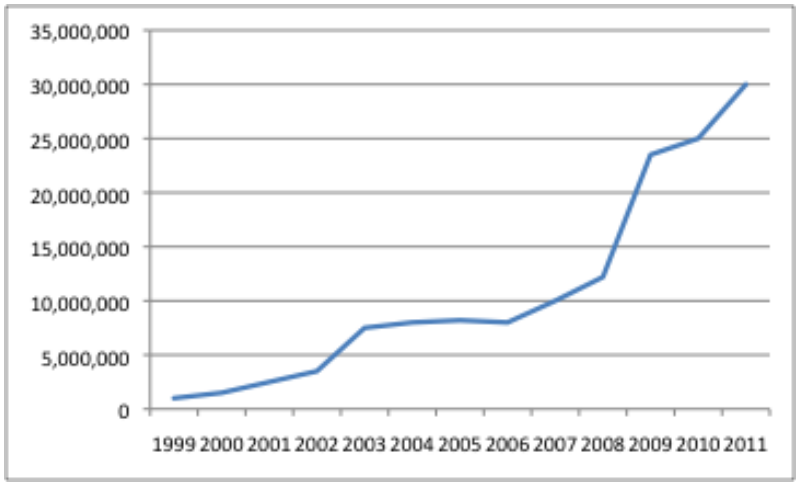
6. ***In unbundling the sectors in Puntland—and given that the majority of services are de facto decentralized anyhow—this exercise has maintained a strong focus on improving the governance and oversight/compliance of existing service delivery arrangements whilst identifying both production and provision functions that can be decentralized in an orderly manner.*** The assessment also takes the following general concerns with regards decentralizing core delivery functions:

- The need to secure financial efficiency objectives given limited state resources;
- That accountability requires formal delegated authority;
- That central regulatory oversight functions for provision and production functions needs strengthening;
- That capacity constraints impede local government delivery; and,
- A focus on removing the binding constraints to delivery at the point of service delivery must remain the main driver of the diagnostic work.

1.4 General Economic Framework

7. ***Whilst little macro-fiscal and expenditure management work has been conducted in Puntland, the work of the Ministry of Planning and International Cooperation Macroeconomic Unit and UNDP provides a useful understanding of the overall fiscal and expenditure management context, within which a view of sector development can be pegged.*** Of particular importance to this review is identifying the emerging revenue-to-GDP ratio in Puntland given that suggesting decentralized functions has implications for public resources. The good news is that from a low base Puntland has made significant gains in mobilizing revenues, leading to significant increases in public spending (See ***Figure 2*** below). Expenditures have increased from US$2.5 million to more than US$30 million from 1999 to 2011. The MoP Macro Economic Affairs Unit put GDP at around US$1.56 Billion in 2010, based on Household Consumption Expenditure and premised on a population of up to 3.9 million; although clearly with lack of date on the composition of production these figures are highly illustrative at best.

Figure 2 Evolution of Puntland State Expenditures (1999-2011)



8. ***Spending on education is estimated at around 3.5 per cent and healthcare around 1.38 per cent of public spending in 2011, although if off-budget financial flows to these sectors were to be included the total support to the sectors would increase significantly.*** Moreover, as shown by the

recent Household Expenditure Consumption Survey for 2010, household spending on education and health total US$178 and US$117 respectively.

TABLE 1: TOTAL HOUSEHOLD EXPENDITURE CONSUMPTION SURVEY RESULTS (US$)

Expenditure Items (2010)	Urban			Rural			Total		
	Amount (US$)	No. of HHs	Individual HH (US$)	Amount	No. of HHs	Individual HH (US$)	Amount	No. of HHs	Individual HH Expenditure
Food grains	207,918	311	669	242,269	218	1,111	450,188	529	851
Pulses and grains	145,953	275	531	216,237	208	1,040	362,189	483	750
Vegetables	209,383	355	590	97,096	171	568	306,479	526	583
Fruits	12,369	197	63	3,679	82	45	16,048	279	58
Milk and eggs	34,971	287	122	12,948	143	91	47,919	430	111
Meat and fish	49,863	303	165	33,857	148	229	83,720	451	186
Suger, edible oils, fats, etc.	80,200	319	251	62,810	247	254	143,010	566	253
Tea, coffee and spices	13,028	178	73	4,262	129	33	17,290	307	56
Cigarettes	4,265	32	133	986	37	27	5,251	69	76
Khat	12,705	57	223	4,163	52	80	16,868	109	155
Energy for cooking and lighting	46,623	326	143	15,105	158	96	61,728	484	128
Clothing, shoes, etc	35,591	232	153	21,668	200	108	57,259	432	133
Education	**64,281**	**306**	**210**	**14,713**	**138**	**107**	**78,994**	**444**	**178**
Health	**25,686**	**202**	**127**	**15,858**	**154**	**103**	**41,545**	**356**	**117**
House construction	8,071	55	147	609	19	32	8,680	74	117
Transport and communication	26,009	183	142	7,134	63	113	33,144	246	135
Agricultural Inputs	2,973	13	229	7,361	14	526	10,334	27	383
Livestock Inputs	7,149	24	298	23,840	99	241	30,989	123	252
Social or religious ceremonies	6,279	52	121	3,939	14	281	10,218	66	155
Loan repayment	15,120	28	540	7,853	14	561	22,974	42	547
Other items	319	1	319	0	1	0	319	2	159
Total	**1,008,757**	**408**	**5,248**	**796,388**	**297**	**5,645**	**1,805,145**	**705**	5381

Source: Ministry of Planning and International Cooperation / UNDP (2011)

- 2 -

CURRENT FRAMEWORK FOR DECENTRALIZED GOVERNMENT

2. CURRENT FRAMEWORK FOR DECENTRALZED GOVERNANCE

9. ***Puntland State has an area of 212,510 km^2 and according to the Ministry of Planning the population of Puntland State is estimated to be approximately 3.9 million; of whom 52% are assumed to be largely nomadic.*** The large number of nomadic communities makes determining the population through survey complex at best. Approximately 70 per cent of the population are below the age of 30 and approximately 30 per cent of the population lives in an urban setting, but population rates are often heavily influenced by the influx of displaced persons (Ministry of Planning, 2003). Islam is the official religion of Puntland—with the majority of Puntlanders being Sunni-Muslims—with implications for education and other practices. Per capita annual income ranges between US$150-300, albeit with high inequalities across the seven regions and 34 districts.[3] Table 2 below provides the names of regions and districts by category.

TABLE 2: PUNTLAND'S REGIONS AND DISTRICTS BY CATEGORY

Regions	No. of Districts	Category A	Category B	Category C
Nugaal	5	1	3	1
Bari	7	1	4	2
Mudug	4	1	2	1
Cayn	3	1	1	1
Karkar	5	1	2	2
Sool	5	1	2	2
Sanaag	5	1	2	2
7	**34**	**7**	**16**	**11**

Source: MoILGRD

10. ***The Joint Program for Local Governance (JPLG) and Decentralized Service Delivery was designed to support the execution of the Somali Reconstruction and Development Program (RDP – 2008-2012), with the aim of achieving decentralized service delivery in Somalia***. Established on strong public sector management principles and practices, JPLG therefore adopted '*a comprehensive* approach to rendering local governments as credible basic service providers, and strengthening civic awareness and participation in decision making'. By comprehensive, it is understood that ***(i)*** administrative management (functional restructuring and capacity development) ***(ii)*** civil service management (staffing establishment, recruitment and training by functional mandate) and ***(iii)*** public finance management (fiscal and expenditure management across the budget formulation and execution cycle) practices therefore need to be reviewed at both the level of local government and the sectors, around which the sectors can be successfully 'unbundled'.

11. ***In delivering the sector unbundling exercise for Puntland, functional assessments are presented to provide the basis around which the execution of Puntland District Self Administration Law no. 7 (2003) can be substantially strengthened***. As a result, the functional assessment of core service delivery sectors in Puntland covers the following general areas: (i) describing the current (generalized) service delivery model for each sector by functional mandate (ii) describing the current legal framework for decentralized delivery and sector management (iii) describing existing institutional structures and service delivery arrangements (iv) outlining existing public administration management approaches at the sector and cross-sectoral level (v) identifying government responses to the execution

[3] See http://siteresources.worldbank.org/SOMALIAEXTN/Resources/PuntlandFigures.pdf See http://siteresources.worldbank.org/SOMALIAEXTN/Resources/PuntlandFigures.pdf

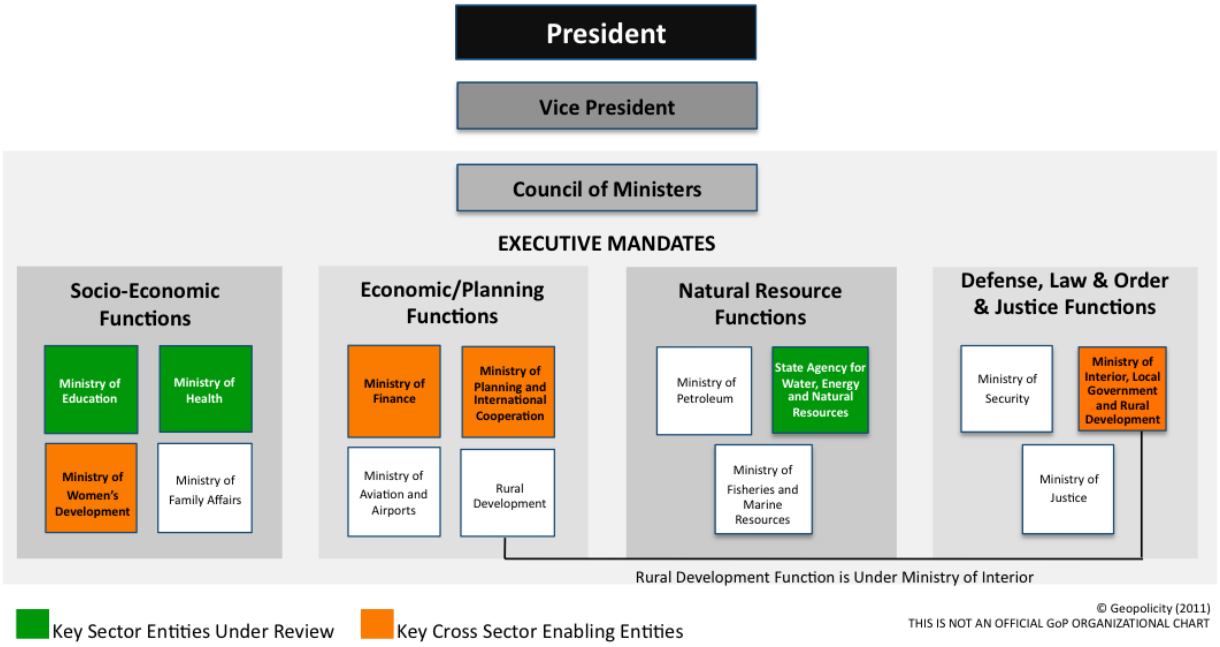
of Law No. 7 (vi) identifying core resource and capacity gaps that impeded decentralized service delivery; and, (vii) proposing a set of *sector and cross-sector based pilots for execution in 2012* through *service agreements between the central and local governments* for agreed assigned delegated functions.

12. ***Critical to this unbundling exercise is laying out the current structure of Government in Puntland, as a self-declared autonomous democratic republic of Federal Somalia, because the current structure of state provides the framework around which sector unbundling must be established***. The machinery of government is described by the Transitional Constitution of the Puntland State of Somalia, as are legislated responsibilities for of all four tiers of government. Furthermore, various laws build on the transitional constitution—which strongly advocates decentralized delivery—in respect of the formal decentralization of core state delivery functions to sub-national administration. The:

- ***The Puntland Constitution***: Article 83 of the Constitution of Puntland State of Somalia provides the architecture of state and framework for local administration; which are established as autonomous units based on the principle of self-governance. The Constitution provides three tiers of government; namely the state government and regional and district administrations, but the Constitution also outlines bottom-up accountability structures, which include districts councils and village committees. The main articles are as follows, which clarifies that the term regional and district 'government' is incorrectly used in the context of Puntland, as sub-national structures of state are in effect devolved administrative units of state:
  - Article 21 sets out state responsibilities for health care;
  - Article 23 sets out state responsibilities for education and describes the goal of universal access to primary education;
  - Article 42 sets out the structure and organization of the state;
  - Article 52 sets out the organization of government;
  - Article 81 provides for the creation of regional and district administrations;
  - Article 83 provides for the structure and roles of the district Administration;
  - Article 85 sets out the powers and functions of the district councils, which include responsibilities for education, health and water and sanitation;
  - Article 86 sets out the powers of the district Commissioner; and,
  - Article 95 sets our Puntland as free-market economy, with implications for state delivery.
- ***Three Tier State Delivery Structure***: The Puntland Government is divided into 6 regions (Ayn, Bari, Karkaar, Haylaan, Midug, Nugaal but also claims with Sanaag and Sool regions) and every region is divided in to Districts and Villages. Districts are graded (Grade A to D) based on the size of the land occupied, population and economic resources and District Development Frameworks and Assessments have been undertaken by JPLG;
- ***Executive Structure***: The executive is established under a President, Vice President and 14 state Ministries. In 2003, the Local Government Law No. 7 provided power to the Ministry of Local Government and Rural Development to supervise local authorities but responsibility for service delivery in the three target sectors include the (i) Ministry of Education (ii) Ministry of Education and (iii) State Agency for Water, Energy and Natural Resources. The Ministries of Finance and Ministry of Planning and International Cooperation also provide critical inputs to the sectors, as shown in ***Figure 3*** below.

- ***Law on Decentralized Service Delivery***: There are a number of laws that promote decentralized service delivery in Puntland although it is Law No.7 of 23/8/2006 formally regulates the District Administration and Councils. The powers and functions of the Districts (See ***Annex 2***) include administrative, financial management, planning and legislative powers. The law also defines the roles and responsibilities (services to be delivered) by the local councils, and the other stakeholders in the local administration system. It also establishes the relationship between the District Councils and the state government in particular the Ministry of the Interior, which is responsible for supervising and strengthening local governments.
- ***Sector Acts***: There are draft sector Acts on Education and Water, which need to be formally passed into law, but not currently on Health. The current draft laws, for example for Education, identifies the roles of Regional and District Education representatives in the Education Committees but it does not outline what role District Administrations and Councils play, even though under Law No. 7 makes then responsible for oversight of education provision. There is no mention of Law No. 7 in the draft Education and Water Acts.[4]

Figure 3 Functional Structure of Puntland's Executive



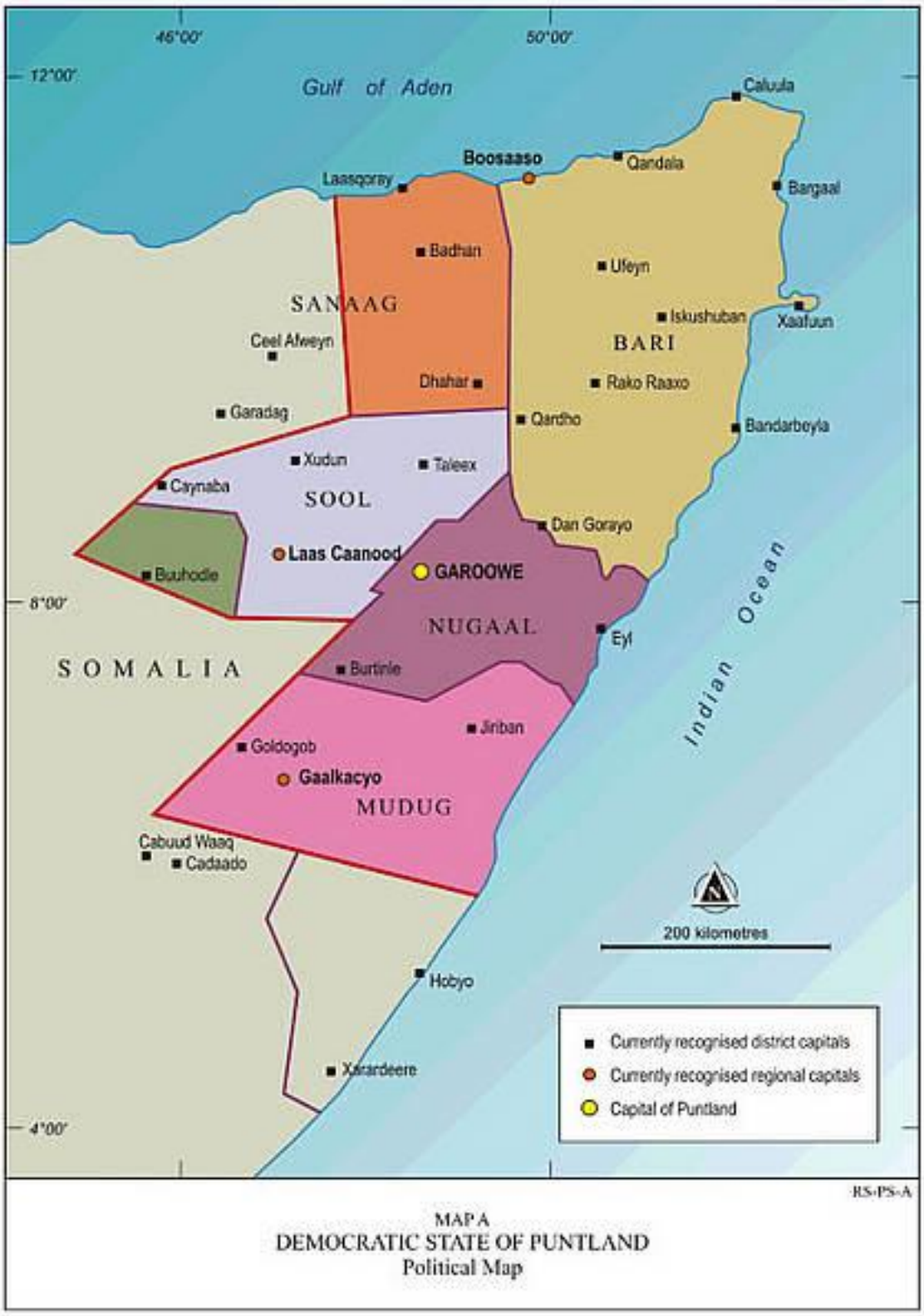
13. ***Given that the Constitution has not been adopted via referendum, that certain areas are disputed, and that the relationship between 'Sector' Ministries and 'Regional' and 'District' Administration has still to be defined in relation to service delivery functions; the rationale behind the unbundling exercise become vitally clear***. This unbundling exercise is relevant precisely because (i) sector Ministries (ii) the Ministry of Interior (Ministry of Local Government and Rural Development and (iii) District Administrations and District Councils all have legal responsibility for decentralized delivery, yet functional mandates remain uncertain and capacities weak; albeit improving. A general characterization of the current governance framework for Puntland is therefore as follows:

[4] The District Council is part of the State Government and is directly under the Ministry of Interior.

- Puntland is a federal region of Somalia with a highly devolved functional administration to regional and district levels;
- Functional delivery arrangements between central sector Ministries and regional and district administrations remain poorly defined and Law. No. 7 has not created clarity over functional mandates for the sectors in question;
- Local governance and service delivery is heavily shaped by local customary practices; clan and kinship structures and relations;
- The extremely weak fiscal base constrains public spending and limits the execution Law No. 7. District revenue collection is volatile and can be from US$3,000 to US$10,000 a month only;
- The JPLG Local Development Fund is to provide discretionary capital fiscal transfers as an incentive to strengthen decentralization;
- Disputed administrative borders have implications for delivery jurisdiction;
- The sectors are heavily served by non-state delivery partners (i.e. non governmental and private organizations) which are highly devolved by nature and demand strong regulatory oversight;
- Staffing establishment and pay and grading levels that undermine government effectiveness;
- Significant service delivery inequalities by administrative area; and,
- Lack of sector based service delivery baselines/date around which sector strategies and costing can be provided, as the basis for strengthening sector governance;

14. A map of Puntland is provided below.

Map 1: Map showing Puntland's Region



- 3 -

EDUCATION SECTOR ASSESSMENT FINDINGS

QUICK SUMMARY OF EDUCATION SECTOR FINDINGS

- In Puntland the delivery of education services is highly decentralized by default (not by design), with the majority of spending on education flowing outside the government financial systems. With limited financial and human resources, government's role is therefore largely confined to provision functions related to policy development, planning, budgeting and setting and enforcing the regulatory regime. Production functions are therefore, largely provided by the private sector, communities and NGOs and this reality is well reflected in education policy and strategy notes.
- The Puntland Education Policy Paper—enacted in 2005 and revised in 2010—recognizes education as a joint enterprise between communities, civil society, the private sector and parents as stakeholders. The Policy Paper was aimed at educators and the general public and reconfirms many of the values held by wider society. It also recognizes that production services are largely contracted-out (again by default), with implications for the distribution of functional assignments.
- First drafted in 2010, the Education Act has since undergone at least three revisions: (i) for consistency with existing policy papers and pronouncements; (ii) to harmonize clauses and the language contained with existing national legislation on education; and (iii) to make the contents gender sensitive in keeping with the gender provisions set in the PEPP, and other previously drafted policy clauses. There is however need to strengthen the education act further, being specific about the functional (provision and production) assignments of central, regional and district sector structures, and the District Councils established under Law No. 7. The draft law is not clear on this.
- The newly established Education Sector Strategic Plan (ESSP) for 2011-2015 is in effect a sector roadmap. The ESSP is envisioned as a Sector-wide Approach (which is challenging to deliver in the context of Puntland), and places education at the forefront of government national development priorities. The ESSP provides guidelines for the Medium Term Expenditure Framework (MTEF), the Annual Budget and the development of Annual Work Plans. Key sector stakeholders include:
    - The Ministry of Education based in Garowe, which is composed of a Minister, 1 Deputy Minister, a Directorate General and four Directorates with linkages to sub-national units. There are approximately 60 staff in the Central Ministry, between 3-18 staff at the regional level, 1-2 staff at the District Level. Some districts however have few to no staff;
    - There are 7 Regional Offices including Regional Education Officers, 33 District Offices includes District Education Officers and Community level Education Councils, 563 primary schools served by 3,890 teachers, 228 non-formal education centers served by 886 teachers and 47 secondary schools are served by 463 teachers and 28 TVET centers;
    - There are 8 universities and 6 colleges and an unknown number of privately financed Koranic schools; and,
    - National and international NGOs finance and managed most of the non-Koranic schools in the country, supported by donors, who also provide central support on sector governance.
- Spending on education is low at around 3.5% of the national budget, and totaled around US$1,069,526 in 2011. US$522,000 went to personnel payments, US$400,000 in the development budget and US$ 147,454 on services. As a result government performs few actual production functions when compared to non-state actors. Where provision functions, which include ***policy formulation, planning, budgeting and regulatory oversight and enforcement are performed***, REO and DEO office are understaffed, lack facilities and transport, as well as operations and maintenance budgets. With most schools being financed and run by NGOs, the private sector (Diaspora) and local communities, service delivery is fragmented with few common standards and multiple curricula. There is a large disparity

between government and non-governmental salaries.

- A survey of sub-national staff and their minimum needs to be undertaken as part of costing the sector and outlining a minimum set of resources to meet service provision mandates.

- **The REOs, based on the results of fieldwork, currently have the following functional assignments:**
  - Representing the MOE in all relevant regional decision making meetings;
  - Member of their respective Regional Governor's Council and other relevant Regional Committees;
  - Supervision and oversight of all educational activities in their respective regions;
  - Support the planning of education needs at the regional level;
  - Manage the distribution of public funds and oversight of funds collected and used by CECs/ SECs;
  - Supervising MoE programs and projects with assistance from their staff and the DEOs;
  - Ensuring that national examinations are properly organized and conducted; Coordinating examination supervision with the National Education Council Directors, in their respective MoEs;
  - Accountable for the delivery of educational services, assisted by Regional Inspectors/support staff.
  - Responsible for mediating conflicts, and dealing with issues related to discipline within their own jurisdiction, including down to the school level, if necessary; and,
  - Representing the Minister unless the issue is political, in which case it is passed to the MoE.

- **The DEOs, based on the results of fieldwork, currently have the following functional assignments:**
  - Responsible for the functioning of schools, teachers and head teachers under their purview;
  - Representing the REO at the District Education Committee and District Council levels;
  - Coordinating with the Social Affairs Sub-Committee to support district education needs planning;
  - Providing technical and other support to district schools, working closely with Head Teachers;
  - Mediating between teachers and the community and work in close collaboration with HTs to make sure that SECS are up and functioning;
  - Assisting the REO in the distribution of stipends (if requested by the REO to do so) and other MoE payments to teachers and HTs at the school level;
  - They are the MoEs/REOs first line of support in dealing with school discipline and other problems;
  - Representing REO and MoE interests at the District Council level, reporting back to the REO district level education needs and problems;
  - Responsible for disseminating information to the district level of changes in rules and other changes in practices pertaining to the delivery of educational services at the local level.
  - Keeping REOs well informed about the educational situation in their own districts.

- **The Proposed Functional Assignments in Education for the District Council, implemented by the Social Affairs Sub-Committee, are as follows:**
  - Revenue and expenditure assignments to finance education investments in coordination with MoE policy/planning guidelines;
  - Participated in Bottom-Up District Education Planning;
  - Approving the District Education Plans and Annual Budget Estimates;
  - Supports the DEO and REOs in bottom-up planning district education needs;
  - Oversight of school construction standards, location and combined services based on central guidelines and standards;
  - Interacts and motivates communities.

- Given the high degree of fragmentation, a standard Service Delivery Model needs to be identified (for example involving School Based Management) for primary and secondary education, to lead the charge setting school standards and governance practices to increase conformity. Further, because large parts (nomadic areas) are under-covered, alternative models also need piloting.

3. EDUCATION SECTOR ASSESSMENT FINDINGS

3.1. INTRODUCTION

15. ***This section provides evidence from the field in support of the unbundling of the education sector, and has been established on the basis of 24 days at the centre, regional, district and school levels alongside interviews with more than 69 key informants***. Undertaking an unbundling of the sector is made more complex by the factors outlined below. Moreover, with most sector production functions already highly decentralized a focus on strengthening sector provision functions (management of policy, planning, budgeting, execution and regulatory oversight and monitoring) at the district appears justified. This has implications for the findings, pilots and shared services models to be proposed. As a consequence, the identification of which functions currently carried out by the Ministry of Education (MoE) can be unbundled and decentralized to the district level must be in line with this overarching observation. A short overview of the sector is provided below:

- ***Universal Primary Education MDG 2***: To ensure that, by 2015, children everywhere, boys and girls alike, will be able complete a full course of primary schooling has been assessed by UNDP in 2010 as having '*potential*' but is '*weak but improving*';
- ***Promoting Gender Equality MDG 3***: To eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015 has been assessed by UNDP in 2010 as having '*unlikely*' but is '*weak but improving*';
- ***The Net Enrollment Ratio (%)***: The NER has improved from 12% in 1999 to 48% in 2010, with boys being 58% and girls 37%
- ***Data Paucity***: Extreme data paucity in relation administrative, civil service and public finance management sector affairs, which impedes an accurate assessment of staffing levels (establishment numbers) and sector costing given lack of standard unit costs and weak fiscal space for expansion etc.). Further, PES Surveys suspended since 2007;
- ***Fiscal Constraints Impede Governance Capacity***: Given the weak fiscal dispensation of government, and a government budget of just over US$1 million, any proposed functional decentralization must have recourse to fiscal sustainability concerns;
- ***Legal Uncertainty***: The proposed Education Act prescribes roles for regional and district administrations and councils but does not explicitly mention Law No. 7 or the fact that under Law No. 7 Districts have been provided with both production and provision mandates;
- ***Highly Decentralized Education Production Functions:*** The production functions of the sector are already highly decentralized through NGOs and the private sector, and the demand from the Minister was therefore to strengthening Sector Provision (Management) Functions, which are critical to strengthening access to quality education through existing services;
- ***Multiple Service Delivery Models***: There are numerous service delivery models in place, ranging from state supported schools operating in line with state curricula requirements, non-state schools employing non-state curricula and teaching norms, privately funded Koranic schools and for large pastoralists groupings there is simply no education system at all;
- ***Coordinating Sector Vertical Delivery with Horizontal Regional and District Administration***: Currently, the education sector is conceptualized through a state delivery (production) model, and the roles of district administration and councils, which are legal autonomous units, has not been carefully thought through.

16. ***The data and conclusions presented in this report are the product of field-based research carried out in the Bosaso and Garowe regions (and Districts) of the Puntland State of Somalia***. Due to the extreme lack of budgetary, staffing and other essential data, and the need to strengthen sector management provision services, much of the education sector write up focuses on unbundling central level provision functions and sub-functions. Interviews were carried out with key informants from the Ministry of Education (MoE) other key ministries, the EU, UNICEF, UNESCO, UNDP, as well as numerous national and international Non-Governmental Organizations (NGO) representatives (see ***Annex I*** for list of key informants). Observational visits and further interviews were carried out with the assistance of two regional and one district officers in two primary schools, three secondary schools, two technical and vocational training centers, one university, and one national teacher training college in Garowe. A focus group meeting with key NGO representatives was organized to better understand non-state contributions to education production and provision in Puntland, and this was held in the Peace Development Resource Centre (PDRC) in Garowe. Tight UN Minimum Operating Security Standards (MOSS) sadly prevented visits to further villages, schools and district offices during the short time available for the completion of the field exercise.

17. ***This assessment, based on the observations and constraints outlined above, has attempted to describe the functions and sub-functions of the formal state education system, including its relationship with non-state actors, and based on the fact that the sector is not currently organized clear functional mandates***. As a result the description of functional mandates has been summarized from focus group meetings and key informant analysis and sight visits, not by reading administrative laws that describe core functions as such administrative laws are wholly lacking. Moreover, with only 1 or 2 centrally paid employees operating at the District level—as stated above—the sector is highly decentralized anyhow and efforts would therefore logically focus on extending central management functions to the districts whilst also working with District Councils and Administration to strengthen their own production and provision capacities given they are an autonomous fiscal unit of state. The overall approach to education is also prescribed through the provisions of the constitution (Article 23) which states:

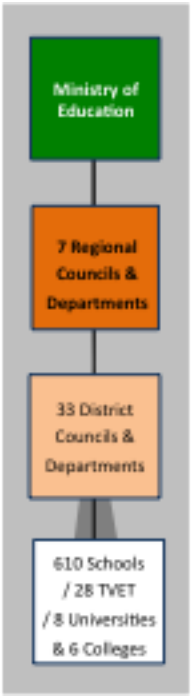
- The promotion and expansion of education shall be the duty of the Puntland State.
- It is the responsibility of the Puntland State to eradicate illiteracy in Somali language.
- Primary education is compulsory for every child. It is the responsibility of the government to provide the educational facilities and personnel to provide for it. When the circumstances allow, the government may raise the compulsory level of education.
- The Puntland State will encourage religious and private institutions of education.
- It is the responsibility of the government to elaborate and supervise a common syllabus at primary and secondary level of education.
- Islamic teaching is fundamental and shall be compulsory at all educational levels.
- All adults have the freedom of choice to select what he/she learns and his/her trade (profession). The government shall develop specific programs to overcome adult literacy and to develop a policy of female education.
- The founding of schools, technical institutes and universities by private individuals and institutions shall be encouraged, according to the needs and educational policies of the Puntland State and complying with the curriculum and other regulations established by the Government.
- It is the responsibility of the government to promote culture and heritage.
- It is the duty of the Government to set up institutions of higher education.

- A special Law shall regulate private education.

3.2. EDUCATION SECTOR SERVICE DELIVERY CAPABILITIES

3.2.1. MAIN ACTORS

18. ***The education systems in Puntland is composed of state and non-state actors, operating across all three tiers of state, although due to budgetary constraints state service delivery remains a relatively small function of delivery, with the sector dominated by non-state delivery agents***. Clearly, the availability of financial resources is a major driver of delivery capacity. Yet even though the total spending on education in Puntland remains unknown due to weak aid management systems and lack of reporting, non-state financial flows and human resources channeled through national and international NGOs and privately financed Koranic schools considerably outweighs the US$1 million budget provided to MoE and the 60 staff within the Central Ministry. With at least 4 curricula operational in Puntland, it is therefore clear that building the capacity of state actors to improve quality compliance of non-state actors whilst learning from the education experiences of NGOs will be central to strengthening the proposed service delivery model. The main actors for the sector are as follows:



- The Ministry of Education—based in Garowe— is composed of a Minister, 1 Deputy Minister, a Directorate General and four Directorates with linkages to sub-national units. There are approximately 60 staff in the Central Ministry, between 3-18 staff at the regional level, 1-2 staff at the District Level. Some districts however have few to no staff;
- 7 Regional Offices including Regional Education Officers, 33 District Offices includes District Education Officers and Community level Education Councils;
- There are 563 primary schools served by 3,890 teachers, 228 non-formal education centers served by 886 teachers, 47 secondary schools served by 463 teachers and 28 TVET centers;
- There are 8 universities and 6 colleges;
- There are an unknown number of privately financed Koranic schools; and,
- National and international NGOs finance and managed most of the non-Koranic schools in the country.

3.2.2 SUB-SECTORS

19. ***The education system of Puntland comprises of: (i) two years of Early Childhood Development (ECD)***; ***(ii) eight years of primary education (four years of lower primary and four years of upper primary); and (iii) four years of secondary education***. University education covers an average of two to four years. In essence, the education system in the Puntland State of Somalia can be described as a "2-4-4-4 system". The policy also recognizes non-formal and TVET as integral parts of the Puntland Education System. As such, the following sub-function applies to education service delivery in Puntland:

- Pre-school Education;
- Primary Education;
- Non-Formal Education and Nomadic Education;
- Secondary Education;
- Koranic Education;

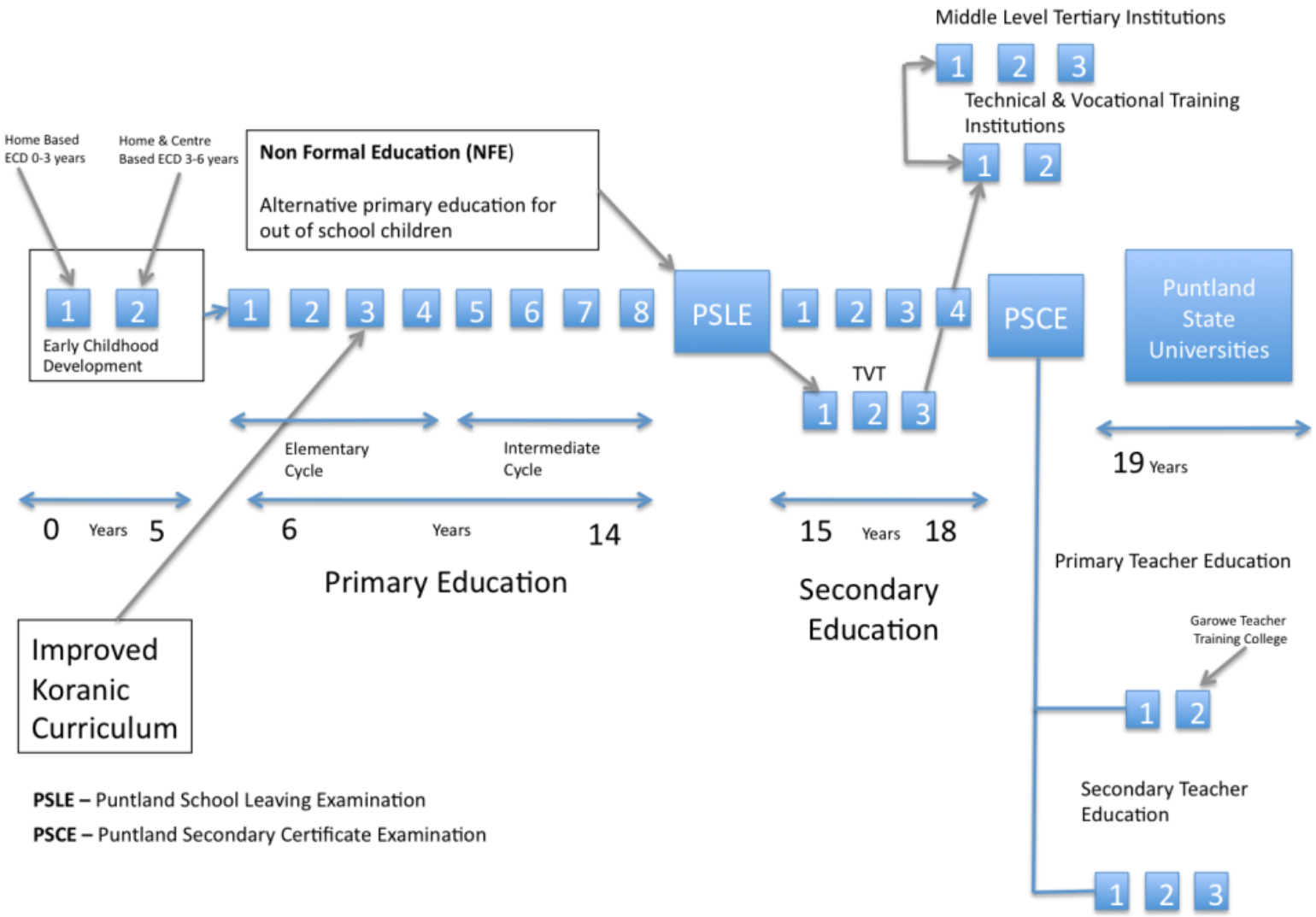
- Tertiary (Higher) Education;
- Technical and Vocational Education and Training;
- Donors and UN Agencies.

20. ***Pre-School Education:*** Early Childhood Development, primary education and non-formal education programmes fall within the category of basic education. Basic education equips learners with the essential skills of literacy and numeracy upon which other learning and skills can be built. Koranic education forms a component of ECD. ECD is offered to children in the 0-5-age bracket. The focus of ECD is on stimulating and developing the cognitive, affective and psychomotor skills and his/her holistic development. ECD also prepares children for school and eases the transition from home to primary school. During the recent Parliamentary elections an ad hoc vote-stimulating announcement was made, promising the implementation of free early childhood education services, for which the government has no budget. For financial and manpower resource reasons, ECD services are still underdeveloped. To date only a few privately owned and unregistered kindergartens exist.

21. ***Primary Education:*** Primary School Education is generally offered to learners in the 6-14 age bracket. The primary education level is comprised of a four-year elementary cycle (Grade 1-4) and a four-year intermediate cycle (Grade 5-8). The Puntland Primary School Leaving Examination (PSLE) assesses achievement and completion at this stage, and determines transition into secondary school. There are currently 563 primary schools catering for 112,998 pupils of whom 63% are male and 37% female. The primary teaching force numbers 3,890 of which over 80% are male teachers. The majority of schools are classified as community schools, indicating that parent-led School Education Committees (SECs) are responsible for meeting partly or entirely the cost of school maintenance, teachers' salaries and other recurrent costs. None of the schools visited in the course of the fieldwork are supported by local administrations, and support of the schools extended only to limited and irregular stipends for teachers, supplemented by fees paid by parents. Whilst evidence suggests that some teachers are receiving monthly stipends of US$30-US$40 from the MoE, the total reported budget for MoE is too low to accommodate such a payment to all teachers. Salary top ups are financed from monthly school fees (US$3-US$5 per calendar month), per child, as are the costs of utilities, school materials and other expenditures.

22. ***Figure 4 below, provides a concise description of the way the education system is structured and delivered around these key educational sub-functions, by age group and inter-relationship.*** This is not intended to be an administrative diagram but rather a diagram that describes the core sub-functions of the sector around which analysis of productive and provider functions can be understood.

Figure 4: Schematic Representation of the Current Puntland Education System



Source: MoE/ICDSAE staff

23. ***Non-Formal Education refers to a broad set of learning opportunities that are offered to young persons and adults.*** These include vocational skills training, adult literacy, community health education and agricultural extension activities. Data provided by the NFE sector revealed that there are 228 NFE active centers throughout the seven regions, in Puntland. These are serviced by 868 teachers of which 363 are male and 404 are female. Nearly all teachers work as volunteers, while those working with International Non-Governmental Organizations (INGOs) may receive a small stipend. Mentors and supervisors currently number only 48. In 2011 there were a total of 21,782 beneficiaries of whom 17,339 were female and 3,643 were male. The NFE sector is also responsible for the educational needs of nomads and for oversight of Koranic schools, which are both under-supported services with no or little data available. In an interview, the Vice President stressed the need for a viable, beyond Koranic schools, form of education for nomadic children. Today more than 64% of Puntland's population is nomadic, or displaced persons, who have been forced to revert to a nomadic style of living. Previous attempts to build fixed schools for nomads failed because nomads move and schools cannot. While some NFE centers cater for nomadic educational needs, these are largely attended by female students, leaving a significant proportion of the male population illiterate.

24. ***Secondary school education is offered for four years to learners in the 15-18-age bracket and leads to a Puntland Secondary School Certificate Examination (PSCE)***. The broad aims of secondary education are to provide beneficiaries with the knowledge to pursue further education; and to enable them to acquire basic life skills required to earn a living. Data shared by the Formal Education Sub-Sector office showed the existence of 47 secondary schools in Puntland. Most of these are centered in towns and villages and serve the needs of isolated smaller rural communities. 11 of the 47 secondary schools are designated as privately owned and run, and have full governing boards, as per the recently revised, but yet to be enacted, 2010-2011 Education Act. The 37 public secondary schools have appointed School Education Councils and are designated as community secondary schools, because support, salaries, maintenance and utility costs emanate from student fees, which are collected monthly. Presently, secondary school students pay US$11-US$15 per head, per month to attend school. In 2011 a total of 10,015 students are enrolled in secondary schools, of which 71% are male and 29% are female students. 463 teachers serve their learning needs, of which over 90% are male teachers. Secondary education is the highest demand subsector of education and there are presently not enough schools to meet this demand. The two principal factors preventing expansion are an acute lack of qualified teachers in maths, sciences, languages and other specialized areas, as well as limited funding for building more schools.

25. ***The Government recognizes the existence of Koranic Schools that focus on teaching young children basic Islamic values and early literacy in Arabic***. The Director of Non-formal Education (NFE) drew attention to the limitations of these establishments and expressed commitment to improving teaching and learning in them, as well as to widening their curriculum and quality. However, it may be challenging to insure that Koranic schools are regularly supervised and supported since these functions are weak and do not seem to receive the support they warrant. Accurate data on the number and location of, as well as number of students in, Koranic schools in Puntland was not available.

26. ***Higher Education refers to education offered on completion of secondary education. The purpose of tertiary education is to assist the Puntland*** State with meeting the high level of human resource requirements for all sectors of the economy. Teacher Education is grouped, for convenience, under higher education. Today there are 8 universities and 6 colleges registered in Puntland. One college, the Garowe Teacher Training College, trains mainly primary teachers, while the East Africa University (EAU), centered on campuses in Garowe and Bosaso, train secondary school teachers through bachelor degree programs. There are 4,058 students enrolled in the 8 universities, of whom 3,286 (81%)

are male, and only 771 (19%) are female. The 6 colleges currently enroll 1,260 students of whom 970 (77%) are male and 290 (23%) female.

27. ***Technical/Vocational Education and Training (TVET) is designed to contribute to occupational proficiency through the transfer of appropriate skills and training in development and application of indigenous technology***. It also responds to the basic occupational needs of its recipients. There are currently 28 TVET centers throughout Puntland, the majority being privately owned and run. Each of the two TVETs visited had between 125-260 students, all taking short three-month courses in a variety of skill areas, including car mechanics, tailoring, carpentry, catering, masonry and building, secretarial and computer training. Students pay fees corresponding to the length and type of course taken. For instance, the TVET in Garowe charges: US$26 per student, per month for carpentry courses; US$26 per student, per month for tailoring courses; US$33 per student, per month for computer courses; US$33 per student, per month for electricity and car mechanic courses.

Table 3 below provides a summary of the major Education sub-sector functions according to discussion with the MoE. It needs to be stated that there is no clear 'functional classification' adopted within the Ministries budget undermining clear identification and lack of organizational charts and sub-entity mandates impede clarity in defining both production and provision functions; to a very and staff provision functions; to a focus very large extent.

TABLE 3: SUMMARY OF EDUCATION SUB-SECTOR FUNCTIONS

Sub-Sector	Core Sub-Sector Functions
Early Childhood Development	Curriculum Development
	Standard Setting
	Inspection
	Monitoring & Evaluating
Primary Education	Curriculum Development
	Standards setting
	Inspection
	Examinations
Secondary Education	Curriculum Development
	Standards Setting
	Inspection
	Examinations
Higher Education	Curriculum Development
	Standards Setting
	Supervision
	Examinations
TVET	Curricula
	Standard Setting
	Examinations & certification
NFE, Koranic & Nomadic Education	Curriculum Development
	Standard Setting
	Supervision
	Examination & certification

3.2.3 SERVICE PRODUCTION PROCEDURES[5]

28. ***While significant progress has been made in the past 24 months, to set-up the administrative framework for a Ministry of Education, there is still an urgent need to fully strengthen and in many cases establish clarity with regards policy, planning, budgeting, execution and regulatory oversight and compliance functions, including gender directorates within the Ministry***. A commonly expressed and observed weakness at every level of the MoE—both nationally and at the regional and district levels—is the limited availability of educational leadership and management cadre; which can be understood when public and private sector salary differentials are observed. Of particular significance is the lack of trained financial managers with the experience needed to keep track of wage and non-wage recurrent expenditures, Operations and Maintenance (O&M) and capital costs.

29. ***The local political structure, based on Somalia's historically embedded clan system of elders, is perceived (by Government) to be a leading impediment preventing the creation of effective and efficient management and governance structures in ministries throughout the emerging Government of Puntland administration***. Key posts and line positions of authority tend to be allocated not to experienced and technically qualified persons, but are rather distributed by clan affiliation (clan members and followers). As a result building high quality production and provision functions from this weak human resource base remains a major impediment to the sector as a whole. Further, weak human and financial resource undermines the specific procedures necessary to support effective service delivery production.

30. ***The Ministry of Education has just finished going through functional restructuring which makes the classification of sub-functional assignments complex even though current practices at the sub-national level, are likely to have changed very little***. In the newly re-structured MoE (see ***Figure 5*** below), the principal loci for the production of services are centered within four directorates led by 5 Diaspora advisers, recently contracted through ICDSAE program funded through the EU and UNICEF. Their role is to construct four working divisions and begin training of national counterparts to carry out the following functions:[6]

- ***Policy and Planning***: Policy and Planning Directorate, including setting up and training staff to run a working Education Management Information System (EMIS), which will be used to collect and process data as a base for evidence-based policy making. The EMIS is also being partially funded and supported by UNICEF, the NRC, AET, and Swedish supported Diaconal. Attached to this division are six trainees selected from an incoming group of ten recent university graduates—four of which are being trained on EMIS data entry and analysis tasks—and two for work with the Adviser as assistants. The Policy and Planning directorate will also be responsible for finalizing the Education Act and drafting any new policy papers, at the Minister's request;[7]

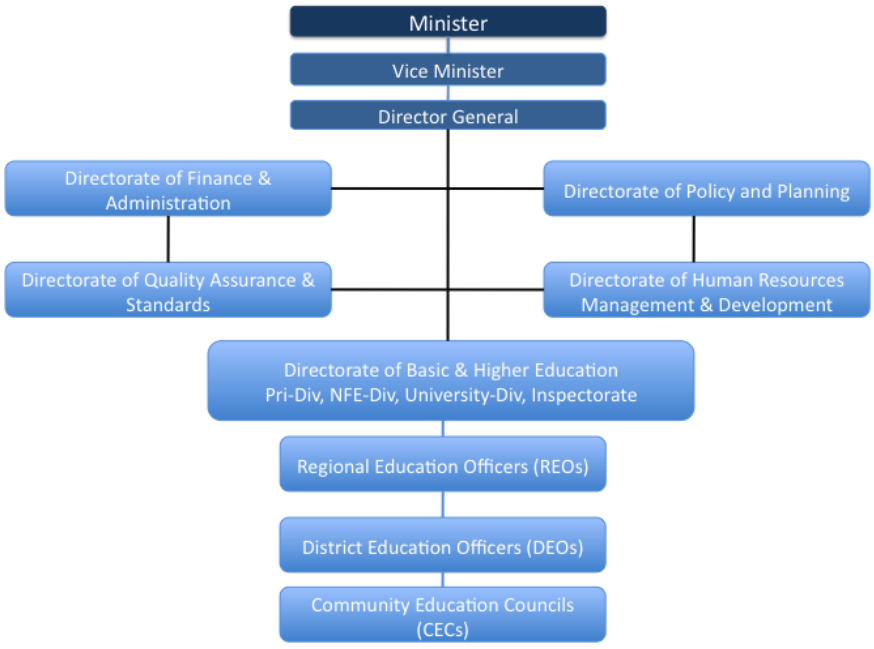
[5] During a three-week visit to the MoE, the Team was particularly impressed by the energy, skill and productivity of all the Diaspora Advisers interviewed and observed. What has and will make a significant difference to the Moe's ability to progress will be the contribution each one of them is making to the ministry's growth and revitalization process.

[6] To date, the only unfilled position within the Diaspora technical team is a financial management expert, who was in the process of being recruited by the ICDSEA team at the time of this visit.

[7] A parallel UNDP advisory appointment to a ministerial advisory rank in the field of Policy and Planning, occupied by an experienced senior educator from Kenya in charge of reviewing, revising and writing key policy documents like the Education Act, the Puntland Education Policy Paper (PEPP) and the Education Sector Strategic Plan framework (ESSP). His contract is coming to an end and there are no present indications of an extension.

- ***Human Resource Development***: The Directorate of Human Resources and Development, which is being set up, will be responsible for creating a viable Human Resources (HR) policy and the necessary rules and guidelines to improve MoE staff performance, discipline, recruitment protocols, and staff training requirements. Two trainees have also been allocated to the recently arrived Diaspora Adviser, who is currently responsible for activating this important missing aspect of MoE administrative services;
- ***Quality Assurance and Standards***: The Directorate of Quality Assurance and Standards will be responsible for oversight of curriculum development, school supervision and inspection, as well as for the general oversight of standards in both the primary and secondary sub-sectors. Further re-organization will be needed to achieve a level of efficiency needed to make this division more effective. An acute shortage of qualified and trained staff is a major obstacle. Two trainees have also been allocated to work with the Diaspora division Adviser. Internal to this division is the MoE printing press and staff, responsible for printing numerous internal documents such as examination papers, graduation certificates, staff guidelines, textbooks and policy papers, etc;
- ***Finance and Administration***: The Directorate of Finances and Administration is a work in progress in that the previously recruited Diaspora Financial Expert declined the job offered. Efforts are currently underway to find a replacement. Of all the key productive functions observed, the financial management aspect appeared to be the most in need of further assistance. When a Diaspora Adviser is recruited, she/he will also be supported by two graduate trainees; and,
- ***Gender***: A separate Gender Unit has also been established through ICDSEA funding to oversee gender monitoring in the MoE. The Diaspora Adviser in charge—a young and dynamic Somali—Ugandan woman has in the space of only a few months, made a significant contribution. She has carried out a round of staff awareness raising meetings, reviewed and revised the Education Act and other major policy documents for gender appropriateness, and has visited the regions and district offices to mobilize support and raise gender awareness;

Figure 5: Current MOE Management Production Structure



3.2.4 SERVICE DELIVERY PROCEDURES AT REGIONAL, DISTRICT AND COMMUNITY LEVELS

31. ***Figure 5 above, illustrates the relationship between the different productive aspects of the MoE and the delivery of services.*** Ideally, the divisions and sections previously described, would design and create the tools and products needed to generate the services, which are then delivered from the parent Ministry in Garowe through a network of 7 Regional Offices (REO) responsible for 33 District Offices (DEO). DEOs, where they existed, have been linked to local government structures through the Local Councils and their Education Committees. They are sometimes invited to sit on Mayoral Committees (which are needless to say municipality based). Verifying the number of staff and responsibilities at each level has been difficult, given varying, inaccurate or unavailable data. Information shared by the ICDSEA advisers suggests a total of 63 people employed in the ministry at central level although there is no formal payroll system or agreed establishment number of the Ministry and its sub-national structures, which needs to be urgently addressed. The contingent risk of ghost workers is evident within such a framework.

32. ***The REO informants, Galway and Karkaar, who were interviewed, stated that they had a full complement of staff ranging from 8-13 persons.*** Each claimed that their function was similar to that of the Minister, and they had full authority to hire, discipline and terminate employment of any MoE staff within their regional jurisdiction. They were also responsible for oversight of all schools in their regions and had to attend frequent official meetings at the Regional Governors level to represent the MoE, if the MoE was absent. An important REO role was school supervision and inspection. Each REO had supervisory staff with the function of visiting schools frequently to observe teachers practice and to help school Heads resolve problems. The lack of transport and absence of travel expenses meant that they and their staff were unable to visit schools as often as required. For the same reason distant and rural schools were seldom visited, which is a more structural issues with limited options for early resolution. Another important role of the REO was the collection and distribution of the US$30–US$40 stipends paid by the MoE to many of the teachers, although the assessment team is uncertain as to what percentage of teachers actually receive this stipend, given the number of teachers and fiscal constraints. Cash payments were issued by the Finance Directorate of the MoE in Garowe, collected by the finance officer of each REO, and then distributed to teachers either directly to each school, or collected from the REO.

33. ***DEO functions parallel those of the ROE, and provide close support and supervision to a smaller number of schools in a smaller catchment area, which is the district.*** District Officers visit schools frequently and work with School Education Committees to maintain and provide the necessary resources to keep schools functioning. Most DEOs are recruited from within their own communities, clan district or area, and are well known and respected. However, as in the case of qualified teachers, not every district is able to attract and recruit the most qualified person to carry out this important function. DEOs and teachers residing outside a given district or area, often refuse to be placed in districts outside their own home region, and this has caused recruitment difficulties in bringing the best candidates to the least populated and marginalized rural districts. There appears to be no easy way of addressing this complex structural situation.

34. ***Regional and District Education offices across Puntland—and probably the rest of Somalia—have very limited capacity and resources and as a result, they are largely unable to fulfill their mandates of delivering quality basic education***. Much of the infrastructure has been destroyed over the past 16 years, with mostly dilapidated and resource-scarce structures remaining. Community Education Committees (CECs), or School Education Committees (SECs) as they are now referred to, have played a

crucial role in managing and administering schools across Somalia. Where CECs are active and viable they are often linked to Local Councils and have representatives on the Regional Councils, as required.

35. ***Many CECs are however largely dysfunctional, with CECs only functioning locally, and when supported by NGOs and donors.*** With regard to SECs, many of them are poorly organized and attended, or members lack experience and training to provide the support expected and needed for their schools. In the continued absence of Government funding, they have however played a critical role in resource mobilization and sustainability. The NGOs who participated in a focus group attested to the importance of SEC financial contributions for the maintenance and running of the majority of schools in the rural areas, which further reinforces the need to strengthen existing financing arrangements. Approximately 90% of schools are currently managed by SECs, although sadly fewer than 40% of those have trained members according to the results of a focus group discussion. To ensure that these committees continue to play a role in the development of local education, ongoing training and links with District authorities are vital, but are currently weak and poorly delivered due to a shortage of experienced technical staff, and inadequate budgets and support from the MoE. An SEC Cluster development pilot would logically support such strengthening arrangements.

3.2.5 BUDGET: EXTERNAL AND INTERNAL SOURCES OF FUNDING AND POINTS OF ORIGIN

36. ***Public resourcing of education is inadequate in meeting government's constitutional commitment to providing universal access to primary education and current Public Finance Management (PFM) systems are in need of substantial development.*** Currently, based on information provided by advisors, the allocation of funds to education in Puntland is currently around 3.5 % of state the state budget of US$30,158,200 (2011); lower that the 4-8 per cent average for other fragile states.[8] Whilst officials expressed a common view of the need to increase fiscal spending on education—in the order of 10-14 per cent—the reality is that government has other needs to finance and costing the service delivery baseline is therefore vital to demonstrate an approach driven by evidence and reality.

37. ***A 2011 report, written by a Kenyan financial consultant and shared by Barry Reeves, the Lead MoE Technical Adviser for the ICDSEA program, drew the following conclusions regarding MoE's current overall budget capabilities and performance***:

- The government has maintained its allocation to the Education sector at approximately 3.5 per cent of the overall National budget, with 49% being spent on salaries. This is higher than the national average ratio, which is approximately 41%. The staff on payroll are 1,310 out of which 982 are paid by the government and the other 328 are paid for by SCUK and NRC;
- Currently, there are four key implementing partners to MoE—UNICEF, SCUK, NRC and ADRA—that have provided consistent support, whilst others have supported the Ministry on an *ad hoc* basis. In the 2011 education budget, the funds from these donor account for over 52% of the base budget. This level of funding may not be sustainable in the long-term and, therefore, measures by Government to allocate more funding to the education sector beyond the current 3.5 % must be put in place; and,
- MoE maintains a single entry accounting system that is not in conformity with a general ledger accounting system that requires the use of a double entry system. The purpose of a general ledger accounting system is to extract and code data from different sub-systems in order to produce meaningful information in the form of financial statements. The lack of a general

[8] This level is low even compared to other low-income countries like Zambia, Kenya and Uganda, where public expenditure on education is usually between 4-8% of total government expenditure.

ledger means that any information necessary for management of the MoE must be extracted from its various sub-systems. At present, activity and financial reports are prepared for the funds received from the development partners. No financial statements showing the general performance of the Ministry as a whole are prepared. However, monthly returns on all expenditures of the Ministry are submitted to the Ministry of Finance as a support for funds disbursed.

38. ***Table 4 provides the indicative Puntland State Budget for MoE for 2010 and 2011.*** It is most likely that government spending on education is low because of the perception that NGOs and private Koranic schools are a significant resource to the sector. The reality is that if international NGOs stopped supporting the sector the coverage of services would decline substantially, and the same likely applies to Koranic Schools.

39. ***MoE also mobilizes a small number of revenues from (i) the issuance of certificates and (ii) the government printing press operated by MoE although there is currently no system in place to track revenues and investments.*** In terms of off budget support, there are four key donors to MOE—UNICEF, SCUK, NRC and ADRA—that have provided consistent supported; whilst others have supported the Ministry on an ad-hoc basis. When compared to the 2011 budget, donor financing accounted for over 52% of the budget, highlighting the downside risks of reducing fiscal flows from donors on both access and quality.

40. ***As already stated, 49% of the Ministry budget finances salaries, although given that MoE's are often one of the biggest providers of public employment, this amount is low when compared to many other countries; which are closer to 70-80 per cent***. Staff payroll is prepared by the accountants' regional central and regional offices using Microsoft Excel. Pay sheets show gross pay, deductions as well as the net pay, implying that there is a small withholding tax. The spreadsheet also provides for a space for the recipient to sign as evidence of receiving the pay. The spreadsheet is then sent to the department of Administration and Finance at the Central level and is checked by the Accountant for consistency and accuracy. If the Accountant finds it consistent and accurate, he/she prepares a payment voucher, which is passed for authorization to the DAF, who subsequently passes it to the Director General (DG) for final authorization. The authorized payment voucher authorizes payment by check, or release of funds to the regional accountant who signs off on the expenditure. There are substantial delays between regional and district proof of payments being sent to the centre.

41. ***Expenditure and Assets Systems: Before an expenditure is made, the following process is followed***: (i) request of an item from user department; (ii) approval of Order by DAF and DG; (iii) the Logistics Officer procures and delivers to user department; (iv) the Logistics Officer brings invoice attached to the approved order to the Accounting Officer; (v) the Accounting Officer prepares payment voucher which is approved by DAF and DG; (vi) a check is prepared from current Account 88 and signed by DAF and DG; (vii) the recipient signs for the check; and (viii) the check is recorded in Account 88 Excel tracking spread sheet. The department maintains an elaborate asset register, which in addition to capturing the photo of the item it includes information on the asset name, type, serial number, department and location. The asst tracking system is however rarely updated.

TABLE 4: PUNTLAND MINISTRY OF EDUCATION - INTEGRATED BUDGET

Details	2010 (Sh.So)	2011 (Sh.So) (Sh.So)	Total 2011 US$
Government Budget			
Personnel Costs	348,871,680,000	369,746,376,000	**12,324,879**
Services	479,728,320,000	522,999,624,000	**17,433,321**
Total Government Budget	840,600,000,000	904,746,000,000	**30,158,200**
MoE Budget			
Personnel Costs	13,161,564,000	15,662,154,000	**522,072**
Services	1,560,000,000	4,423,620,000	**147,454**
Education Development Budget	12,000,000,000	12,000,000,000	**400,000**
Total MoE Budget	26,721,564,000	32,085,774,000	**1,069,526**
MoE Percentage of Total Budget (%)	3.5	3.5	**3.5**
MoE personnel Costs as a % of MoE Budget (%)	49	49	**49**
Services Budget Breakdown			
Material Supplies		660,000,000	**22,000**
Repairs and Maintenance		312,000,000	**10,400**
Internal Travel Expenses		360,000,000	**12,000**
Public Utilities		3,091,620,000	**103,054**
Total MoE Services Budget		4,423,620,000	**147,454**
Donor Support			
UNICEF (Incentives and Support for coordination and capacity building)			**759,536**
Save the Children (Teacher Salaries)			**250,140**
Norwegian Refugee Council (Teacher Salaries)			**128,196**
ADRA (Incentives to Monitor and REOs)			**26,604**
			1,164,476
Grand Total MoE Budget			**2,234,002**
Percentage of Donor Support to MoE Budget (%)			52

3.2.6 STAFFING DETAILS AND TECHNICAL SKILLS NEEDS

42. ***The Ministry faces a number of considerable constraints, which impede the successful execution of both production and provision functions***. These include (i) poor quality of educational provision; (ii) an unresponsive school curriculum; (iii) absence of standards and controls; (iv) inadequate management and planning capacity; (v) a weak financial base; and (vi) the existence of numerous and poorly coordinated educational provisions, which all hinder the functionality and relevance of service delivery and impede the effective attainment of national education goals and objectives. During the Team's visit the following key deficiencies and institutional bottlenecks were observed:

- Currently, limited information is available about individual MoE staff in terms of contracts, service records, qualifications, experience and training needs. It is, therefore, difficult to set apart non-employees from employees;
- The shared MoE organizational structure (Figure ***5*** above) is still a work in progress, and requires clearer definition and restructuring into more manageable directorates and functional departments;
- There is an urgent need to train MoE staff to carry out their daily management and administrative functions more efficiently and effectively. Addressing factors that assist in attracting and retaining staff is key to long-term success;
- Some MoE staff, especially at senior (higher level) positions, are reluctant to accept the changes that are necessary to improve the efficiency of MoE functions;
- For reasons related to lack of communications and/or motivation, implementation of policies that have been adopted to improve the ministry's ability to deliver services to beneficiaries—especially in remote rural and Nomadic communities—is slow;
- The MoE's inability to compensate staff and teachers is a serious impediment toward the delivery of timely and effective services. This is especially so at the regional, district and school levels;
- Some teachers and MoE staff were resentful of the high salaries allocated to Diaspora advisers, teachers and external experts, whilst they were often unpaid; and,
- Informants, both national and Diaspora, continually referred to a lack of work ethic and discipline among those working in the Ministry, and elsewhere. Without extensive and intensive capacity building and higher levels of education, these problems may not be easily remedied.

43. ***The current dependence on a cadre of EC and UNICEF supported Diaspora consultants to run essential Ministry functions and departments risks creating a parallel MoE administration that could eventually undermine the GoP attempt at building a self-sufficient and strong central institutional structure, at the end of external support.*** There is no doubt that the EC-UNICEF support is vital an is making a major difference to production and provision functions, the only concern being what happens when this support terminates and the many functions covered can not be covered by salaried employees.

3.2.7 Short and Long-term Capacity Building Needs

44. ***A capacity needs assessment carried out in 2011 for the MoE by UNDP's resident Policy and Planning Adviser, indicated the following immediate training priorities:***

- The need to train teachers, principals and technical service providers to better manage and deliver quality formal and non-formal educational services;
- Urgently train teachers from all sub-sectors to improve their pedagogical and methodological skills in order to better affect quality learning outcomes;
- Train existing staff and recruit further experienced staff to improve financial management skills in view of decreasing wastage of scarce resources, and advancing the implementation MoE programs and projects in the 7 regions and 33 districts;
- Urgently develop further the capacity of the planning and technical departments to encourage cooperation and professionalism between hitherto compartmentalized and isolated sections and divisions of MoE;
- Upgrade school management skills for head-teachers, and train SECs to assist Heads in improving and sustaining the quality of school services in all of the 33 districts;

- Professionalize the training of the formal and non-formal cadre of teachers and supervisors, in order to improve the quality and delivery of these services in the 228 NFE and literacy centers. Special emphasis should be given to meeting the needs of Nomadic and remote rural communities; and
- At the district level, as outlined by the District Capacity Assessments, lack of revenue sources, weak human resource capacities and weak public finance management are congenital problems that need support, but will take time to evolve.

45. ***Key longer-term training and capacity building priority is the provision of professional training for a still to be recruited young staff, with an encouragement to remain in the Ministry to carry out vital professional functions, and in particular***:

- Identify and recruit from among the best Puntland graduates, persons willing to travel abroad to obtain degrees which will enable them to fill curriculum development functions presently carried out by untrained staff, unable to meet the challenges required to produce quality national curricula in the primary, secondary, non-formal, technical/vocational and early childhood education areas. Whilst training staff aboard would require significant funding, this is probably the only way one can bring national counterparts quickly up to the international technical standards. Beneficiaries should be required to sign agreements that would guarantee that they return to the Ministry to carry out their functions and not use their newly acquired degrees to leave the country for work elsewhere;
- Select, from among the most promising young interns recruited to work with the ICDSEA advisers, one graduate for each of the following disciplines, willing and able to go abroad to do a master's degree in: educational planning, human resources management, teacher supervision, financial management, adult education, and educational leadership; and,
- Bond those selected for scholarships abroad to continue working for the MoE for at least 3-5 years upon their return.

3.2.8 KEY LEGAL INSTRUMENTS AND THEIR SIGNIFICANCE FOR SERVICE DELIVERY

46. ***Table 5 presents core legal and policy instruments that have, and will have, a significant role to play in the implementation and delivery of educational services in Puntland.*** It is however important to understand that because Law. No 7 made district administration fully autonomous with designated responsibility for Education production and provision functions, and because unbundling of the education sector has not formally been considered until now, the functional assignments at the district level have been in disarray. The new Education Act states that 'Regional, District and Community Education Committees' are responsible for implementation of the new act but its so far does not clearly outlines which functions are to be provided at which level of administration.

TABLE 5: PUNTLAND LEGAL/NORMATIVE INSTRUMENTS AND MOE SERVICE DELIVERY

Legal Instrument	Details	Significance for Service Delivery
The Local Government Law, Number 7	The Local Government Law, Number 7, promulgated by Parliament in September, 2003, proffers powers to the Ministry of Local Government and Rural Development (LGRD) to run and service local authorities, and regulates the provision of basic services such as education, health and water and sanitation amongst others. The purpose of this law is to unburden central government from having to take exclusive responsibility for the development of rural communities, and to encourage communities to become stakeholders in the future development and upkeep of their own communities.	There are however, a number of anomalies with respect to Local Government Law 7 and it's correspondence with the still to be enacted Education Act, and Law 23 of the New Constitution. Under the Puntland Education Act, Community Education Councils (CECs) are given a legal status and clear responsibilities for the upkeep and support of local primary and secondary schools. They are elected bodies with specific rights and responsibilities. However, under The Local Government Law 7 CECs aren't explicitly mentioned. They don't come under the Local Council's Education Committee, and are not described as elected bodies with legal rights and responsibilities. In a similar vein, are the fees charged to parents through CECs considered local taxes, or are they outside the local taxation collecting responsibilities of Local Councils which oversight is in the Mayor's Office?
Article 23 of the New Constitution	Under Article 23 of the New Constitution, responsibility for the provision of all education services up to a secondary level lies with Central Government, through the MoE.	Evidence gleaned from the field and from interviews and visits to rural communities revealed that because of acute GoP revenue shortfalls, most schools, bar a few private institutions, are being maintained and supported through fees paid by parents and NGOs who have been made responsible for topping up teacher and Head Teachers salaries, paying for school maintenance and utility costs, etc. Low public revenues, low institutional capacity, a shortage of manpower and other resources, has transferred the GoP's constitutional obligation to provide quality education for all children in Puntland, to extra budgetary revenue sources. Similar revenue shortfalls are preventing many citizens in poorer remote rural areas from gaining access to non-formal education, early childhood education, technical and vocational training, and other essential quality of life empowering services.
The Transitional Federal Charter of the Somali Republic	The Transitional Federal Charter of the Somali Republic was enacted in 2004 (stipulating the state's territorial sovereignty, official religion, national symbols, Transitional Federal Government (TFG) and fundamental rights and freedoms of its people).	The Charter specifies the content and values to be reflected in Somali education and is to serve as a guideline for legislators.
The Transitional Constitution of the Puntland Regional Government	The Transitional Constitution of the Puntland Regional Government, drafted in 2002, is a comprehensive document outlining the political and governance structures of the state, as well as the rights of citizenship, including specific reference to women and children's rights.	The Constitution was aimed at the public at large and especially those inclined to deny or ignore women and children's rights, which reinforces the need for mainstreaming equality of educational service provision amongst discriminated/marginalized groups.
The Puntland Five Year Development Plan (2007-2011)	The Puntland Five Year Development Plan (2007-2011), presents in a concise and methodological way short, medium, and long-term national development priorities for all sectors, and establishes clear targets and development goals for their effective implementation, stressing on priority education outcomes in line with human development goals. The purpose of the document is to guide legislators and donors in defining	Key objective is the establishment of free primary education for all children, and the reduction of unemployment among youth.

	priorities from the outset of Puntland's attempt at statehood.	
The Puntland Education Policy Paper	The Puntland Education Policy Paper, enacted in 2005 and revised in 2010, recognizes education as a joint enterprise between communities, civil society, the private sector and parents as stakeholders. The Policy Paper was aimed at educators and the general public and reconfirms many of the values held by Puntlanders in their communities.	The role of the government is defined in terms of establishing measures and incentives to encourage the active involvement of all stakeholders in the provision of equitable educational services. Further, the Government recognizes the role of the private sector to provide resources with government providing the regulatory framework to encourage such investment. GoP is also committed to improving the provision of (i) life skills education for girls, (ii) education for nomads and other disadvantaged groups, and (iii) education to children with special needs; with the overall objective of promoting education equity, quality, relevancy, efficiency and sustainability.
The Education Sector Strategic Plan (ESSP) for 2011-2015	The Education Sector Strategic Plan for 2011-2015 is a sector road map. The Sector-wide Approach guides ESSP implementation strategy, whilst striving to place education at the fore of government plans for national development. The ESSP provides guidelines for the Medium Term Expenditure Framework (MTEF), the Annual Budget and the development of Annual Work Plans.	The Education Sector Strategic Plan prioritizes the creation of a nine-year basic education cycle and stresses on the concepts of universal access, quality and equity. A shortened version, the Interim Education Plan (IEP), prioritizes recovery and reconstruction of the education sector, in view of full ESSP implementation.
The Puntland Education Act	First drafted in 2010, the Education Act has since undergone at least three revisions: (i) for consistency with existing policy papers and pronouncements; (ii) to harmonize clauses and the language contained with existing national legislation on education; and (iii) to make the contents gender sensitive in keeping with the gender provisions set in the PEPP, and other previously drafted policy clauses.	Once passed by Parliament, the Act will be translated into Somali, and eventually into Arabic. Until the Act is enacted by Parliament, many of its practical provisions may not be implemented and currently it is not clear on the role of district administration in production or provision functions, risking that the new Act contradicts Law No. 7.

3.3. MoE Ability to Deliver Services Effectively

3.3.1 Service Provision at Regional, District and Community Levels

47. ***A three-week intensive assessment of Puntland MoE service delivery systems lead to the following observations with regards institutional capacities, with implications for the orderly decentralization of both production and where logical, provision functions:***

- Despite acute shortages in funding and trained manpower, the schools observed both in Garowe and in the rural areas, seemed remarkably well run and organized given the weak upstream production and provision functions. Teachers visited were not surprisingly at work but appeared to be carrying out their duties efficiently, despite being poorly paid and, in most cases, having to teach two shifts;[9]
- There is no service delivery baseline in use by MoE around which inputs, outputs or results can be monitored;
- The ROEs and DEOs interviewed were all positive about their work despite concern over low and irregularly paid stipends, lack of resources and difficult working environment. The MoE had no budget and provided only minimum support and few services;
- Field staff, teachers, and some line Directors at MoE pointed to the importance of community contributions for an effective system. Without community financial support, the current school system would not be functioning. However, some communities were too poor to support their schools, and suffered accordingly;
- Nearly all Head teachers, REOs and DEOs interviewed attested to the importance of NGO projects and programs funded by donors, in helping to make schools work. However, this was a double-edged sword in that when projects and programs finished, INGOs and funding disappeared and communities, now over-dependent on external support, were often left unable to sustain what had been gained. This had especially adverse consequences for poorer and remote communities; and,
- Local NGO informants were adamant that if it were not for NGO and community collaboration, many schools in Puntland would be closed, and this is most certainly the case. When challenged about the need to work in coordination with the MoE, they said that this had been tried, but poor leadership, lack of GoP funding for education, and no clear shared national implementation plan, made collaboration with GoP frustrating, and counterproductive.

3.2.2 The UN, International Donors and NGOs

48. ***UN agencies and multilateral donors currently play a critical role in financing educational programs in Puntland and in supporting modernization efforts***. The principal UN agencies involved in supporting education are UNICEF, UNDP, ILO, UNFPA, UNOPS and to some extent UN-HABITAT. In a technical supporting role, UNESCO is now involved in the writing of textbooks, but is planning to re-enter Somalia in a more determined way, in the near future. UNICEF's omnipresence in the MOE and other educational programs makes it a lead UN Agency in Puntland.

49. ***The multilateral and bilateral donors with the highest financial impact on education in Puntland are the UN, EU, SIDA-Sweden, NORAD-Norway, USAID (EDC), DFID-UK, CIDA-Canada, and***

[9] The District Capacity Assessments provide the structure for the district administration (which alters slightly from district to district), based on what has been requested under Law. No. 7, with education then coming under the social affairs department. However, current district administration involvement in education production and provision is limited at best/

DANIDA-Denmark, not providing direct funding to the government, but working largely through INGOs and local NGOs. National and international NGOs are also heavily engaged the delivery of formal, non-formal, special education, technical and vocational and higher education services are:

- ***International actors include:*** NRC, CARE, Save-UK, Save-Netherlands, Diakonia, African Education Trust (AET), International Rescue Committee (IRC), Relief International (RI,), ADRA, Mercy Corps, CFBT-UK, Islamic Relief, Handicap International, OXFAM-Netherlands, Disabilities HR, Concern Worldwide-UK, Kenyatta University-DRC, IAS-Sweden; and, ***Nationals NGOs include:*** PDRC, Puntland Youth Peer Group, Child Aid Somalia, Mudan Youth Umbrella, Somalia Youth and Students Association, FECNET, KAALO Relief and Development, and others.

3.2.3 CURRENT CAPACITY TO DELIVER THE SERVICES REQUIRED

50. As things stand, The MoE seems to be struggling to deliver quality educational services to communities throughout Puntland, and more especially to marginalized nomadic and remote rural communities, partially due to the following: Further, lack of resources at the district level further impedes service production and provision as evidence from the findings of the District Capacity Assessments.

- Weak leadership, and an acute shortage of qualified and trained staff throughout the MoE, at the senior and mid managerial and administrative levels; though this is being heavily supported by consultants;
- Poor coordination between MoE professional divisions and between the REOs and DEOs have led to fragmentation of lines of command, leaving remote offices and communities without supervision and funding;
- Delays in payments of MoE stipends to teachers, REOs and DEOs have undermined morale and cause unnecessary hardship. Many of the stipends paid to staff are so low that some MoE teachers and staff are forced to find second sources of income, which puts them in conflict with their professional obligation to work fulltime for the Ministry;
- Delays in the purchase and distribution of books and materials from the MoE in Garowe are slowing down work at REO, DEO and school levels. There is an urgent need to reform the logistic and procurement procedures to improve the supply and delivery processes;
- The lack of central funding for transport and per diem expenses is straining the central and regional supervision and inspection services in place; and,
- In the absence of orderly unbundling the functional assignments of the district administration in relation to both production and provision functions is being poorly dealt with by the Social Service Department.

3.2.4 FINANCIAL AND INSTITUTIONAL GAPS, HINDERING SERVICE DELIVERY

51. ***There is a strong need to improve all facets of financial management planning, budgeting, execution and tracking, monitoring and oversight.***

- Fiscal constraints undermine salary levels, O&M and capital spending;
- A serious shortage of qualified and trained Financial Managers and Administrators, paralleled with a lack of a clear general ledger accounting system. There are significant gaps in the tracking and disbursal procedures, especially in tracking recurrent expenditures at REO and DEO levels;
- Transparent and/or consistent integrated annual budgets, disaggregated by clearly distinguishable line items are unavailable;

- Autonomous districts share no financial information, and weak aid coordination and compliance arrangements fall short of ring-fencing financing of non-treasury flows.

3.2.5 GENDER, HUMAN RIGHTS AND INSECURITY

52. ***Gender mainstreaming is currently redefining the face and future modus operandi of MoE***. The EC ICDSEA Gender Unit Adviser has managed to mobilize staff support at both the central, regional, district and schools levels though an awareness raising campaign initiated several months ago. Staff guidelines, training workshops and discussions have all brought gender to front as an important policy issue. A revision of the new Education Act for gender appropriateness has led to significant rephrasing of parts of the document prior to its pending enactment by Parliament. At present, the number of female MoE employees has tripled, with two of the lead advisory positions currently being held by women.

53. ***Human rights considerations are deeply embedded in nearly all policy documents and legal acts informing Puntland's educational strategy***. Human rights—girl rights, child rights and the rights of minorities, including nomads, IDPS and citizens with special needs—are prominent in the current curriculum harmonization process carried out at MoE. Several EC funded projects have placed human rights at the centre of campaigns promoting peace, democracy, reconciliation and nation building.

54. ***Figure 6 below, whilst a work in progress, was shared by the Integrated Capacity Development for Somalia Education Administration (ICDSEA) Adviser for Planning and Policy who was tasked by the Minister with drawing up a new organizational chart for MoE***. Daily observations, interviews, meetings with senior MoE staff—including the Minister, the Acting Director General, all directors and sector heads, as well as the four ICDSEA Diaspora advisers responsible for policy and planning, human resources and administration, gender, supervision and teacher training—allowed the assessment team to gain an appreciation for what the never structure may mean for functions in practice. This proposed structure has therefore been instrumental in unbundling sector sub-functions by function (See ***Table 6***).

Figure 6: Emerging Structure of Puntland Ministry of Education, Garowe
(Staff total: approximately 60 persons)

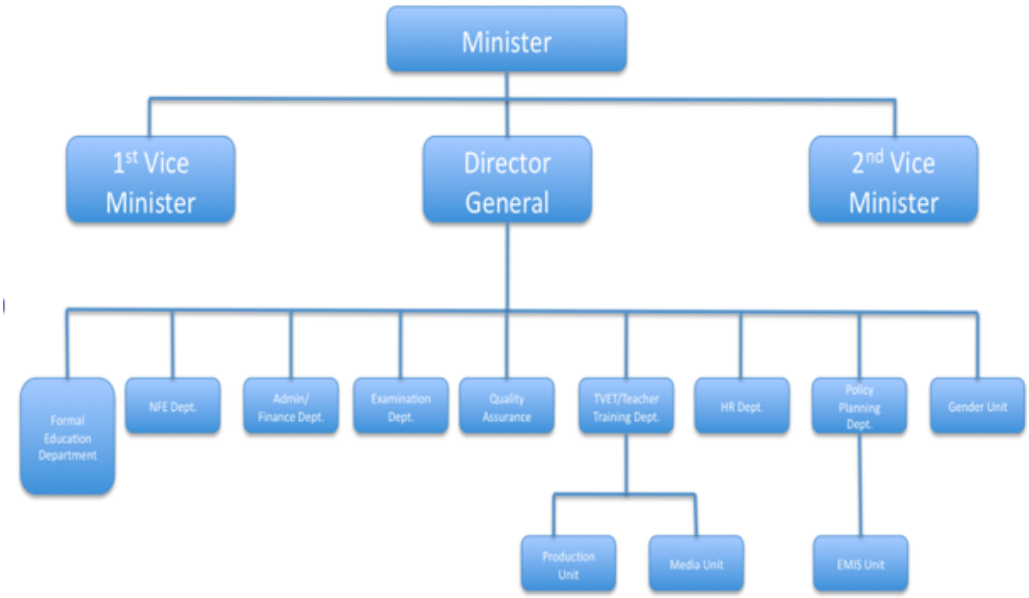


TABLE 6: DEFINITION OF GOVERNMENT FUNCTIONAL ASSIGNMENT BY SUB-FUNCTION: PUNTLAND MINISTRY OF EDUCATION

			Present Implementation Modality				Future Implementation Modality				Timeframe (years)			Justification
	Sub-sector	Functions	Central	De-concentrated	Delegated	Devolved	Central	De-concentrated	Delegated	Devolved	1	2-5	10	
Service Production	**Primary Education**	Curriculum Development	Design & Develop content	Contract PIE to work on the curriculum content	Regional oversight & Implementation		Revise Curriculum for primary education			Develop with teachers &heads at school level		X		Can't proceed without first recruiting & training a CD Team
		Standards setting	Select & develop		Regional oversight		Coordinate & Implement.	Strengthen Regional oversight		Train District Officers and Heads		X		Without common standards no quality learning Possible
		Inspection	Coordination & oversight		Regional staff oversight & implementation		Coordination & oversight	Strengthen Regional Inspectorate By better in-service training		Provide transport and support to district School inspectors		X		More trained staff & clearer regulations & guidelines required
		Examinations.	Setting & marking				Continued oversight and monitoring					X		Need to improve and consolidate existing exam gains & train cadre of mentors and markers and set up a questions data bank
		Curriculum development	Design and develop content		Increase oversight Train to improve Capacity at REO level		Continue to adjust C to suit learner's needs			Work with Teachers and heads to improve curriculum	X			Secondary Curriculum is still a work in progress and needs a lot of technical help

	Secondary Education	Standards Setting	Select and implement standards	Provide better oversight capacities at REO level	Increase monitoring and oversight to insure application	Train Heads and school SEC to monitor implementation	X	The setting of standards should follow the completion of the Secondary Curriculum
		• Inspection	Increase frequency and quality of inspections	Capacitate REOs to train and better manage school inspectors	Increase MoE's capacity to manage and monitor school inspections	Encourage and build head teacher capacity to monitor teacher performance with inspectors	X	Inspection services are weak and poorly implemented. Intensive in-service training followed by supervision, is required
		Examinations	Improve exam quality		Continue to develop item bank		X	Secondary school exams are being successfully implemented but need reviewing
		Curriculum Development	Develop new ECD Curriculum from scratch	Give any existing ECD teachers A role in developing Curriculum	Encourage pre-schools to work together to improve curriculum		X	Since ECD is still very much a work in progress, all aspects including the curriculum need technical assistance
	Early Childhood Development	Standard Setting	Identify standards	Implement standards	Monitor ECD standards implementation		X	Standards can't be set till there is a tangible curriculum in place
		Inspection	Select and train a cadre of ECD women inspectors	Write a set of national guidelines for ECD teachers with technical assistance	Train ECD support staff at the REO level to better manage & supervise service delivery		X	Lack ECD expertise will be a major obstacle to implementing ECD services. This applies to the inspectorate too.

		Monitoring & Evaluating	Train inspectors to carry out M&E	Share School inspection between REOs &DEOs		Train MoE ECD staff to carry out Oversight duties			X	Since ECD is not normally examinable a monitoring protocol will be developed in line with standards
		Curriculum Development	Provide national guidelines only. Allow each institution to develop own C.		Leave development and supervision of content to each HE institution		Appoint an HEC and draft HE Council operating rules in line with Education Act		X	A national HE curriculum would be difficult to impose so HE institutions under HEC guidance would develop their own
	Higher Education	Standards Setting	Identify and set general HE standards	Work with HE Council (HEC) to insure standards are maintained			Delegate responsibility for maintaining standards to HEC		X	HE standards are a work in progress and will require the cooperation of existing HE institutions.
		Supervision	Form an HEC committee responsible for HE supervision	Work with HE Council to implement frequent oversight			Allow HEC to supervise and monitor HE standards nationally		X	The role of the HEC is to supervise and oversee the maintenance of quality HE delivery in Puntland universities and colleges.
		Examinations	Entrust HE Council to supervise exams				Appoint HE inspector for oversight of HE functions		X	Since the HE Council will be delegated to oversee the quality of HE services in P, the MoE's role should be minimal.
		Curricula	Develop national curriculum			From a TVET national Curriculum committee			X	The development of a practical skills

								curriculum will need to be left to the colleges with TA from abroad
	TVET	Standard Setting	Identify and set standards	Train cadre of inspection to oversee TVET standards			X	Standards in this field should conform to the best international ones, this will need TA
		Examinations & certification	Develop TVET exam and certification process	The development of practical skills tests and exams should be left to a committee made up of TVET instructors & directors			X	The finalization of a DVET national curriculum of quality and comparable exams will need to wait till TVET colleges receive TA from abroad
	NFE, Koranic & Nomadic Education	Curriculum Development	Still being developed but currently using an NGO modified one Koranic education deserves to be treated separately	Provide TA to better refine and develop a more comprehensive NFE C on the line of life skills		X		While NFE which is still largely literacy, is being implemented nationally but there is a need to develop a more comprehensive approach with guidelines
		Standard Setting	Standards need to await final CD process and be linked to formal education	Standards should not be set till there is closure on a national NFE curriculum			X	Standard setting should await finalization of curriculum
		Supervision	The existing cadre of voluntary staff will need to be		Recruit a cadre of supervisors from existing NFE staff	X		The standardizatio n of NFE services nationally will

		trained to carry out supervisory duties		and train them to supervise		depend on the Mo E's ability to monitor and supervise the many NGO NFE variants that now exist
	Examination & certification	The already exists a certification process supports by the MoE but this needs to be revised & upgraded		A standard testing and certification system needs to be implemente d with MoE leadership	X	This should await the delivery of a well designed national NFE curriculum

3.4 REVIEW OF FUNCTIONAL ASSIGNMENTS

55. ***One of the complexities in setting functional assignments is whether to set them for the existing structure or future structure***. Whilst the future largely relates to the central Ministry, the central Ministry structure will have implications for which central decision-making units the REOs and DEOs will report to. Further, as the precise service delivery model(s) have still to be clearly outlined, the service delivery model will (and should) affect functional roles and assignments. What has been described in the quick sector summary above are generic functional assignments for both provision and some production functions at the levels of the REO, DEO and District Council Social Affairs Committees, where there are established and staffed. What is clear, given that outside of paying limited teachers salaries MoE is not so far able to finance production functions, is that the central Ministries role must focus on policy formulation and strategic guidelines, sector planning, budgeting (costing, fiscal and expenditure forecasts), regulatory development, oversight and enforcement and coordination, across the core education functions identified. Production functions, which are largely provided by the private sector and NGOs, must be increasingly brought in compliance with government governance standards and practices.

56. ***Provision functions including policy formulation (inc. curricula development, examinations etc.), sector planning, sector budgeting/costing, setting regulatory standards, identifying service delivery models, administrative development, enforcing compliance and coordination remain central MoE functions***. REOs and DEOs are deconcentrated (out-posted units) of the central parent Ministry with responsibilities for regional and district planning, needs assessment, monitoring and oversight of production functions, oversight of examinations, dispute resolution etc. Based on the above analysis, key informant discussion with MoE and ICDSEA staff, as well as regional, district, community, private sector and NGO representatives, the following broad functional assignments are proposed for the REO, DEO and District Councils:

The REOs, based on the results of fieldwork, currently have the following functional assignments:

- Representing the MOE in all relevant regional decision making meetings;
- Member of their respective Regional Governor's Council and other relevant Regional Committees;
- Supervision and oversight of all educational activities in their respective regions;
- Support the planning of education needs at the regional level;
- Manage the distribution of public funds and stipends and oversight of funds collected and used by CECs/ SECs;
- Supervising MoE programs and projects with assistance from their staff and the DEOs;
- Ensuring that national examinations are properly organized and conducted in schools and centers; Coordinating examination supervision with the National Education Council Directors, in their respective MoEs;
- Accountable for the delivery of educational services, assisted by Regional Inspectors/support staff.
- Responsible for mediating conflicts, and dealing with issues related to discipline within their own jurisdiction, including down to the school level, if necessary; and,
- Representing the Minister unless the issue is political, in which case it is passed to the MoE.

The DEOs, based on the results of fieldwork, currently have the following functional assignments:

- Responsible for the functioning of schools, teachers and head teachers under their purview;
- Representing the REO at the District Education Committee and District Council levels;
- Coordinating with the Social Affairs Sub-Committee to support district education needs planning;
- Providing technical and other support to schools in their districts, working closely with Head Teachers;
- Mediating between teachers and the community and work in close collaboration with HTs to make sure that SECS are up and functioning;

- Assisting the REO in the distribution of stipends (if requested by the REO to do so) and other MoE payments to teachers and HTs at the school level;
- They are the MoEs and REOs first line of support in dealing with school level discipline and other problems;
- Representing REO and MoE interests at the District Council level, reporting back to the REO district level education needs and problems;
- Responsible for disseminating information to the district level of changes in rules and other changes in practices pertaining to the delivery of educational services at the local level.
- Keeping REOs well informed about the educational situation in their own districts.

The Proposed Functional Assignments in Education for the District Council, implemented by the Social Affairs Sub-Committee, are as follows:

- Revenue and expenditure assignments to finance education investments in coordination with MoE policy/planning guidelines;
- Participated in Bottom-Up District Education Planning;
- Approving the District Education Plans and Annual Budget Estimates;
- Supports the DEO and REOs in bottom-up planning district education needs;
- Oversight of school construction standards, location and combined services based on central guidelines and standards;
- Interacts and motivates communities.

57. ***Additional provision and production support activities should be provided, given the current (fragmented) structure of the existing service delivery model and the need to strengthen the legislative, policy, strategy, planning, budgeting and coordination capacities:***

- Speed-up the enactment of the long overdue Puntland Education Act, whilst taking into consideration the results of this work in terms of functional assignments, and being clear on the role of REO and DEO offices, and also District Council in education.
- Focus ICDSEA efforts on finalizing and enacting important national MoE policy documents like the Puntland Education Act (which needs amendment to be clear on the roles of vertical and horizontal structures), the National Primary and Secondary Curricula and Standards, the Vocational and Technical Education Curriculum and Standards, the Higher Education law and Standards. These and other legal documents are still only in their initial drafting stages**.**
- Encourage the GoPL to set up an Inter-Ministerial Donor Coordination Committee to oversee the implementation of donor funded NGOs projects. Invite all leading INGOs and local NGOs responsible for implementing educational programs, to play a more active role.
- Carry out an extensive MoE wide review and reform of costing and other financial procedures and train a cadre of newly recruited financial managers to introduce systematic procedures for the keeping of ministry wide information on the cost of facilities, construction, maintenance as well as staffing needs at every level of the ministry's functions. All such information should be accurately kept in a Financial Management Information System for easier and accessibility to ministry planning staff and decision makers.
- As decentralized delivery improves, build central and regional oversight, enforcement and compliance capacities. This new level of financial oversight and responsibility will

require extensive capacity building of existing financial management staff, and the recruitment of better educated graduates with financial management qualifications and experience.

- Strengthen and re-activate the REO and DEO functions by re-training existing staff and recruiting more qualified entry-level staff out of the ranks of local university graduates. In addition, provide reconstituted REO and DEO staff with sufficient office space, better equipment and computers, and adequate transport.
- Extend the ICDSEA program's funding for at least three more years to insure that the institution building successes can be consolidated till the MoE is more able to support and sustain the institution building gains made through the ICDSEA technical assistance program.
- Carry out a comprehensive Ministry-wide in-service training program to improve and upgrade H.R. management, administrative and financial management, general computer and professional skills.
- Through the CSC re-establishment process, create more attractive terms of employment for teachers and other MoE personnel, to attract and retain better-educated young recruits. Insure that salary and reward incentives are quickly reviewed and approved by the appropriate CSC committee.

3.5 PROPOSED 'UNBUNDLING' APPROACH

58. ***The unbundling exercise—financed to support and foster improved decentralization of education services in Puntland—must reflect that despite significant gains in recent years the overall governance of the sector remains extremely weak at the level of state production and provision functions.*** Limited financing and human resources constraints are the major binding constraints to improved access and quality although difference between Law No. 7 and the new Education Act—neither of which are clear on functional assignments—requires urgent attention. That said a key question confronts further work in this area: what is the ideal balance of support required to increase central policy, planning, budgeting and oversight provision (management) functions and what level of effort should be provided to District Administration given its autonomous status and legal role in both production and provision functions; but also its extremely volatile fiscal base? Furthermore, even though Law No. 7 has precipitated widespread changes to sub-national authority, what is urgently required is a number of pilots to improve the complex interplay between:

- Vertical (MoE) policy, planning, budgeting, execution and regulatory oversight and compliance functions and amendment to the new Education Law to be clear on functional assignments;
- Horizontal (local government) day-to-day education sector production and provision management functions in the light of the new Education Law and Law No. 7.
- Non-State education service delivery through NGOs and private sector provision which has implications of regulatory oversight and compliance; and,
- Areas (largely nomadic) beyond the current state, NGO and private sector delivery footprint where a large number of people are simply not receiving education.

59. ***In unbundling the production and provision functions (as shown in Table 7 above), greater clarity regarding the functional assignments of central government and district administration has***

emerged, around which pilots can be established to improve sectoral and horizontal coordination. Such assignments support discharge of the following state policy education principles (i) the Principle of Education for All irrespective of sex, religion, clan or class (ii) increasing access and retention in education for all, especially girls and marginalized populations and (iii) the principle of affirmative action in education to increase access for disadvantaged or under-represented groups. In the light of these commitments and the need for greater mandate clarity, the following production and provision assignments appear logical for Puntland, in the light of Law No. 7 and the draft Education Act (which requires amendment.

TABLE 7: POSSIBLE PRODUCTION AND PROVISION ASSIGNMENTS FOR PUNTLAND

Functions	Upstream Functions	Downstream Functions
Sector Provision (Management)		
Policy Making	Principle Policy Holder – MoE with National Education Committee	Contributor / Evidence
Planning	Sector planning, state education targets, priorities, school registration, approves district education plans	Planning local catchment education needs
Budgeting	Formulate state recurrent, O&M and capital budget, set service delivery baseline	Plans and approves the district education budget
Execution/Procurement	Regulatory Oversight, Procurement, Teachers Pay, Maintenance and Supervision	Involved in day-to-day school based management
Regulatory Oversight/Supervision	Development and enforcement of state educational standards, norms, practices and principles.	Day-to-day standards enforcement and monitoring of school and teaching standards
Sector Production Functions		
Curriculum Development	Content and main Curricula	Implementation and local adaptation as required
Textbooks and Teaching Materials	Approved list of text conforming to main curricula	Selects texts fro m the main approved list
Teacher Training	Provides pre-service and in-service training, also through the Puntland Institute of Education	Evidence in support of in-service training needs
Teacher Pay, Grading & Recruitment	Set pay and grading structure and remuneration, may recruit head teachers, pay stipends, identify candidates for teaching posts	Identifies candidates for teaching post, contribution to pay base
Examination and Certification	Setting examinations standards and requirements, designing tests and establishing certification norms	Oversight of school compliance with examination of standards
Program Supervision	Central and regional oversight of school performance and technical backstopping	School Board of Governors
School Construction/Maintenance	Capital budget support and building standards enforcement	Develop proposals related to school facilities and oversee school construction, finance water and electricity as finances allow
Financing/Revenues	Primary budget holder with revenue assignment mandate, transparent finance management, approves district education budgets	Manages own revenues and contributes wage and capital costs, maintains accounts
Monitoring/Coordination	National Education Committee	District Education Committees and Community Education Committees
Gender	Setting Targets for Leadership and Management, Establish new Gender Equity Boards	Adaptation to local practices
Private Sector	Legislation, regulatory standards development, registration, standards enforcement.	Standards compliance of private learning centers'
Aid Management	Overall Aid Coordination	Local Coordination of NGOs

60. ***The unbundling of the sectors provide significant opportunity for strengthening, recasting, and grouping functional assignments, however because Law No. 7 ignores the mandates of the sector Ministries there is a need to revise Law. No. 7 and the New Education Act, so that greater clarity with regards functional assignments is provided.*** In the light of the new Education Act which needs revision to reflect a clearer role for district administration, and Law No. 7 which appears also to have created confusion regarding functional mandates, a number of targeted pilot projects have been identified to strengthen local government production capacities, to better channel local government revenues to meeting educational needs and to develop a cluster based approach with NGOs to increase conformity in education standards, school based governance arrangements and curriculum adoption. These are outlined in Section 5 of this report.

3.6 SERVICE DELIVERY MODEL DEVELOPMENT

61. ***With government functions in Education remaining substantially focused on provision not production activities, there is an urgent need to agree on a number of preferred services delivery models for the sector covering pre-school, primary and secondary education in particular.*** With the sector being highly decentralization by default and not design, leading to fragmented delivery practices and standards, agreeing on idealized service delivery models will allow government and donors to progressively forge a common approach and a common set of standards for the sector. The sector, which is driven by private, NGO and community school based production, is poorly regulated and governed by both the vertical MoE structures and the local government. This is largely a product of lack of fiscal and human capacity resources, but also reflective of the confusion over delivery mandates between the sector Ministry and local government.

62. ***The two stages of reigning in the sector around a set of common production standards will need to included establishing (i) clearly defined service delivery models and (ii) an operational approach that involves bringing all off-budget actors around a standard model***. Setting models for pre-school, primary and secondary education is best achieved through consultation between all major players and the findings of this report could trigger such a discussion. Reigning in the sector in is perhaps best achieved by establishing a standard framework for 'School Based Management' practices, including a school government and management guideline, that all donor funded investments comply with in the first instance, with the private sector meeting minimum standards. With a focus on strengthening sector provision functions, the regions, districts and local government's would be best placed to set and monitor such standards.

63. ***Clearly, the functional assignments outlined in this section would then need to support a cohesive approach around clearly defined delivery models***. The most challenging areas will be strengthening community schools where lack of finance impedes the production of quality education and basic services (such as WASH services). Similarly, establishing a model for nomadic education will also prove challenging, but regional comparators and pilots can assist in this process.

3.7 OTHER PROJECT INVESTMENT SUPPORT REQUESTED BY MOE

64. ***In addition to the pilots outlined above, there is need to strengthen the provision functions of the central Ministry of Education, as well as REOs and DEOs.*** Clearly, a strong education system can only be build once the capacities of different levels of the entire system are strengthened, with the schools being placed as the main focus point for delivery, and the District Council/Administration, DEOs, REOs and MoE all critical to improving the current fragmented system, which excluded large areas of population due to lack of finances and viable models for nomadic communities. Yet, in strengthening

core provision functions, there is a need to make sure that investments in capital and human resources that are project driven can be financed long-term by government, through state budgetary processes. Even though the macro-fiscal environment has improved, with more revenues being made available to the sector, the reality is that the majority of the education system is only held together by external financing provided by donors, NGOs and private flows.

65. ***Data collected in Puntland during this exercise provided convincing evidence to suggest that the decentralization strategies being promoted through the JPLG initiative risk being premature, unless district administration capacities are built in tandem with central, regional and district structures.*** This is why the proposed pilots have been proposed, to bridge this gap. Weak public institutions with incapacity to plan and execute programs and projects are all exacerbated by fiscal and human resource capacity constraints. Until these essential nation-building components are in place, the delivery of quality public services like education to anywhere but a few towns and large villages, will remain both a fragile and challenging ambition. The question is how to both ameliorate and remove these major obstacles in a complex and still very fluid situation, which not creating structures that can be sustained internally by government. Some key issues include:

- That strengthening decentralization also requires strengthening of the centre and regional provision functions;[10]
- That sequencing decentralization is vital to minimize the risks of building structures that can not be maintained by government; due to fiscal and human resource constraints;
- Building capacities within the existing system first, removing uncertainty of mandates which are unclear at the level of local government or risk prematurely promoting some form of decentralization on a government that may be unable to respond; and,
- The importance of building on the predominantly NGO driven model, improving coordination, conformity and governance standards. The proposed cluster approach addresses this issue as does building the coordination function of district administration, for example.

66. ***The options recommended for strengthening both short-term and long-term education provision functions include****: (i)* Short-term institution strengthening projects that complement and extend efforts already under way with ICDSEA assistance, to build the MoE's capacity to delivery important services from the centre to the periphery; and, (ii) innovative approaches to deliver services to areas that are de facto social excluded; including the large majority of nomadic people.

67. **Option Project No. 1** ***– An Immediate Institution Building Project in Support of ICDSEA: A National Curriculum Development Unit Circa US$5.2 million (3 years):*** [Year 1: US$1.5 Million, Year 2: US$1.7 Million, Year 3: US$2 Million]. *The project has the objective to:* (i) provide urgently needed professional capacities to develop national early childhood education, primary and secondary curricula; (ii) develop in-house capacity to teacher write teaching guides, learning and teaching materials, and to print and distribute textbooks in sufficient quantities to cover current primary and secondary needs in Puntland; and (iii) create in-house capacity to create trilingual curricula for the teaching of math, science, civic and health education. *The following will be required to execute the project****:***

- Bring in experienced a qualified Curriculum Development expert to complement the technical assistance being provided in this field by the ICDSEA Diaspora adviser. She is

[10] The current ICDSEA program strategy, which seems to be making an impact, will need to be more vigorously supported for at least the next 3-4 years before the institutional building gains being made can be sustained

not an experienced curriculum development expert and needs additional TA to carry out the primary and secondary curricula development tasks currently in hand (Cost: US$150,00 per year, for two years) Total: US$300,000;

- In addition, bring in an experience Early Childhood Education (ECE) expert to start the national ECE curriculum and teachers' guides development tasks. Begin process by reviewing existing successful ECE learning/ teaching materials from reliable sources in the region, and pilot test and adjust the content to meet local ECE needs. (Cost: US$140,000 per year, for two years; Total: US$280,000);

- Develop long-term CD technical capacity: Select 3 promising young graduates for 2 year overseas graduate training courses in the curriculum development field. Before completing master degree level training abroad, they will be bonded to rerun to work to build CD technical capacity in the MoE for at least 4 years (Training Costs: US$40,000 per year per trainee, or US$80,000 per trainee per 2 year master's degree; Total: US$240,000); and,
- In the interim hire two experienced and qualified senior curriculum development expert to lead and train national counterparts in the tasks, as described above.

68. **Option Project No. 2 – *Refurbishing and revitalizing 7 Regional Education Offices and 33 District Education Offices - Circa US$12.5 million (5 years):*** [7 REOs Circa US$ 4.319 Million and 33 DEOs about US$12.50 Million. All District and Regional Officers interviewed and visited drew attention to the need to provide training, office space, computers, and transport and water and sanitation services in most of their offices. The DEOs interviewed said they didn't have office space and the majority had to find accommodation in the villages or towns, in which they served. Whilst there may be an option for DEO staff to be housed in the proposed Education Directorate, fiscal work is required to cost the trade-offs of different options. The project aims to *'refurbish and revitalize all 7 REOs, and all 33 DEOs with the aim of providing improved conditions for staff as a means of improving effectiveness and staff motivation.*

- ***For each REO the following services are recommended***: To ***(i)*** construct office space and/ or refurbish existing facilities to provide three offices and basic living quarters for up to 6 staff with adequate water and sanitation services (Approximate construction costs per office: US$500,000); ***(i)*** provide basic office equipment including laptop computers for professional staff (About: US$50,000 per office); ***(iii)*** provide four wheel drive vehicle per office, with maintenance and travel allowances. (About US$45,000 per office); and, ***(iv)*** basic salaries and utility costs per office per year, for 6 staff (About: US$20, 000 per year in salaries, and US$2,000, per year in utility costs).

- Total construction costs for 7 REOs: US$ 3.5 Million
- Total office refurbishment costs for 7 REOs: US$ 350,000;
- Total transport and maintenance costs for 7 REOs: US$ 315,000;
- Total salary and utility cost for 7 REOs: $ 154,000;
- Grand Total for 7 REOs: About US$ 4.319 Million.

- ***For each DEO the following services are recommended***: To ***(i)*** construct office space and living quarters for 3 staff. Provide 2 offices and living quarters for three staff, including WATSAN facilities (Approximate construction costs per DEO: US$300,000) ***(ii) p***rovide basic office equipment including 1 PC per office (About US$25,000 per office) ***(iii)*** provide a four wheel drive vehicle per office, including maintenance and travel allowances (About: US$40, 000 per office); and (iv) basic salaries and utility costs per year, for 3 staff (About US$10,000 for salaries, and $1, 000 for utility costs, per year).

- Total construction costs for 33 DEOs: US$$9.9 Million;
- Total office refurbishment costs for 33 DEOs: US$825,000;
- Total transport and maintenance costs for 33 DEOs: US$1.4 Million;
- Total Salaries and utility costs for 33 DEOs: US$363,000;
- Grand Total for 33 DEOs: About US$12.50 Million.

69. **Option Project No. 3 – *Develop School Based In-Service Teacher Training (INSET) Service in Support of ICDSEA's Teaching Quality Improvement Strategy - Circa US$3.7 million (3 years):*** Create an urgently needed In-Service Training (INSET) MoE capability. Recruit and train a core group of 40 trainers, selected either from the existing corps of supervisors and inspectors, or newly recruited from young graduates already teaching in secondary and primary schools; Attach at least two primary and one secondary in-service trainer to each Regional Education Office (REO) and provide INSET staff with office space, computer facilities, transport and travel allowances to carry out INSET services in primary and secondary schools within each REO's catchment area. [Years 1-2: Funding the 18 month pilot and development phase - US$700, 000, Year 3: Funding the scaling up of the program - US$1.5 Million, Year 1-4: Funding Transport and Support Services- US$1.5 Million.

70. ***School based in-service training will be applied in consultation with Head Teachers and their staff based on school-based teaching and learning needs.*** Where required, INSET trainers will also act as mentors to teachers with special needs. INSET teams will be supervised and managed by Regional Education Officers, with quality oversight from the Inspector General's Office, in Garowe. A comprehensive INSET strategy and work plan will be jointly developed through the Inspector General's Office by the INSET trainers in close coordination with REOs, DEOs and Head Teacher's. An M&E support plan which will be applied by participating REOs, with Head Teacher cooperation, to monitor and assess the overall impact of INSET training on national teaching and learning. Technical Assistance requirements include ***(i)*** to provide TA from abroad for 18 months, to develop INSET training of trainers workshops and for the development of a management and implementation plan for the 7 regions selected to implement decentralized INSET services; and, (ii) to select 4 REOs for the first pilot phase, and then extend the INSET service to all 7 REOs, after the 18-month pilot phase.

3.8 EDUCATION SECTOR – PROPOSED NEXT STEPS

71. ***Many of the functional and capacity constraints outlined above can best be addressed by putting the sector on a solid foundation, and by making sure that external support is fully committed to supporting agreed service delivery models***. Moreover, once fiscal transfers to the local governments are strengthened and sector categorical grant options considered (perhaps supported through donor trust funds), establishing a minimum set of governance capacities for REO and DEO offices and for local government is conceivable. Getting there over the course of the next 2-5 years, requires the following set of activities to be conducted:

- Even though costing the sector (including on and off-budget flows) will be an imperfect science, it will allow for the value of non-government contributions to the sector to be estimated, to justify why government must focus on strengthening policy, planning and regulatory oversight and compliance functions. It will also identify early targets around which School-Based Management models (which would be agreed) could be rolled out within existing schools. Finally, the minimum set of provision functions can be costed, justifying increased government spending in this sector;

- The various functional assignments proposed for REO, DEO and DC's need to be fully discussed and agreed with the MoE. These functional assignments can then be built into the Education Law and any revision to Law No. 7. Given the rather generic role of local government in education delivery, clarifying functional assignments through national consultation will allow external support to be more effective in supporting improved sector governance;

- The current staffing, capacity and assets of REO and DEOs remains highly uncertain, as do the costs of financing a core set of REO and DEO capacities. A survey needs to be conducted to describe the existing Human Resource capabilities, the costs of establishing a minimum set of capabilities, and future staff establishments (total staffing) and skill-sets;

- The service delivery models and delivery baselines need to be clearly articulated, as the models determine functional assignments for the sector and allow government and donors, as well as the UN to improve service delivery compliance around such standards. Where school-based management is supported, to reign in the sector, a SBM Guideline for school would be developed describing school governance, financing, management and assignment procedures. The SBM would also outline school government/management, PTA, head teacher, curricula, pay, services, exam procedures etc;

- Consider the Education budget by program areas (a programmatic and policy driven budget focused on outcomes and not inputs), and establish an engagement protocol for the sector with donors to support this structure; and,

- Through MoF and MoI, work to remove horizontal fiscal imbalances whilst piloting options for sector categorical grants to the DCs. Further work would be required to develop such a pilot.

- 4 -

HEALTH SECTOR ASSESSMENT FINDINGS

QUICK SUMMARY OF HEALTH SECTOR FINDINGS

- MOH has drafted a Health Strategy Framework (2011-2015), with the aim of improving the health status of the population through 'development of a strengthened, coordinated, reinvigorated and sustainable health care delivery system'. The framework provides the foundation around which good governance, efficiency, effectiveness and transparency can be improved, across the entire health system. The framework outlines seven priority areas for future investment, as crosscutting themes, and these are similar to the WHO health system framework.

- Four service delivery models currently exist: (i) the vertical MoH model with limited provision and production capabilities (ii) the four-tier EPHS system which provides primary care as part of the wider system (iii) the District Council assignments which are poorly defined in Law No. 7; and (iv) private sector and non governmental organization provision. Given that government has limited to no control over the majority of financing (which is either private or contracted by donors directly), with most services de facto contracted out, a key focus of future investments must be on improving compliance around a set of agreed health care standards.

- This assessment shows that Health care services are highly decentralized by default and not design, and existing service delivery models can best be characterized by a strong (largely un-regulated) private sector, with substantial NGO and donor financing all of which is off-budget. The coordination of MoH and the District Councils provision and production functions remain poorly developed, and general functional assignments are outlined in this section around which formal discussion between the sector Ministry and District Councils is required to improve functional clarity.

- Any unbundling of the health sector must seek to strengthen existing systems first, whilst allowing limited state resources to be prioritized in a way that increases the quality of existing health care provision, if not immediately its quantity. With a budget of around US$400,000 only, efforts to build state delivery' capacities to be financed through the national budget are not going to materialize any time soon and so the focus must be in strengthen provision functions that shape the way other health spending is provided. This implies regulatory compliance and coordination, improved sector planning, costing and consultation.

- The Essential Package of Health Services (EPHS)—whilst still to be rolled out into all regions—lays the foundation for the emergence of a system of primary health care delivery. To roll the model out, the investment focus for the sector must be on removing financing constraints, costing the sector, and building central policy, planning, budgeting and regulatory oversight and enforcement capacities. Secondary and tertiary health care needs are also essential, as are meeting health needs in pastoral areas, where adaptive service delivery models will need to be developed;

- With such limited public sector financing for the sector, and with the EPHS providing a strong framework for primary delivery, the key role of the MoH should be in directing policy, undertaking sector planning (which involves regional and district structures), in budgeting and regulatory oversight and enforcement. A number of other high priority steps need to be undertaken, and these include, but are not limited to:

    - Costing the entire sector (on and off-budget flows) including the core wage and non-

wage recurrent, O&M and capital costs, outside of those already costed by the EPHS, and identify sources of financing;

- Agree with Government and all key donors the preferred Service Delivery Models for health care delivery, given the central role on non-state providers, and then focus on building this system, based around the EPHS;

- Establish and cost service delivery baselines and set budget ceilings for 3-5 years based on a medium term expenditure framework. It is also important to move towards a functional (program based) budget for the Health Sector around which donors can provide and coordinate support;

- There is an urgent need to set standards and an accreditation framework for the private sector (pharmacies) as well as identifying the best institutional options for regulatory enforcement;

- Consider piloting sector categorical grants for health care provision to support existing intra-governmental fiscal transfers; and,

- Through national consultation workshops between the central Ministry and Local Government agree local government mandates for the sector, by different district grades, which can be reflected in Law No. 7.

4. HEALTH SECTOR ASSESSMENT FINDINGS

4.1 INTRODUCTION

72. ***This work comes at a critical time in the evolution of health care provision and production in Puntland; because the allocation of functional assignments across the Central-Regional-District-Non-State delivery model has still be formalized and must be driven by cost efficiencies and effectiveness***. From an extremely low base in 1998, government has made significant gains, heavily supported by the international community and private investment, in putting in place the architecture of the future health care system and a viable policy and strategy framework. Die to lack of fiscal resources the provision functions (policy, planning, budgeting, execution and regulatory oversight) are heavily supported by the international community and production functions are pre-dominantly supported by the private sector and non-governmental organizations. Without private sector and non-governmental organization provision there would be no health care system to speak off, and the recasting of functional assignments at regional and district levels must be built around this current model. Further, because the entire delivery system is essentially already highly devolved, a strong focus must be on strengthening policy, planning, financing and regulatory oversight compliance capacities within state structures, with a focus on getting an Essential Package of Health Service (EPHS) up and running to meet the needs of those who fall outside the current service delivery model.

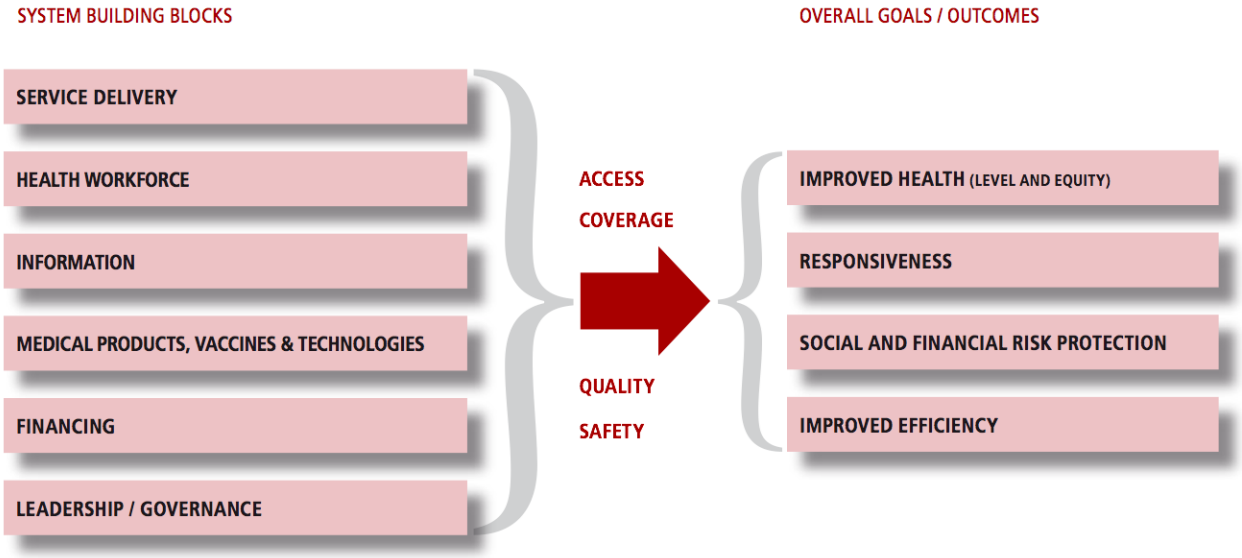
73. ***A recent paper on 'The Impact of Decentralization on Health Care Programs in Less Developed Countries' (Wheeler, 2011) states that:*** *'the basic argument for decentralization in the health care sector is that local organizations are in the best position to respond to users' needs. The logic is that by making the delivery of health services part of local administrators' responsibilities, they are allowed greater flexibility, efficiency, and accountability in resource use. Further, local control enhances the potential for community participation and involvement in health care. When preferences for public goods differ across localities, decentralization can allow welfare gains to be realized by providing local decision makers with the autonomy to alter the supply of public goods to better meet these diverse preferences*.'[11] These arguments would appear to hold true for Puntland, although in the absence of even minimum central, regional and district health provision structures, a whole-of-systems approach is also going to be required, extending planned administrative system whilst being informed by fiscal constraints. Such a system will also need to be built around the WHO Health System Framework, shown in ***Figure 7*** below.

74. ***Clearly, any unbundling of the health sector must seek to strengthen existing systems first, whilst allowing limited state resources to be prioritized in a way that increases the quality of existing health care provision, if not immediately its quantity***. With a budget of around US$400,000 only, efforts to build state delivery' capacities to be financed through the national budget are not going to materialize any time soon. As a result, as this unbundling exercise is focused on public sector health institutions and the district administration, which has a mandate for health care as an autonomous unit of state, with, limited public resources available it is essential to move forward using a 'value-for-money' approach, which seeks to maximize the highest health returns for the resources at hand. Moreover, the Puntland Minister of Health Dr. Abdula Warsame told the assessment team that '*there is no public*

[11] http://www.google.com/url?sa=t&rct=j&q=whi%20health%20decentralization&source=web&cd=5&ved=0CEEQFjAE&url=http%3A%2F%2Fwww.wiscnetwork.org%2Fporto2011%2Fgetpaper.php%3Fid%3D765&ei=_fbZToLlIczY4QSi04HnDQ&usg=AFQjCNFxYcd8VgD4g2tp1PE7ythYfecCrA
http://www.google.com/url?sa=t&rct=j&q=whi%20health%20decentralization&source=web&cd=5&ved=0CEEQFjAE&url=http%3A%2F%2Fwww.wiscnetwork.org%2Fporto2011%2Fgetpaper.php%3Fid%3D765&ei=_fbZToLlIczY4QSi04HnDQ&usg=AFQjCNFxYcd8VgD4g2tp1PE7ythYfecCrA

health care system and there is therefore nothing to be decentralized', and therefore any unbundling will need to focus on the further development of existing regional and district capacities; which in many cases implies capacity establishment.

Figure 7: The WHO Health System Framework



75. ***This functional assessment of the health care system builds on key government health policy, strategy and planning documents, and is in line with current World Health Organization and UNICEF health care provision guidelines and standards***. It is also informed by the standard WHO Health System framework as a lens through which the (i) service delivery (ii) the healthcare workforce (iii) information (iv) medical products, vaccines and technologies (v) financing and (vi) leadership and governance functions are assessed and assigned. This work also builds on and is informed by the following key sector reference documents:

- Puntland Health Regulations (2000)
- The National Health and Nutrition Policy (2007);
- The draft Program Plan (2008) and Strategy/vision (2008-2009);
- A Ministry of Health Operational Guideline;
- The Puntland Health Strategic Framework (2011-2015)
- Ministry of Health Working Guidelines with Development Partners (April, 2010)
- WHO Country Cooperation Strategy for WHO and Somalia (2010-2014)
- Law No. 7 on decentralization to local governments;
- *Leadership & Management Capacity, Health Sector*' Needs Assessment (MannionDaniels (2011)
- The 2011 District Capacity Assessments; and,
- The Essential Package of Health Services (EPHS) being supported by UNICEF and the EU.

Puntland Health Strategic Framework Priority Areas	
Leadership:	Leadership and governance;
Service Delivery:	Health service delivery
Health Work Force:	Human resources for health;
Financing:	Health financing;
Information:	National health information system;
Participation:	Community participation and Ownership; and,
Partnership:	Partnerships for health.

76. ***This assessment has benefitted from 75 key informant interviews carried out across all levels of the current health***

system—including visits to Bari, Nugal and Karkaar regions—and interviews with the private sector, non-governmental organizations, donors and international community representatives. The assessment team confirms that the current service delivery model for health care in Puntland is dominated by private sector and non-government delivery structures and systems and therefore purely calculating the state budget for health care considerably underestimates total sector financing; which undoubtedly dwarfs the state budget. Although the current systems is heavily shaped by households 'ability-to-pay' for health services or the footprint of NGO provision, there are considerable areas not benefitting from services at all which implies social exclusion. Whilst MoH has established an organizational structure for the system, due to fiscal constraints this has still be established and staffed at many levels, and so a key focus of this functional assessment must reflect the following key facets of the sector:

- Steady improvement in state provision functions from an extremely low base; around a system of central, regional and district medical committees and officers;
- Health service production functions (such as primary health care) almost exclusively delivered by the private sector and non-governmental organizations;
- Weak contribution to health from District Administration despite that fact that local government has a mandate for health;
- Weak coordination of vertical (sectoral) and horizontal (local government etc.) delivery;
- Severe state health financing constraints that undermine state delivery and limit the functional capacity for improving access, coverage, quality, transparency and accountability;
- Large populations excluded from health care services as either being beyond the footprint of market and NGO delivery systems; including large nomadic areas;
- A balancing act that supports health through humanitarian (non-reformist) and development (reformist) financing; and,
- Progress towards an Essential Package of Health Services (EPHS) shaped by (i) levels of service provision (ii) the 10 health programs and (iii) the six (6) management support components.

4.2 HEALTH SECTOR SERVICE DELIVERY CAPABILITIES

4.2.1 MAIN ACTORS

77. ***The Ministry of Health (MoH) is the main state actor in the health sector—with central, regional and district level functional structures—although the majority of financing flows outside the state treasury system***. As a result a substantial amount of time is spent by government focusing on aid coordination, which necessitates significant interface with the UN, and donor coordination structures located in Kenya. It is however important to note that aid is the main source of reform finance for the sector, exactly because of the failure of state to mobilize sufficient revenue to drive state delivery services. However, with significant gains in state revenue mobilization in recent years, and once the sector is fully costed, it seems plausible that state health financing could attract US$2-3 million dollars a year within 5 years. This would not change the fact that even with a ten fold increase in financing the state will not be in the position to provide health production services, but will be in a far better position to set policy standards, priorities and have oversight of non-state delivery mechanisms.

78. ***If one were to rank actors by value of money spent on health the Government of Puntland would be bottom of the ranking***. However, with the monopoly on setting health related legislation, and building policy and enforcement capacities, the Ministry of Health is the primary stakeholder responsible for supporting the attainment of constitutional provisions and state health objectives. Even

with weak public delivery systems it would be a mistake to conclude—even though it will be a decade or more before the Ministry of Health will be the lead financier—that investments to establish and strengthen the provision functions of state (policy, planning, budgeting, and oversight of execution) are not warranted. They are, and even though the current system cannot reach groups and individuals unable to pay, or those seeking services beyond the administrative realm of state, there is optimism in the sense that there have been significant gains in recent years. The key question here therefore is how can Government best manage non-treasury resources to build the core architecture to meet its provision functions?

79. ***The main objectives of the decentralization process is to 'promote a legitimate and stable state across the territory, to promote opportunities for participation of citizens, and to promote efficient, effective and equitable public services including health and education'***. Key actors in the sector, include:

- ***Ministry of Health***: The Ministry is structured around a centre-regional-district model, which mirrors the three-tier structure of state. The central parent ministry is in Garowe with representation (committees and officers) in the 7 regions and 34 districts, though the capacity of sub-national health provision and production structures is often purely notional, as many district structures are still not established. The central Ministry organizational structure seems impressive on paper, but large parts of what seems like a fairly modern functional structure have yet to be made fully operational. The Ministry of headed by a Minister, two Vice Ministers who are responsible for overall policy and strategy development, a Director General leading technical direction and 4 Directors covering (i) primary health care (ii) training and personnel (iii) administration and general services and (iv) planning and medical services. At the national level there is an HIV/AIDS Commission (NAC) chaired by the President, Health Sciences Institute and Puntland Pharmacist Association.[12] There are only four hospitals, 69 MCHs clinics and 119 health posts nationally;
- ***Regional Actors***: the Regional Medical Officer (RMO)—also referred to as the Regional Medical Director, represents The MoH at the regional level. Under the RMO there is a Regional Health Team including PHC, HMIS and Finance and Administration staff. The regional Governor chairs the Regional Health Committee.[13] A region has on average around fourteen Mother Child *Health* Centers (MCHs) each of which supports on average around 2 health posts.
- ***Health programs*** are executed at the regional level, with UNICEF managing cold chains and NGOs running health centers. There are larger health facilities operating as regional hospitals and training institutes among other services***.*** Programs in HIV, TBC and Polio, for example. Malnutrition is targeted through nutritional programs and vaccination rates are recorded. Whilst the primary, secondary and tertiary levels of delivery are found at the regional level, many of these structures remain heavily incapacitated, with the population then resorting to the private sector and to pharmacies; which anecdotal evidence suggests frequently use counterfeit drugs. At the regional level there appears to be little evidence of cooperation, pooling of resources and information sharing

[12] A 2006 USAID report by Bill Newbrander entitled '"Providing health services in fragile states"' explores the linkages between health service delivery and increased stability in fragile states. The report identified 'what are the key elements to success or failure in health development in conflict and post-conflict states' . The report states that (i) establishing clear priorities (ii) preserving and extending access and (iii) enhancing the capacity of the Ministry of Health and public health care provision are vital to long-term success.

[13] This committee also has representation from the Mayor of the regional capital, private sector leaders, the elders, women's association and relevant health professionals.

- ***District Structures***: At the district level—where structures exist at all—there is expected to be a District Medical Officer (DMP) and a staffing compliment of 4-5 support staff. The DMO reports to the RMO but there appears to be no formal relationship with the District Administration or the District Council.
- ***District Administration (Local Government)***: There is no formal health department under the District Administration although following Law. No. 7 the autonomous district government is de facto responsible for meeting horizontal production and provision assignments. The staffing establishment of dedicated district health administration staff is assumed to be zero, based on the results of the district capacity assessments. As a result, health related issues (including limited local government financing) are dealt with through the Social Affairs departments, which appear to be amorphous in terms of functional assignments.
- ***Health Posts and Clinics***: Health posts (often two per district) and mother-child clinics operate at the district level. Staffing and medicine supply provided by these institutions depends on location and accessibility (i.e. proximity to the tarmac road) and funding availability. Under the Constitution, several community committees are to be established in each district, acting in some regions (e.g. Karkaar), as a powerful tool for health education and sanitary awareness. The limited presence of health workers and facilities in certain districts undermines health-related discussions with such community committees. In districts with greater capacity—where the Health posts are integrated in a health system supported by an MCH and where this has international support—the health post becomes a more effective unit of delivery. However, without remuneration, health workers find a second paying job and absenteeism is congenital;
- ***Private Sector***: The private sector dominates health care services with pharmacies remaining a first and second point of call for those with health complaints. The private sector runs clinics, pharmacies, health centers and importation of medications and drugs;
- ***International Cooperation Partners – Health Cluster and Health Sector Meetings***: The Health Cluster attracts emergency-focused donors such as ECHO and US-OFDA, as well as humanitarian-focused UN agencies active in health (UNICEF, UNHCR); whereas the Health Sector meeting involves prime donors such the European Commission, DFID, USAID, the World Bank, the World Health Organization and UNICEF, which maintain a heavy focus on supporting the establishment of a viable state structure; albeit for provision not production functions. There are Somali Ministerial Counterparts co-chairing the Health Sector Meeting, represented by the Director General and the Director of Planning in the technical meetings.[14]
  - ***UN Agencies:*** UN agencies active in health are not permanently based in Garowe in sufficient capacity, with UNICEF operating from its regional office in Boas and a country office in Nairobi, and UNFPA and WHO—despite the latter's satellite offices in Bosaso and Garowe—are mainly based in Nairobi. All other key donors are also based in Nairobi. Clearly, if the sector is to be supported at the coal face the progressive shifting of coordination mechanisms from Nairobi to Puntland would be desirable given the often prolonged absence of key MoH players due to meetings in a third country;
  - ***Both DFID and the EU are significant donors to the sector.*** DFID supports SCF in rolling out the EPHS package in Karkaar and this support is very much focused on the maternal,

[14] The health system in Somalia collapsed in 1991 with the disintegration of the state, culminating with the formation of three successor sub-entities: (i) South-central Somalia, (ii) Puntland and (iii) Somaliland. Formal/informal health sector coordination between these sub-entities is sought in Nairobi/Kenya. There are two separate systems co-ordinating health delivery in Puntland based in Nairobi: (i) the humanitarian intervention-focused Health Cluster, including relevant active agencies; and (ii) the Health Sector Meeting with agencies active in health sector development.

reproductive and neonatal health (includes safe delivery, family planning and FGM) and Child health related production functions.[15]

- ***Non-Governmental Organizations***: NGOS have regional and/or district support activities. The district is the entry point for most vertical and horizontal programs where they are implemented, but coordination takes place at the regional level. Major NGOs include Save the Children (SCF), Action Against Hunger, MSF, MDM, Merlin, Handicap International, Concern, Merlin, Medair, Mercy Corps, Hodmann, Islamic Relief and the red cross/Red Crescent society.

80. ***Data Paucity Undermines Service Provision***: Due to the absence of accurate demographic data —a census has not taken place, although constitutionally mandatory—lack of information clearly undermines the coordination function of government to support health provision based on needs.

TABLE 8: DISTRIBUTION OF PHYSICIANS, NURSES AND MIDWIVES IN PUNTLAND

	Public Services	Private Services	Total
Physicians	32	42	74
Qualified Nurses	128	208	336
Midwives	29	18	47
Asst. Pharmacists			17
Lab. Technicians			17
Auxiliary Nurses			300
TBAs			447
Support Staff			412

4.2.2 SUB-SECTORS

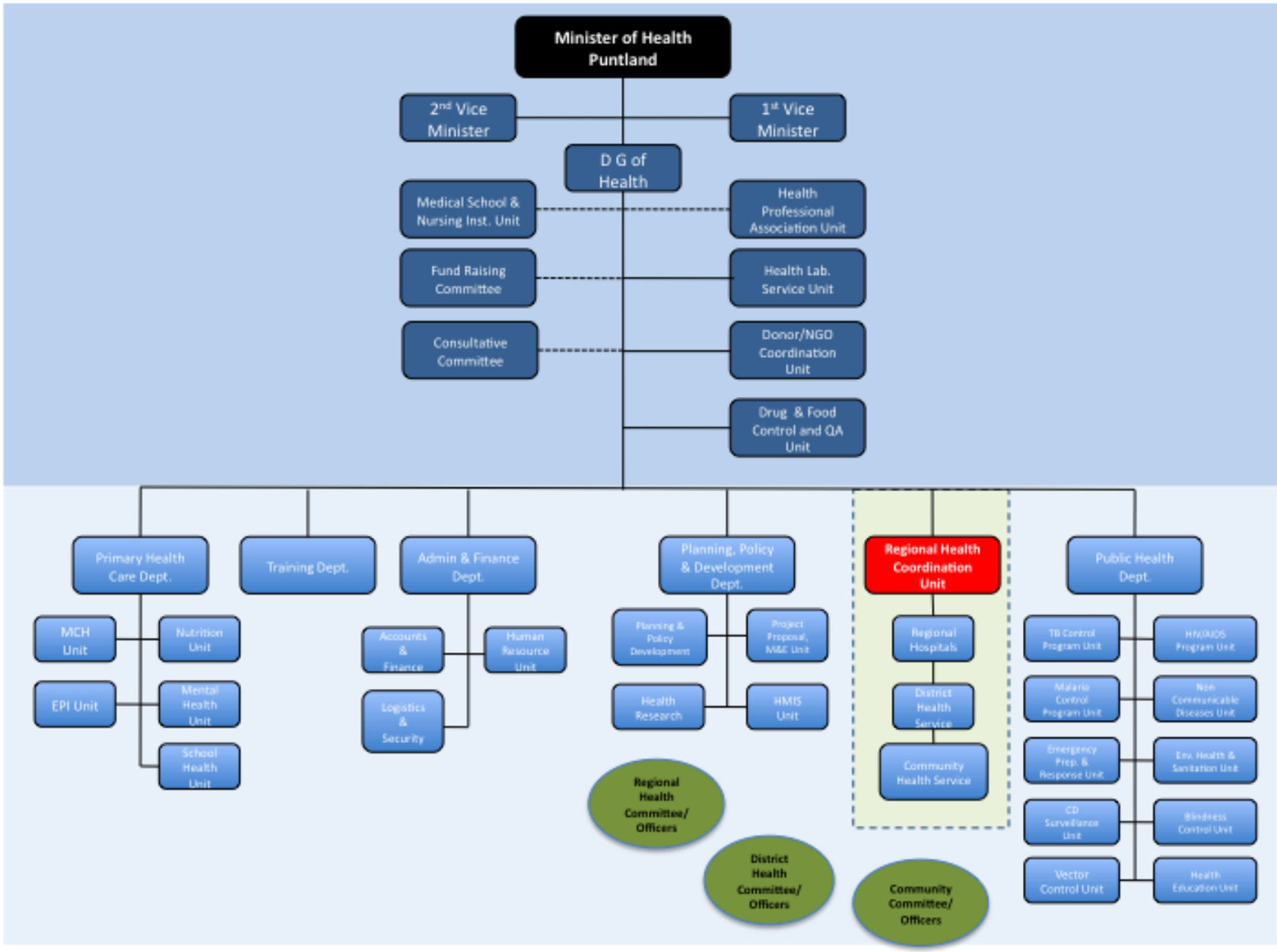
81. ***MOH has formulated a draft Puntland Health Strategic Framework (2011-2015), with the aim of improving the health status of the population through 'development of a strengthened, coordinated, reinvigorated and sustainable health care delivery system'***. The framework provides the foundation around which good governance, efficiency, effectiveness and transparency can be improved, across the entire health system. The framework outlines seven priority areas for future investment, though these are not sub-sectors but rather crosscutting elements. These seven priority areas of the Health Strategic Framework are close to the WHO health system framework shown in ***Figure 7*** above, but they include participation and partnership priorities (given the need for strong community and aid level coordination) and exclude medical products, vaccines and technologies (as these are beyond the fiscal capacity of state to provide. However as this is a public administration assessment, the sub-sectors used here reflect the functional assignments as provided for by the current delivery model; and the organizational chart of the Ministry (See ***Figure 8*** below); around which functions are described:

- ***Sub-Sector 1:*** Leadership and Governance
- ***Sub-Sector 2:*** Health Work Force

[15] The health authorities adopted the EPHS in 2009 as a framework to guide support in the health sector. It sets out 10 priority health interventions that need to be implemented at primary health units (community), health centres, and local and regional hospitals, with overarching support for nutrition. The EPHS includes activities that increase demand, such as community meetings and radio and mobile phone messages to increase awareness about the benefits of a family planning and a safe delivery. Actions to improve the provision of services include training health workers, improving health clinics, providing family planning, ante natal care and safe delivery, caring for newborns, giving vaccinations, preventing and treating pneumonia, diarrhoea, malaria, TB and AIDS, as well as screening for and treating malnutrition. Providing the interventions requires support to the six components of the WHO Health Systems Strengthening (HSS) model.

- ***Sub-Sector 3:*** Financing
- ***Sub-Sector 4:*** Medical Products, Vaccines and Technologies
- ***Sub-Sector 5:*** Primary Health Care
- ***Sub-Sector 6:*** Administration & Finance
- ***Sub-Sector 7:*** Regional Coordination Unit – which links to sub-national structures
- ***Sub-Sector 8:*** Public Health

Figure 8: Puntland MoH Structure at Central Level



82. ***The organizational chart of the Ministry of Health is clearly organized—and better than most ministries of health seen by the assessment team—though the capacity across all decision-making units is limited***. The main problem in allocated (unbundling) sub-sector functional assignments is not the functional structure of the Ministry across the three tiers of state, or the complexity of coordinating aid across vertical and horizontal delivery structures, it is the following major shortcoming which need to be addressed by future assistance:

- ***Sub-Sector 1: Leadership and Governance***: Absence of strong leadership and management cadre across departmental, regional (RHO), district (DHO) and district administration levels, absence of a health act and many policy and standards related documents;
- ***Sub-Sector 2: Health Work Force:*** Among other constraints, lack of financial and human resources to hire, pay and retain high quality motivated staff leading to absenteeism and weak staff attendance (which is often only from 10-11 am) and employment of better staff in the second civil service (aid community);
- ***Sub-Sector 3: Financing***: Insufficient public sector financing, the majority of donor and NGO support is off-budget (not through the state treasury system and therefore not a source of discretionary financing), dominance of humanitarian financing to the sector; poor pay and grading structure, weak operation and maintenance costs and lack of funds to spearhead capital investment. Furthermore, district administration finances not disclosed;
- ***Sub-Sector 4: Medical Products, Vaccines and Technologies***: Weak regulatory oversight capacities, standard setting and enforcement capabilities with implications for regulatory compliance, private sector health care quality, adulterated drugs etc.
- ***Sub-Sector 5: Primary Health Care***: Financing for MCH, EPI, Nutrition, Mental Health and School Health all off-budget with implications for coordination and oversight, and weak regional and district infrastructure for provision functions;[16]
- ***Sub-Sector 6: Administration & Finance***: Weak Public Expenditure Tracking (PET), need to strengthen FMIS and HMIS (Payroll) management functions[17], need for qualified accounting and PRM/MTEF staff to drive sector costing and the EPHS;
- ***Sub-Sector 7: Regional Coordination Unit:*** Lack of logistical and communications support which links to sub-national structures of provision and production, absence of infrastructure for RHO and DHO staff, uncertain functional assignments between MoH vertical and district administration delivery systems;
- ***Sub-Sector 8: Public Health***: The majority of financing for TB, HIV, Malaria, vector disease control, environmental health and water and sanitation, blindness, health education and emergency preparedness is off-budget and financing to improve coordination of external support is complex; being split between Nairobi and non-state delivery partners.

83. ***The linkages between MoH, regional and district organs, and health service beneficiaries need to be improved***. Internet connection in the MoH premises in Garowe has only been provided since 2010 and so communication with regional and district health officers is poorly documented. Information and

[16] Except for the HMIS sub-department of the Directorate of Planning—financed directly through UNICEF—information on the Directorate is limited and/or unavailable. The Training Department appears inactive. The UNICEF-supported Primary Health Department, which hosts the MCH, Nutrition, EPI and Public Health Units provides trainings and works on health information statistics. Units, which are not funded externally include the Mental Health Unit and these are not functional. Likewise there was little evidence of the work of the School Health Unit.

[17] The HMIS system, of which 2 central and 6 peripheral units are supported by incentives through UNICEF, is one of many initiatives to overcome functional bottlenecks.

health indicators flow from the bottom-up, and incentives, drugs and training-flow top-down through the facilitating organization as for instance the Somali Red Crescent Society.

4.2.3 SERVICE PRODUCTION PROCEDURES

84. ***Given the lack of public financial support for the health sector it is fair to say that MoH is making some improvement (heavily supported by donors) in delivering certain provision functions (policy, planning and budgeting), but provision capacities in relation to state execution (constrained by lack of fiscal resources) and regulatory oversight and enforcement are almost not functioning at all***. As a result, even once MoH has further developed existing central-regional-district structures, and made these capable of meeting the minimum requirements of its mandate, it will not be able to provide health service delivery 'production' functions due to lack of resources. As such the long-term model must be to focus efforts on (i) policy (ii) planning (iii) budgeting and (iv) regulatory oversight, standards enforcement and coordination functions, not of delivery per se. Establishing coordination structures, enhancing information management systems and strengthening relations with local governments are going to be critical, as are justifying greater sector expenditure from MoF. Government will not be able to finance a public health care delivery system for many years to come.

85. ***As the EPHS makes clear, the lower tiers of government administration are more challenging from both production and provision perspectives***. The utility and performance of each tier of the public health system can be amplified through effective management and referral. Lower levels of the systems are available, accessible and affordable. They can deal with the bulk of immediate health concerns. However more serious health concerns requiring higher levels of technical intervention and management can only be provided at a few carefully selected facilities. In a land as large and lowly populated as Somalia, the inter-relation between tiers of services is critical. Performance will depend on inputs (drugs, staffing, salaries) but also supervision and management. The lower tiers of service are obviously the most difficult to supervise effectively. In order to enhance performance through referral, and this focuses needed attention on lower levels of care having the capacity to define cases requiring referral and being able to assist patients to access services to which they are referred. (GoP EPHS, 2009).

86. ***The assessment team therefore propose ipso facto that MoH needs to focus on strengthening core production function in the near term, to build a 'stewardship' capacity for the sector as a whole***. WHO has led much of the thinking of health care stewardship, although subsequently it appears that the word stewardship does not translate well into other languages. In 2000, the Director-General of WHO highlighted health stewardship as a new concept noting that the function involves "*setting and enforcing the rules of the game and providing strategic direction for all the different actors involved'.* WHO subsequently provided clarification for the term and linked it to the following functions, all of which resonate well in the context of Puntland:

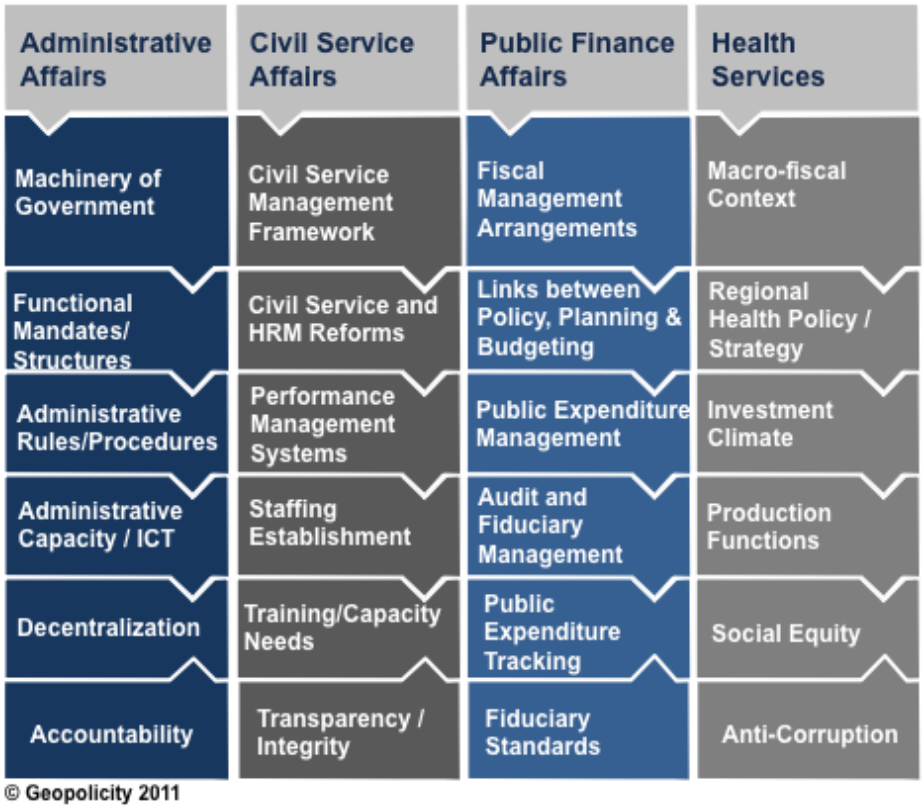
- Generation of intelligence;
- Formulating strategic policy direction;
- Ensuring tools for implementation: powers, incentives and sanctions;
- Coalition building / building partnerships;
- Ensuring a fit between policy objectives and organizational structure and culture; and,
- Ensuring accountability. (WHO, WHR 2000)

87. ***Building these functional capacities alone however will still require considerable support, over the short, medium and longer term***. For example, (i) without essential laboratory drug testing (ii) given the need to further develop health financing arrangements (iii) lack of licensing and accreditation of

health workers (iv) weak coordination between non-state actors, even meeting minimum 'stewardship' functions will require consolidated support and significant ongoing investment.

88. ***The general health production process is as follows.*** The entire regional government—including the Ministry of Health—works within the two major time frames, the electoral cycle and the annual budget formulation and execution process. Policy, strategy and standards development metrics, as well as administrative, civil service and public finance management functions are ongoing activities that are best viewed as medium term activities (3 years). However, the annual budget formulation and expenditure framework is triggered by the Budget Call Circular from the Ministry of Finances and involved wage and non-wage recurrent, operations and maintenance and capital budgeting planning capabilities, at centre, regional and district levels. To substantiate the point that building production functions will take many years, ***Figure 9*** below provides an overview of what the assessment team considers to be the core functions of production for a normative health care system, including one that does not provide service delivery functions directly.

Figure 9: Core Production Functions for Public Health Systems



89. ***Policy and strategy development has improved substantially in recent years, with a clear policy framework developed around which recasting functional assignments will be possible.*** Policy and strategy development is very much a joint partnership between the government and international donors, and although there are strategic gaps, the gaps are being closed year-on-year with improved support. Recent support by JPLG, as by UNDP is focusing on local government financing and preparation for the development of a Medium Term Expenditure Framework for the core sectors. Costing the health sector, including the EPHS, however requires a top down Medium Term Fiscal Framework to be established within which resources could be prioritized. Given that government financing is only a small part of total sector financing, sector costing will need to report historical (actual) and future (projected) spending on and off budget. In terms of process however, once the budget call circular is released, the

planning and administration and finance departments collect costs proposals from the regions and districts and then submits a consolidated request to MoF. Currently, because the sector has not been costed, compelling evidence of the need to radically increase sector allocations through the budget process have still to be made.

4.2.4 SERVICE DELIVERY PROCEDURES AT REGIONAL, DISTRICT AND COMMUNITY LEVELS

90. ***Puntland's healthcare system is highly decentralized to the regional and district levels, and then further to private and non governmental providers, which play a critical role in meeting current health needs.*** To a large extent the current service provision arrangements reflect a history (i) strong humanitarian support (national and international) to meet emergency needs (ii) market based response to needs and purchasing power (iii) state financing to establish the minimum framework for state oversight and (iv) donors support for production functions including policy and strategy development. The district administrations—under Law No. 7—also plays a role in service delivery (bottom up oversight and provision as funds allow) but as no unbundling has taken place, functional assignments in delivery remain unclear. Finally, there are clearly large numbers of the population who are excluded from this provision arrangement because they fall outside the delivery footprint (nomadic groups) or cant afford to pay for health services.

91. ***Recent research by Dr. Harry Jeene on the Karkaar region provides an extremely useful characterization of health seeking behavior for children, which to a large extent reflects the current service arrangements available to people in that region.*** Initial point of contact in healthcare related cases, both obstetric and non-obstetric, is private, rather than public**.** The survey, which included 357 children under 2, found that within a six-month timeframe 131 children had experienced a serious illness requiring treatment. The primary point of reference was as follows:

Primary Point of Reference:

- A private pharmacy (40%);
- Traditional treatment (27%);
- HC or MCH (16%);
- Hospital (8%);
- Health post (5%); and,
- 5% of patients did not seek medical advice/assistance.

Secondary Point of Reference: 60% of surveyed patients sought second treatment as follows:

- A private pharmacy (37%);
- Traditional treatment (36%);
- Hospital (12%);
- MCH or HC (10%);
- Health post (5%).

Third Point of Reference: 33% of the children needed a third treatment option as follows:

- Hospital (30%);
- Private pharmacy (30%);
- Traditional medicine (30%);

- MCH/HC (7%); and,
- Health-post (2%). [18]

92. ***The regional MoH office is responsible for translating central government policies into operational goals and objectives—with the RMO and Regional Health Committee leading these functions—and also for providing general direction to the health sector.*** Policy and strategy management capacities are limited at the regional level, and non-existent at the district level. Regional Health Offices have been functional only for the past 2 years. Housed in small residential buildings they are at times constructed and equipped with support from the counterpart (as in Karkaar). RHO staff consists of a Regional Health Officer, a Deputy, an Administrator, a Primary Health Specialist, and an HMIS Specialist. Apart from its day-to-day financing and budgeting function (which is minimal), it is expected to oversee health financing and resource mobilization arrangements. In more developed regions—such as Karkaar—where the partner (SCF) takes charge of most of this function in an EPHS pilot project, channeling the funds through the central MoH in Garowe. The Regional Health Office is envisaged to engage in the auditing of regional health services, monitoring of external partners active in health, and intersectional collaboration. These functions are performed in some form in the case of Karkaar only, but apparently not in other regions. Coordination and inter-sectoral collaboration assignments and practices appear to be missing, although the RMO and Regional Health Committee do provide general sector coordination.[19]

93. ***At the regional level, the Puntland government provides for about one-third of the salaries for health sector workers, and as other top-ups are made available, wages are jut part of the support provided*.** Staffing numbers have been increasing slowly. In 2007 there were a total of 419 staff on government payroll (at there time there were 1708 staff in total) but by 2011 this had increased to 608. Approximately 60% of all health workers are community health workers. In the case of Karkaar, approximately 60 per cent of staff receive incentives from SCF, while in Nugal regional and district health workers operate on a voluntary basis. Community health workers and traditional birth attendants are primarily funded through private financing, as Community health councils often lack the funding necessary to support the health system. Clearly, fiscal constraints are a major impediment to scaling up sub-national production roles and in rolling out the EPHS also.[20]

94. ***Whilst the Regional Health Officer (RHO) is responsible for the planning and development of health activities, providing backstopping and monitoring and evaluation, the District Health Officer (DHO) is responsible for the planning and coordination of health activities at the district level,***

[18] Dr. Jeene's survey results confirm our field observation that the private pharmacy and the traditional healer represent the focal point of Puntland's health system. Only extreme or prolonged illness triggers hospital visits; a practice that overlooks the first and second tiers of the public health system. This parallel health system is significant. For instance, a regional wholesale pharmacy owned by the HIV/AIDS focal point of the Ministry of Health supplies all the pharmacies in the Nugal region, upon reception of payment through the Dahabshiil system. The pharmacy purchases drugs twice a yea in Bosaso.

[19] Available data indicate that premature mortality is very high in Puntland. Maternal, neonatal, infant and child mortality are equally high. Maternal mortality is 1,100/100,000 and life expectancy is 49. Infant mortality is 132 0/00, under-five mortality is 247 0/00, full immunisation levels are at 25 % and polio coverage is at 60%. The main diseases prevalent in Puntland include Malaria, pneumonia, diarrhoea, tetanus and tuberculosis. Regular outbreaks of measles, cholera, dysentery and meningitis pose major threats to public health. HIV / Aids is not yet well documented. War related disabilities and nutritional deficiency form mayor concerns.

[20] The degree of IT, banking and transportation equipment available varies. For example, at the time of this fieldwork, the IT system in Karkaar was functioning, as opposed to that in Bari and Nugaal. In Karkaar there was a well-managed bank account, and the Regional Health Office undertook quarterly supervision of its major facilities. A vehicle with some fuel budget was also available, albeit excluding maintenance. None of this equipment was observed in Bari or Nugaal.

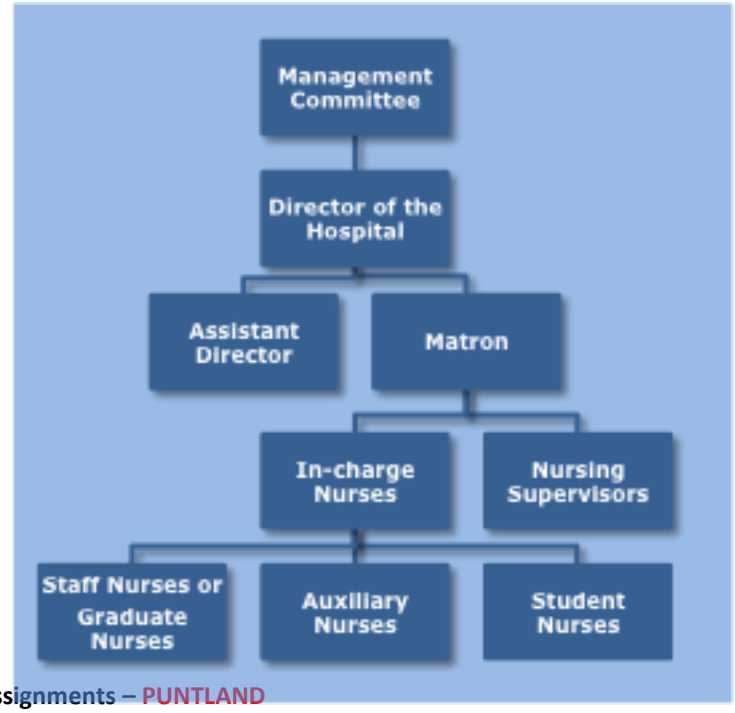
including administration, clinical work, training, education, and monitoring and evaluation of district activities. The Public Health Care Coordinator is responsible for maintaining the regional and health facility cold chains, as well as organizing and monitoring routine and outreach immunization, follow-up with EPI coverage and charts monitoring in all HCs/MCHs. The HMIS Officer is responsible for compiling and analyzing all summary reports sent by DHOs and for the provision of analytic inputs at RHO management meetings. The Finance Officer is responsible for salary payment of Health staff.

95. ***Health Posts provide basic services and operate irregularly***. They are spread according to population levels in facilities supported by the community; *Mid-level health facilities* (Health Centers (HCs) or Mother Child Health (MCHs) care averaging at one HC and 2 MCHS per district, providing basic preventive, health promotion and curative services; and, *At the tertiary level*, the regional hospital, provides specialized referral services for health facilities.

96. ***A matron—who oversees human resource management—and is in charge of record keeping and manages Hospitals, HC and MCH***. Each Nurse is in charge of their own department and manages the medicine and supplies to the unit. A midwife monitors the gravida (a woman's obstetric history) during pregnancy and plans the delivery, whilst also performing both antenatal care and early postpartum care of the neonate. If necessary, the midwife accompanies and provides medical support during partum. No forceps or vacuum extractions are done in Puntland at MCH level; a birth at risk is referred to the hospital for section Caesarea. The nurse provides most of the clinical care. There are only a few fully qualified physicians active in the health system (3 in Karkaar). Pediatric nurses play a key role in assessing children's nursing needs—taking into account their medical, social, cultural and family circumstances—and then plan and deliver care in a variety of settings, such as hospitals, homes and the community. There are some laboratory technicians active in the health system. They perform many of the elementary laboratory procedures and collect blood.

97. ***Community health workers primarily staff health Posts, although some are staffed by Traditional Birth Attendants.*** Many work on a voluntary basis and charge fees depending on ability to pay. Health Post staff are able to diagnose and treat syndromes such as the common cold, anemia, fever, hypertension and headaches. ***Figure 10*** provides the current hospital organizational chart.

Figure 10: Hospitals/HC/MCH Organizational Chart



98. ***For obstetric cases the first port of call is the traditional birth attendant or the midwife, charging around US$20 for the service; but this is again dependent on the financial means of the family.*** Dr Jeene observed that the first obstetric delay (the decision to seek emergency obstetric care) took more than eight hours for 50 % of cases and that the second obstetric delay (the time to reach a facility), was under 4 hours for 54 % of the cases. Remarkably, all transportation is provided by private means, through a referral system in place, which highlights the importance of private provision and ability to pay. The third obstetric delay—waiting at the health facility—was over eight hours for 30% of the cases in Dr Jeene's study. The final intervention in his study was distributed as follows: assisted delivery (46%), caesarean section (46%), and spontaneous deliveries (8%).

99. ***The EPHS provides a major policy departure in health care delivery and requires substantial organizational restructuring and strengthening to put in place***. The EPHS is designed to be the prime mechanism for strategic service provision of the public sector health service. It helps to clarify health priorities and directs resource allocation. It also defines MoH responsibilities and activities at central and regional levels, particularly in coordination, management and supervision of services, which are require substantial strengthening. The EPHS clarified the functional assignments of communities in creating a sustainable and accountable health system. Furthermore, it aims to address current poor access to health and inequalities in health service provision, many examples of which have been provided above. In essence therefore, it provides a road map for action and is costed to enable detailed budgetary planning for advocacy purposes and for government, donors, municipalities, districts and communities to plan on how to increase their contributions.

100. ***With the Emergency Package of Health Services (EPHS) now being rolled out in Karkaar, the functional structure and assignment arrangements have been modified to reflect this important policy shift and approach; around six core management components***. CCM for example—in Garowe and Gardo Hospitals—is supporting the delivery of basic Hospital services, according to the defined EPHS, and therefore providing financial inputs for the payment of incentives, purchase of drugs and hospital running costs. The improvement of human resources and supplies management though the setup of functional Health Management Committee is a crucial component of such interventions. The EPHS sets basic minimum operating standards for each tier, but the number of facilities required is left to the MoH and donors to decide reflective of demographic considerations, public health needs and available sustainable resources.

101. ***The EPHS is pioneering (i) four levels of service provision (ii) ten health programmes and (iii) six central management components***. Because of the weakness of public sector delivery systems at the district level, referral health centers, with management and supervision functions being provided at the regional level. So far, the priority is on enabling the regional health system, and in future phases of health systems development a district management structure could then be created; with options outlined for such an approach. The EPHS demands a full compliment of health system management inputs and logistics capacities to be developed, including finance***,*** human resource management and development***,*** EPHS coordination, development and supervision***,*** community participation***,*** health systems support components and health management information systems. Rolling out the EPHS therefore has institutional implications and the current functional structures of the health system is being restructured around the new policy framework, along with the functional mandates of regional and to a lesser extent district vertical and horizontal structure. The EPHS component of the wider health system requires three functional groups for its delivery: (i) Health facility staff (direct facility management) (ii) a regional health office (supervision and quality of care) and (iii) *community health committee* (oversight, ownership and support). Functional mandates are proposed as follows:

- ***Primary Health Unit (PHU)***: It is proposed that the Primary Health Unit (PHU) is staffed by at least one trained Community Health Worker (CHW) supported by an elected, representative Community Health Committee that participates in responses to the common causes of ill health affecting the community. The functional assignment of the PHU is 'on prevention of disease and promotion of health through nutrition education, health-seeking behavior, vaccination, mosquito nets and improvements in water and sanitation. No fees are charged at the PMU.

- ***Health Centre (HC)***: The health centre is the key unit of the essential package, at which all core programs are carried out. It is the first level at which obstetric services are provided, including ANC and facility-based deliveries with qualified midwives. Minimum staff consist of a qualified midwife, qualified nurse, qualified auxiliary nurse and a community midwife. As well as maternity beds there are a minimum of six beds for 24-hour observation of sick patients. The HC is to be staffed with a Primary Health Officer and a Community Health Committee is to be involved in management and local fund raising. Core programs 1-6 are to be applied at the HC level. The 6 core programs include:

- 1 Maternal, reproductive and neonatal health;
- 2 Child health;
- 3 Communicable disease surveillance and control, including WATSAN promotion;
- 4 First aid and care of critically ill and injured;
- 5 Treatment of common illness; and
- 6 HIV, STIs and TB.

- ***Referral Health Centre (RHC)***: The RHC and district hospitals carry out all core programs outlined above and additional programs (7-10) for treating people with mental illness, chronic disease and dental and eye disease via outreach visits by specialists from the regional level. They carry out comprehensive emergency obstetric and newborn care, with the capacity for carrying out caesarean sections and safe blood transfusions. The surgical facilities also allow tubal ligations to be carried out, as well as IUDs and implants to be fitted. They have at least eight bed maternity wards and an inpatient facility for at least 20 patients. Staff includes at least two midwives, two qualified nurses and a health/clinical officer. The RHCs will have a Primary Health Officer (nurse) for EPI and nutrition, and a laboratory technician. RHCs also have fridges and freezers, acting as EPI depots. In addition to the 6 core programs provided by the HC, the RHC also provided core programs 7-10:

- 7 Management of chronic and other diseases; care of elderly and palliative care;
- 8 Mental health and mental disability;
- 9 Dental health; and,
- 10 Eye health

- ***Hospital (H)***: The hospital ensures 24-hour quality inpatient referral health care, with qualified nurses, midwives and doctors permanently in the hospital. Core and additional programs are expanded in hospital departments, each often run by specialist medical and nursing practitioners who may also conduct outreach clinics to RHCs. Management is the task of a hospital administrator (MBA level) overseen by the hospital director and

the Regional Health Office. Health Boards are responsible for mobilizing funds from the community, business enterprises, the Diaspora and other sources. MoH and municipal authorities also proposed to contribute to hospital fixed and variable costs. Regional EPI depots ensure regular vaccine supplies to the districts and a regional medical store is sited separate from the hospital, and eventually the EPI depot would be at the same location.

4.2.5 BUDGET: EXTERNAL AND INTERNAL SOURCES OF FUNDING AND POINTS OF ORIGIN

102. ***Perhaps the most critical requirement to kick start public health production capacities to pave the way for the full roll out of EPHS as the focal health provision package is financing; through public and private means***. State fiscal constraints mean that MoH currently is massively under-financed, attracting just US$412,130 dollars in 2011. State financing is dwarfed in comparison to donor and non-governmental financing but as this is not fungible to the sector and not provided on-budget, the key focus needs to be on ring-fenced finance to improve harmonization and alignment. Equally critical in financing for health services from private sources, communities and households.

103. ***In 2009, the government allocated 1.73% (US$313,719/ 9,411,558,000 SH.SO) to the health sector, which is significantly below the 5-7 per cent average allocation to health in many East African countries.*** In 2010 this figure was a lower percentage (1.45% - US$361,520.80 / 10,845,624,000 SH.SO) of the overall National budget of US$25 million but higher in real terms due to increased revenue mobilization. In 2011 the appropriation was slightly lower again (1.38%) (US$412129.60 / 12,363,888,000 SH.SO) of the total budget, but again higher in real term. Whilst national health care budgets have increased in normative terms, they have formed a declining function of government priority, from 1.73% in 2009 to 1.38% in 2011, which provides considerable cause for concern. If calculated as real and not nominal increases—adjusting for inflation—it appears that the Government has settled for being increasingly reliant on external financing of the sector.

104. ***The staffing establishment paid through state payroll has increased by about 20% between the period 2008 and 2011, and looking at the numbers provided in Table 9 below, it is clear that the terms of service have also improved considerably over this period***. Currently however, state financing of the health sector only covers wages for about a third of all health care workers and this therefore is a significant driver of weak human resource development, loyalty and employment seeking outside of the sector.

TABLE 9: MOH RECURRENT COST

Year	Number staff	Yearly Salary / Allowance	Service / Expenses	Total	Total (US$) US)$)	Total National Budget (US$) US)$)
2008	521	5,529,120,000	1,560,000,000	7,089,120,000	236,304.00	12,088,200.00
2009	523	7,868,458,000	1,560,000,000	9,428,458,000	314,281.93	18,158,453.00
2010	526	9,285,624,000	1,560,000,000	10,845,624,000	361,520.80	25,008,000.00
2011	608	10,803,888,000	1,560,000,000	12,363,888,000	412,129.60	29,758,200.00

Source: EC

105. ***Based on personal estimations of patient's solvency by treating practitioners, some cost-recovery measures have been implemented by MCH, HC and Hospital staff on a case-by-case basis.*** A

referral from public to private clinics of the same health worker is also noteworthy although there appears to be no system in place to record these payments.

106. ***Table 10 below compares data provided by two sources (EC and MoH) in relation to wage and non-wage recurrent, O&M and modest capital costs.*** The EC estimates that the 2011 health budget to be US$412,129 while MoH states the budget appropriation at US$462,948. The assessment team was not provided access to the budget law or appropriations bill, which would have provided the legislated allotment for MoH. All state budget appropriations should be made public, so that total health care financing supply is made transparent.[21]

TABLE 10: MOH BUDGET (2011)

Details	2010 SH.SO	2011 SH.SO	Total 2011 US$
Government Budget			
Personnel Costs (SH.SO/year)	**321,442,974,000**	**369,999,594,000**	**12,333,320**
Services (SH.SO/year)	**428,797,026,000**	**522,746,406,000**	**17,424,880**
Total Government Budget	750,240,000,000	892,746,000,000	29,758,200
MoH Budget *(Source EC)*			
Personnel Costs (SH.SO)	9,285,624,000	10,803,888,000	360,130
Services (SH.SO)	1,560,000,000	1,560,000,000	52,000
Total MoH Budget	10,803,888,000	12,363,888,000	412,130
Percentage of Budget (%)	1.45	1.38	1.38
MoH Budget *(Source MoH)*			
Expenses		3,216,000,000	107,200
Salaries		1,072,455,000	35,748
Development		9,600,000,000	320,000
Total MoH Budget		13,888,455,000	462,948

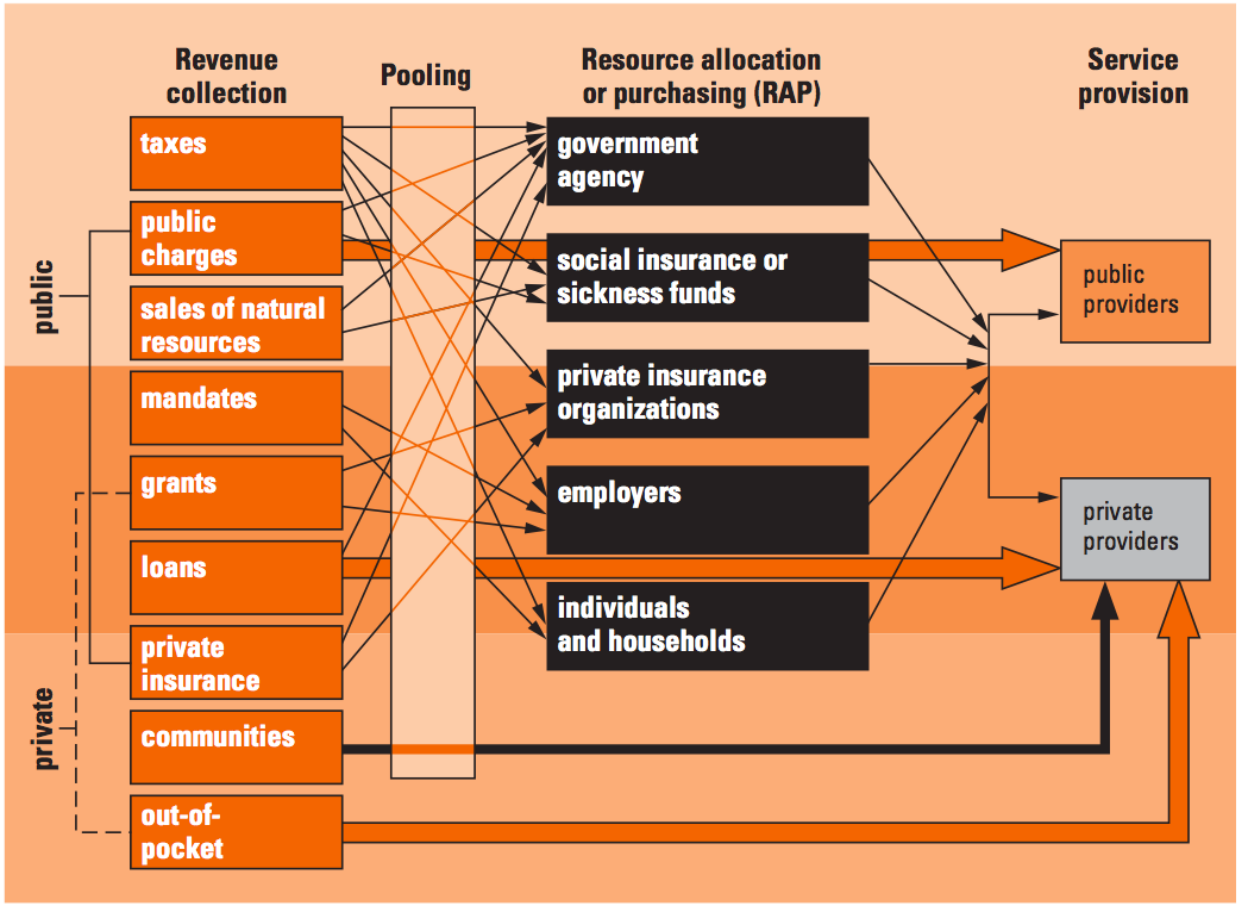
Source: EC and MoH

107. ***The size of total health care financing (excluding private flows) is impossible to estimate in given multiple financing arrangements, the majority of which is off-budget and outside the treasury system.*** Government need to restructure its budget around a core budget, which goes through treasury and an external budget, which are off-budget resources that need to be managed within the sector. UNDP support to the MoF could facilitate this as it proves to be effective in Afghanistan, albeit framed around a Consultative Group process. Substantial progress has been made in strengthening health sector financing, and many lessons can be usefully applied to Puntland. What is critical here, given that around US$10 million a year is being committed through all state, donor and NGO sources, is that state financing is around 4-6% of total health spending, with implications for how external resources are best managed to get the biggest return on investment (value for money).

[21] See http://siteresources.worldbank.org/INTHSD/Resources/topics/Health-Financing/HFRFull.pdf See http://siteresources.worldbank.org/INTHSD/Resources/topics/Health-Financing/HFRFull.pdf for a useful summary of recent health sector financing issues.

108. ***The EPHS is to be financed through 5 discrete sources***: (i) donor financing (via contracts with implementing agencies); (ii) contributions from the regular budget of the central Ministry of Health; (iii) contributions from municipal or district authorities; (iv) community health and (v) user fees (at hospital level only, and only for specific services). During both phases I and II of EPHS implementation, donor financing will therefore comprise the majority of funding for the public sector health services (see table below), but with an increasing percentage from the other sources, namely national government, local government and community. Health financing traditionally involves the basic functions of collecting revenue, pooling resources, and purchasing goods and services (WHO 2000) and in the case of Puntland, given large off budget flows, using trust funds to create fungible resources will be critical to the long-term success of harmonized and aligned delivery system. Moreover, because managing finance production functions involves complex interactions among a range of players in the health sector (See ***Figure 11*** below), Puntland urgently needs a comprehensive health sector financing policy to be established (building on the EPHS approach) to drive reforms throughout the health sector, and to enable the EPHS to be sustained as the major driver of health care provision over the medium term.

Figure 11: Hospitals/HC/MCH Organizational Chart



Source: Schieber and Maeda (1997)

109. ***Proposals for strengthening health care financing need to be derived from normative public finance and aid management approaches as they have been developed in countries such as Afghanistan, Timor Leste, Ethiopia and Southern Sudan, with a strong focus on linking 'top-down' fiscal (revenues) planning with 'bottom-up' expenditure costing – as has been done under the EPHS.***

The proposed measures to be adopted in Puntland—which must be central to the next phase of development for the EPHS and other core state functions—are as follows:

- ***Increase State Financing of the Health System***: Increase state financing from around US$400,000 to US$1,000,000 within the next 2 years, with a focus on covering core recurrent costs and increasing regional and district oversight capabilities;
- ***Undertake an Assessment of District Administration Finances***: As extending the EPHS down to the district level is a medium term objective, it is vital to get a sense of long-term revenue mobilization capacities at this level of government, as understanding fiscal flows will be vital to establishing a sustainable health care system. In the long-term, block grants could be considered for districts to undertake specific functional assignments;
- ***Undertake Sector Wide Top-Down and Bottom-Up Costing***: Undertake a full sector costing to include on and off-budget flows, and project out over the next 3-5 years based on clear investment policies such as the EPHS. It would be possible to establish a Medium Term Fiscal Framework (MTFF) for the sector based on available information and this would then drive sector costing with clearly defined budget ceilings. The budget should be established around a functional structure;
- ***Trust Fund Management***: Establish a dedicated trust fund for financing the health sector—not as part of other trust funds— with the aim of pooling fungible resources around which the EPHS in particular can be fully financed. The proposed service model, with NGOs playing a critical role in substituting public sector delivery capacities, and given the need for the roll out of the EPHS not to be constrained by fragmented support, such an arrangement seems critical. The soon to be commenced '*Somaliland Donor Fund Consultation Process'* being financed by Danida for Somaliland should also highlight opportunities for Puntland also.

4.2.6 STAFFING, TECHNICAL SKILLS AND OTHER PRIORITY NEEDS

110. ***The sector remains under-staffed with many core health care officials and workers forced into other income source, which detracts substantially from the service provision.*** Strengthening human resources capacities however will not be quick, given fiscal constraints that increase salary compression across ranks, and the second civil service (aid), which tends to be a draw for more qualified staff. Yet, human resources are the centre of the entire delivery system and whilst they are at their weakest at the district level; both central and regional structures need to benefit from a workforce development strategy, civil service reform to lay out a career path for health professionals and better terms of services, as can be provided. Table 12 below provided MoH staffing numbers by rank, and this excludes 289 MOH volunteer staff that are not in receipt of salary**.**

111. ***Normally public sector salaries are derived through labor market surveys around which comparator wages are established; and these are linked to the pay and grading structure of government***. Such structures also allow for career progression, which is critical to providing an incentive framework for improved delivery. The assessment team undertook a short (unrepresentative) market survey in October 2011, which indicated that a commercial fixer or a mid-level UN local staff member receives a higher salary than the Minister of Health of Puntland; while a mid-level local NGO staff earns just below that level, but still significantly more than a Deputy Minister of Health:

- US$36,000 per annum is the average mid level commercial salary in Puntland;

- US$19,200 per annum is the average mid level UN local salary in Puntland; and,
- US$9,600 per annum is the average mid level NGO local salary in Puntland.

112. ***This reality merely reflects the need for government and donors to provide considerable support to widen the tax net and to increase tax and non-tax revenue mobilization, to support core expenditure programs such as health, education and water and sanitation.*** Needless to say, the technical skills available to the government from the existing health cadre are heavily constrained by low wages. Core skills in relation to policy, planning, budgeting (including aid management) and regulatory oversight need to be strengthened, but terms of reference for staff in functional positions also need to be provided, around which performance can be measured and training targeted.

TABLE 11: MOH SALARIES BY GRADE

Post	Number of Staff	Net Annual Salary (SH.SO)	Net Annual Salary (US$) US)$)
Minister	1	302,400,000	10,080
Deputy Minister	2	211,680,000	7,056
Director General	1	149,400,000	4,980
Advisor	1	40,047,480	1,335
Director of Department	7	29,090,880	970
Head of Section	66	19,958,400	665
Secretary /Driver	29	17,107,200	570
Assistant	1	15,966,720	532
Secretary central MOH	2	14,273,820	476
Senior Assistant Regional	165	14,273,820	476
Auxiliary	26	13,040,988	435
Guard	20	10,800,000	360
Total	**321**		

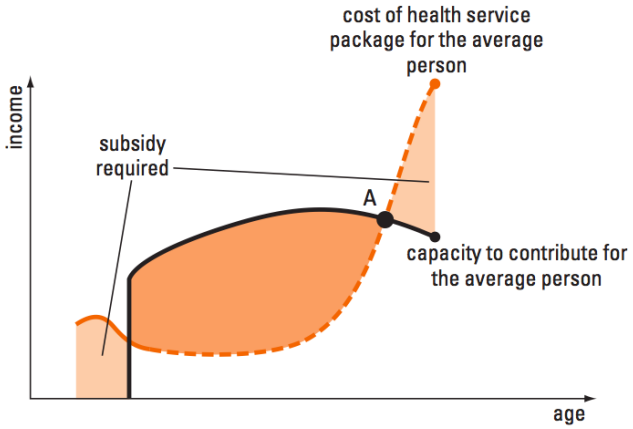
4.2.7 SHORT AND LONG-TERM CAPACITY BUILDING NEED

113. ***The central issue in Puntland, with a health care system making considerable progress from a low base, is how best to identify which core state capabilities (largely provision not production in nature) are essential to building a viable service delivery model that meets the health needs of the nation***. With the EPHS being established as the cornerstone of the health care model, then the key question is what long and short term capacities are required to meet both the objectives as outlined in the 2011-2015 Strategic Framework, which include the full promotion and expansion of the EPHS. Based on the results of this assessment, the Leadership and Management Assessment, the six management components of the EPHS and District Assessments, the following short to medium capacity needs are most evident. This short capacity assessment is structured around the six management and support components:

- ***Leadership and Coordination***: Leadership, management and coordination skills are particularly required in Puntland where the majority of the health care system is provided by the private sector and NGOs. Currently, given the need for development of an appropriate policy and strategy framework, policy, planning and budgeting skills are at a premium, but they are sadly lacking in many core functions. Clear lines of reporting and personnel terms of reference are also required, as is an incentive framework to attract and retain skilled leadership personnel. In

the absence of a Health Act that describes functional assignments around the new service delivery model, and links this to core staffing competencies, leadership and coordination structures will remain challenged. Only limited leadership and management training has been provided.

- ***Finance***: Health financing skills are scarce. At present the health-financing role is merely an accounting role, mostly involved in disbursing salaries and most non-salary spending at the regional level. Cost recovery agreements (reflective of the ability-to-pay for people across a normal lifetime with implications for subsidy arrangements) and improved fiduciary, financial management and reporting are critical functions that require further development, including at the level of municipal finances which are a critical future source of local support. Recommendations on improving health financing for the sector as a whole (see the Budget and Finance Section above) also need to be considered, and given the level of off-budget transfers to the sector, improved aid management is a core strategic enabler of future success;



- ***Human resource management and development***: There is one private medical school in Galkayo and three nursing schools across Puntland—one nursing and midwifery school in Bosaso. In 2006 the Galkayo University launched a basic training course for assistance physicians but other courses need to be introduced. HRM skills have been steadily improving but there is obviously substantial headroom for future improvement. The academic qualifications of staff are low when compared to requirements, requiring a long-term workforce strategy for the sector to be adopted, alongside change to the tertiary education system to deliver qualified young professionals into this critical sector. Options for modest laterally entry programs could also be considered, as could scholarships and dedicated in-service training courses in core skills to key leadership and management staff. The accreditation and licensing of workers in the health system is also a major gap which needs to be addressed, and standards need to be set and minimal skill levels introduced across the three tiers of state. Health education coordination functions are absent and hence core curricula need to be developed for the training of midwives, nurses and laboratory assistants, alongside strengthening the College of Health Science in Bosaso. Per-service and in-service training plans are being developed for the EPHS.

- ***EPHS coordination, development and supervision***: At the regional level, the EPHS as implemented by SCF in Karkaar in which one NGO supports one region should be replicated in other regions. The current model of support being provided to distinct clinics should be phased out of in favor of a more integrated, regional, health system oriented approach, in which each region has one supporting organization, responsible not only for the Health Posts, MCHs, Health Centers and hospitals, but also for the regional and district MoH staff. Training, drugs and medical equipment supply, capacity building, rehabilitation and construction of health centers,

mobility and vehicle support and incentives should form part of the essential package of support.

- ***Community participation***: Models for community participation—particularly around the Community Health Committees—which must include strong links to the education and water and sanitation sectors, are being evolved through the existing system and the EPHS. The community committees and community health worker are intended to provide oversight, ownership and support functions. Community health works need further support to fulfill there many functions, which include responsibility for surveillance of epidemic disease and recordation of their activities at this first level of the HMIS. In addition, as there is no School Health function in MoH, links with supporting sanitary education need development. Building capacities across communities through participation to exercise access rights and contribute to financing are vital.

- ***Health systems support components***: Health systems support components are designed to maximize efficiency throughout the health care system, ensuring that sufficient resources are available for actual service delivery. Major areas of capacity weakness cover: (i) drug supply (ii) operation of the referral system (iii) transportation (iv) equipment maintenance and repair (v) and maintenance of physical infrastructures, and the SCF led pilot region needs to be studies carefully to identify quick wins and opportunities for up-skilling.[22]
- ***Health management information system***: The functioning of the HMIS system is critical to an effective and well managed human resource system. Under the EPHS this utilizes a simple, efficient and accurate HMIS with standardized tools and protocols. These include (i) a core indicator set (ii) and standardized HRM management tools; fit for the purpose. Clearly, the development of core training modules to support HRM management could best be delivered through Training Department, and the Human Resource Unit under the administration and finance department.

4.2.8 KEY LEGAL AND NORMATIVE INSTRUMENTS AND THEIR SIGNIFICANCE FOR SERVICE DELIVERY

114. ***The current legislative and policy/strategy environment for the sector is weak, but ongoing efforts including the EPHS and draft of the 2011-2015 Health Strategy Framework reflect considerable investments to strengthen the sector around its provision functions.*** **Table 12** below outlines some of the key legal and policy provisions relevant to this study and to the long-term development of the health sector.

[22] There is no drug control laboratory and no trained pharmacists were identified in the course of the assignment. A more effective drug licensing and testing system needs to be put in place. Many of the drugs found in visited private pharmacies were counterfeits, whilst drugs purchased locally are not tested. In Karkaar, drugs and medical equipment, if supplied, is provided on a three-month kit basis. In other regions depending on drugs entering the system by the private sector patients receive a prescription for what often appears to be counterfeit medication. Drug supply for all regions needs to be organised and regionalised before it is privatised. Warehousing and drug testing is key. There is no trained pharmacist in the health system of Puntland. Even in Karkaar this side of the health system is still underdeveloped.

TABLE 12: PUNTLAND LEGAL/NORMATIVE INSTRUMENTS AND MOH SERVICE DELIVERY

Legal Instrument	Details	Significance for Service Delivery
The Local Government Law, Number 7	The Local Government Law, Number 7, promulgated by Parliament in September, 2003, proffers powers to the Ministry of Local Government and Rural Development (LGRD) to run and service local authorities, and regulates the provision of basic services such as education, health and water and sanitation amongst others. The purpose of this law is to unburden central government from having to take exclusive responsibility for the development of rural communities, and to encourage communities to become stakeholders in the future development and upkeep of their own communities.	Law No. 7 lists the following provisions pertinent to health sector service provision: • ***Article 9***: lists the following relevant roles and responsibilities of local government: (i) general healthcare and particularly sanitation of the towns and prevention of contagious diseases; initiation and, implementations of projects and programs for social development e.g. in healthcare, economic, education, and etc.; and (iii) construction of Mother and Child Health Centers. Thus, health care provision and even construction resides with the District. This has implications for the public provision of care and the cost recovery aspect of such, which should remains a responsibility at district level; • ***Article 10:*** The local government is to have a Department of Social Affairs; and, • ***Article 24***: The Ministry of Health is to act as a steward of the health system.
The Transitional Constitution of the Puntland Regional Government	The Transitional Constitution of the Puntland Regional Government, drafted in 2002, is a comprehensive document outlining the political and governance structures of the state, as well as the rights of citizenship, including specific reference to women and children's rights.	According to its Preamble, it is based on article 28 of the Transitional Charter constituting the Regional Government of Puntland, which is an integral part of Somali Federal State, basing itself on the Islamic Law and on Human right and rights of life. This is an important clause as it acknowledges basic human rights, thus the right to health. In addition, the following clauses are of particular significance: • ***Article 6:*** Acknowledges Islamic Religion and the traditions of the people of Puntland as the bases of law. This means that Islamic traditions and nutritional laws are pertinent in Puntland. This has consequences for medication and therapies; • ***Article 7:*** Garowe is established as the capital city. This means that the location of the MoH by constitution has to be Garowe, rather than Galkayo, Bosasoor or Karkaar, despite the fact that many of the senior members of government have their business interests and home basis in these cities; • ***Article 10:*** The Government of Puntland claims primacy in Health. This further implies that the stewardship of the healthcare system should reside in Garowe; • ***Article 15:*** A census is to take place by 2011, which is to reveal critical baseline data (currently unavailable) on population, which would serve as elemental information on which future health policies and planning should be built upon; • ***Article 18 / 19:*** Abortion is legal if special dispensation is obtained; • ***Article 20:*** Institutions, social security and care for the mentally handicapped are legally mandatory. This would provide an important entry point for the establishment of social insurance for diseases and the establishment of a health financing system; • ***Article 21:*** Puntland shall promote the public health care of mother and child, prevention of contagious diseases, and encourage public health sanitations. It shall protect the health and

TABLE 12: PUNTLAND LEGAL/NORMATIVE INSTRUMENTS AND MOH SERVICE DELIVERY

Legal Instrument	Details	Significance for Service Delivery
		promote the health institutions, and shall promote and encourage private institutions for health as regulated by the law. Pursuant to this article, the state is obliged to cooperate in healthcare programming; • ***Article 52:*** The day-to-day operation and management of the Ministry of Health resides with the Director General; • ***Article 59***: The Minister has a leadership role and the authority to propose promotions, rewards and dismissal, hence the decision rests with the Director General; • ***Article 81:*** The Government of Puntland is legally bound to support decentralization; • ***Article 83 / 85:*** District councils should be capable of planning their economic and social affairs and implementing social affairs and health care. This clause would have important consequences for the educational level in health service provision (currently not present) as well as financial functions; • ***Article 93:*** Every sick civil servant is entitled to health care, which statement has important health financing consequences; and, • ***Article 100:*** The constitution entered into force on 1 July 2001.
Essential Package of Health Services	Phase I of the EPHS services in Puntland seeks to transform the way essential health services are provided. Not only does the EPHS define (i) four levels of service provision (ii) ten health programs and (iii) six core management components, in providing such an approach it seeks to kick-start current public provision functions around a clearly defined four tier delivery structure (PHU, HC, RHC and H) which provides the foundation for consolidation of the existing system, and a close relationship with NGOs and community groups and the private sector.	The EPHS has major implication for addressing horizontal and vertical delivery imbalances whilst building on existing public and private arrangements, with a strong community focus that will lead to a fundamental shift in the organization and management of delivery. The four-tier system works well for the centre-regional-district structure of state, and once functional assignments have been clearly established, local government's role in supporting a bottom up approach to delivery is vital. The main implications for this assessment include: • A clearly defined, objective financing and coordination model that delivers essential services, within existing systems, with a clear financing model for roll out; • Four levels of service for the public system support around which meager state financing resources can be aligned, to maximize impact across the ten program areas; • Development of six essential management and support functions that will build capacities across the entire delivery system.
2011-2015 Health Strategy Framework	Providing the strategic framework around which objectives, results, priorities and institutional governance and financing are provided for the entire health care system.	Whilst still very much a work in progress, the strategic framework provides clarification as to the main focus on government support, main structure of the emerging health system and a strong focus on building core capacities. Further development is needed to support full sector costing within the budget framework and to improve the relevance of the strategy to non-state actors.

4.3 MoH Ability to Deliver Services Effectively

4.3.1 Vertical, Horizontal and Other Service Delivery Arrangements

115. ***Given the lack of state funding for the sector it is really quite remarkable that MoH is able to establish and run the basic framework at all***. As previously stated however, the functional comparative advantage of MoH remains limited to provision not production functions. However, with the exception of the Karkaar region where the EPHS is being rolled out, to a large extent the central-regional-district-community delivery framework is virtually non-existent. Financial and human resource constraints are the main drive of such poor functioning and the project-driven approach supply driven by aid resources makes for a rather fragmented approach to delivery, with large haps in service provision in outlying areas.

116. ***There are multiple layers of service provision, all of which work in support of improved delivery but together they increase the complexity of effective delivery***. These arrangements—which can be poorly coordinated and fragmented—reflect weak state service delivery and fiduciary management capacities. There are nominal state structures within the MoH and district administration (local government) with service provision related assignments. There are vertical programs largely driven by the international community that buy and large circumvent central government; and these programs are channeled through regional and district structures. There are non-government projects that maintain health clinics and other facilities, most of which are managed independently from the state system. Finally, there are substantial private sector delivery capabilities, which are the backbone of the current delivery system.

117. ***Understanding the de facto policy followed over the past decade by be seen by tracking health assistance by disease and program financing:*** Over the course of the past decade (2000–2009) the majority of funding (21%) was allocated to emergency programs, with the rest distributed between TB, HIV, malaria (15%), primary health care (14%), nutrition (13%), the polio program (12%) and health system strengthening activities (10%). The overall funding reflects donors' preference towards vertical rather than horizontal programs and to stemming what are clearly high priority health related concerns.

118. ***International Service Provision***: International support for the health sector in Puntland is hugely critical to meeting national and international MDG targets. In addition to advisory support, the international community also runs vertical programs. UNICEF manages GFATM funds to combat HIV and malaria, while World Vision International manages the funds for TB. Implementing organizations include NGOs, UN agencies and civil society organizations. The TB program has been long established in the country and a satisfactory amount and quality of statistics is available. The TB program performed well in the first half of the past decade, reaching the global targets for case detection and treatment outcome by 2005. As for the HIV program, assessing progress is difficult, as the majority of activities tend to be preventive in nature. As of 2010, prevalence data indicate that the epidemic is not generalizing, while on the curative side, a few people (currently less than 500) are reported to receive anti-retroviral therapy (WHO 2009). Prevention activities among young people appear to reach only a minority, as only 4% of young people have comprehensive knowledge of HIV (UNICEF 2010). On the malaria front, progress has been made in the provision of insecticide treated nets (ITN), though the percentage of households owning at least one ITN remains low (12%). The percentage of under-five-year-olds sleeping under Tins is equally low (11%). On the treatment side, 8% of under-fives with fever receive anti-malarial drugs (UNICEF 2010).

119. ***The current mode of operation of the central Ministry of Health has, therefore, been heavily shaped by the channel for external financing and the complex coordination arrangements that emanate out of Kenya where the UN is headquartered*.** An additional factor that undermines the ability of the Ministry to perform its functions is the seasonal relocation of its offices between Bosaso and Garowe. As a consequence, even though the organizational structure of the MoH seems impressive, many structure are yet to be made operational. Yet, the EPHS is bringing necessary change to this arrangement with a far greater focus on assistance provided through the four levels of service provision, implying a strong regional and district engagement.[23] However, weak and tenuous linkages between the central MoH and the regional health offices in areas where the vertical pillars of HMIS, EPI, TB are missing needs to be strengthened.

120. ***Poliomyelitis Program:*** The Polio eradication program is sponsored by several international donors, and is jointly coordinated and implemented by WHO and UNICEF. ***Expanded Program on Immunization (EPI):*** Funding for EPI has been stable from 2009 onwards. UNICEF and WHO note a sharp increase in immunizations between 2008 and 2009 due to the implementation of child health days campaigns across Somalia in partnership with local authorities and NGOs. The child health days package includes immunizing every under-five child against measles, polio, diphtheria, whooping cough and tetanus, in addition to provision of Vitamin A, de-worming tablets and nutritional screening for referral of malnourished children to feeding programs. Women of childbearing age are immunized against neonatal tetanus. ***Reproductive Health***: Overall investment in reproductive health remains low given very high mortality (1,400 per 100,000 women), high total fertility rate (6.4), low institutional deliveries (9%), and low prevalence of modern contraceptives (1%) (UNICEF 2010). Funding seems insufficient to target the enormous challenges in the reproductive health area.

121. ***Nutrition program:*** Malnutrition is a major public health problem in Somalia, affecting hundreds of thousands of children and severely undermining future productivity, long-term economic development, and poverty reduction in the country. Malnutrition rates in Somalia rank among the highest in the world and call for a significant response, as funds allocated over the past decade (13% of total aid financing to Somalia) do not seem to have produced tangible results. ***Emergency programs:*** Emergencies programs accounted for 21% of all financing in between 2000-2009, thus being the number one category to be financed in the health sector. Many activities in the sector are conducted in emergency mode to confront the consequences of either natural or man-made disasters. Droughts, floods, conflict and mass displacements have been the norm in the past decade. ***Horizontal Programs:*** The category horizontal programs bundles financing for hospitals, primary health care and health system strengthening. Health system strengthening is a code provided by numerous agencies (e.g. EU, ECHO, DFID, Italian Cooperation and the GFATM) to support an array of issues including infrastructure, human resources, equipment, treatment protocols and manuals, as well as training and development. Financing for horizontal programs increased four fold from 2000 to 2009 (source World Bank). This increase in absolute terms, however, did not translate in an increase in relative weight versus other programs

[23] In some areas one organisation could take a lead in supporting and strengthening the entire region, including all five districts, health posts, health centres and the regional referral hospital. For instance, in Karkaar, in addition to the assistance above, Safe the Children also supports MoH regional and district level staff, provides incentives, engages in training and local capacity building, supplies drugs, supports rehabilitation and construction of health structures, as well as provides vehicle support. In addition, SCF is currently considering a community health-strengthening program in the Karkaar region and is running a nutrition program under ECHO/ UNICEF funding. In effect, the healthcare system and sector service provision appears to be functional and effective in the region of Karkaar, as opposed to other underserved areas.

within the annual overall aid envelope. Financing for horizontal programs actually decreased from 37% in 2000 to 33% in 2009).

122. ***The analysis shows that the increase in financing in recent years was predominantly driven by an expansion of funding to primary health care and hospital care*.** Support for health system strengthening has been at a similar level for many years, although JPLG has provided a needed focus on strengthening government systems, albeit at the level of regional and district administration. [24]

4.3.2 CURRENT CAPACITY TO DELIVER THE SERVICES REQUIRED

123. ***The functional capacities of state structures are slowly evolving and considerable effort will be required over the course of the next decade to build policy, planning, budgeting, and oversight and coordination capacities*.** In many areas core functions are either absent of preformed in a piecemeal way, and this includes health financing, coordination and registration of INGOs, licensing, accreditation, drug quality control, health legislation, human resources planning, health planning and health education. A number of major shifts are required to allow MoH to fulfill its mandated functions, and these include:

- Providing greater support for strengthening leadership, management and coordination capacities, including short and focused study tours to visit regional country approaches, in Kenya, Uganda and Ethiopia, in-service training etc.;
- Progressively shift the coordination centre from Kenya to Puntland—sequentially—as capacities are built and on-budget sector financing is increased;
- Leverage the gains being made in formalizing the sector through the EPHS into other regions, building on lessons learned in Phase I, with a focus on strengthening regional, district and community functional capacities;
- Progressively formalize the EPHS service delivery model, bringing NGOs into key regional and district level roles, as a vehicle to benefit from the different comparative advantages of the actors.
- Find a way, by developing essential service clusters, grouping health, education and water and sanitation support programs, within a strong community based approach;
- Strike an acceptable balance between curative and preventive care;
- Progressively move towards a health systems approach, to balance vertical programming;
- International organizations such as UNICEF, WHO, UNFPA, SCF, World vision, Merlin, MDM will need to have a stronger footprint in Garowe to support the deepening of the current approach; and,
- Other capacity building support measures include (i) work shadowing (ii) on the job training linked to specific job functions and deliverables (iii) expanding opportunities for distance learning which have been a strong source of professional upgrading (iv) running

[24] In the past decade, 47% of all financing for horizontal programs went to primary health care, with 33% to hospital care and 20% to hospitals. A breakdown of expenditure in horizontal programming shows that the largest proportion was spent on salaries (34%), followed by supplies and equipment (23%), operating costs (20%), training and capacity building (19%), and a smaller portion to guidelines and workshops (3%). Only 1% was allocated to Infrastructure.

modular capacity building in the form of a series of practical workshops in Puntland and (v) in-country technical support to work with and support senior management teams in carrying out their duties (Mentoring).

4.3.3 GENDER, HUMAN RIGHTS, INSECURITY & DROUGHT

124. ***Gender***: There are considerable gains to be made from the current EPHS approach, given its primary focus on community level structures, mobilization, awareness and financing. The risks of social and gender exclusion—or worse still gender-based violence—can in part be addressed through extension of state presence. Core programs include the establishment of referral health centers and hospitals to take care of victims of sexual violence, including PEP, and prevention through awareness raising. The training curriculum for Community Health Workers (CHW) also includes core gender based training and awareness. Despite the above, evidence suggests that gender based violence has worsened over the course of the past 20 years, especially in South-Central regions. In terms of balanced public sector staffing, field observations indicate that while traditionally women's roles, such as midwives, auxiliary midwives and traditional birth attendants are staffed by female personnel. Affirmative action is required to promote gender balance leadership, management professional staffing.

125. ***Security:*** Growing insecurity has reduced the footprint of many of the NGOs and re-enforced the tendency to deliver services where access and security are good. This cannot be helped in the sort term but in the long-term this adds to the argument for national NGOs or limited government run services in some areas. The supply of financing however does not make this possible and the kidnapping of international staff in 2008 has therefore led to negative consequences for many people deprive of services. The focus of delivery if very much focused around the area between Garowe in Nuqal, the Karkaar region and the Bari region, where the port of Bosaso is. The remaining areas—Muduq, Sool, Sanaag and Cayn—are currently inaccessible for international organizations and this has implications for policy; given the risks that social exclusion undermines the legitimacy of government long-term. With the security level of Bosaso being raised to 4, access is only allowed for essential activities and key staff only. Given the focus on improving horizontal equity, the EPHS is going to have to adapt to meet the health needs of citizens currently living in areas where external presence is compromised.

4.3.4 SUMMARY TABLE OF EXISTING AND PROPOSED FUNCTIONAL ASSIGNMENTS FOR HEALTH

126. ***Table 13*** below provides the results of this assessment in terms of sub-sector production and service functions, and present and future implementation modalities, and their justification.

TABLE 13: DEFINITION OF FUNCTIONAL ASSIGNMENT TO DIFFERENT LEVELS OF GOVERNMENT: MINISTRY OF HEALTH

			Present Implementation Modality				Future Implementation Modality				Future Implementation Timeframe (years)			Justification
	Sub-sector	Functions	Central	De-concentrated	Delegated	Devolved	Central	De-concentrated	Delegated	Devolved	1 y	2-5	10	
Service Production / Provision	Health Policy & Planning	Coordination international assistance	Not done	Not done	Not done	Not done	Coordination international assistance	Stronger regional M & E				X		Technical Assistance needed
		Planning and policy Development	Not done	Not done	Not done	Not done	Health system planning	Stronger regional M & E				X		Technical Assistance needed
		Project proposal monitoring & evaluation	Not done	Not done	Not done	Not done	Project data base (L & A)	Stronger regional M & E						
		Health Research Unit	Not functional	Not done	Not done	Not done	Not needed (Yet)							
		HMIS	Synthesis regional reporting	Synthesis district reporting			Synthesis regional reporting	Synthesis district reporting						UNICEF run project. Should be moved to Garowe
	Human resources development	Curriculum Development & Training;	Not done	Not done	Not done	Bosaso Centre autonomous. No oversight	Standards setting.	Stronger regional M & E Bosaso integrated into the system				X		Technical Assistance needed
		Licensing & Accreditation												
	Health Financing	Health financing strategy development	Not done	Not done	Not done	Not done	Health financing strategy developed	Stronger regional M & E				X		Technical Assistance needed
	Pharmaceutics	Drugs licensing and testing	Not done	Not done	Not done	Not done	Central drug testing facility	Stronger regional M & E			X			Short term assistance needed

		Drug Equipment supply / cost recovery	Not done			Ad hoc mechanisms	Standard setting, Control, M & E		Coordination at local level information of central level	X		Short term assistance needed
	Primary Health Care	MCH	Some training			Regions fully autonomous	Standards setting, M & E, stronger oversight and licensing		Regions fully autonomous	X		One region one partner
		EPI	No control or information	Run from Nairobi			Overseen from Garowe	Local implementation		X		UNICEF Nairobi / Bosaso has to move to Garowe
		Nutrition	No control or information	Run from Nairobi			Overseen from Garowe		Local implementation	X		Nairobi/ Bosaso has to move to Garowe
		Mental Health	Not done	Not done	Not done	Not done	Development treatment protocol		Local Implementation		X	
		School health	Not done	Not done	Not done	Not done	Standards setting materiel development	Implemented on local level with Central support		X		Management should move to Garowe
	Administration& Finance	Accountancy and administration	Centrally managed	Regions get pay roll data from the centre through Dahabshiin			Oversight	More local discretion			X	

		Human resources	Not done	Not done	Not done	Not done	See above. HR should live in its own unit	More local discretion		X	
		Logistics	Not done	Note done	Not done	Not done	See above. Logistics should work in its own unit	More local discretion		X	
	Regional Health Coordination Unit	Coordination with Regional coordinators	Not functional unnecessary bureaucratic layer. Currently reporting directly to DG and Deep Minister		Regional coordinators have 6 contacts a year		Data synthesis in cooperation with HMIS. Regional Health Officers should continue to report to DG	More local discretion. Better streamlined coordination		X	Should be supported by the Local Partner as a matter of policy
	Public Health	TB Control	Barely M &E, Training			Implementation through local implementer. Barely coordination	Coordination	More oversight from Garowe	X		Management should move to Garowe
		Malaria control / Vector control	Barely M &E, Training			Implementation through local implementer. Barely coordination	Coordination. M & E	More oversight from Garowe			Management should move to Garowe
		HIV / AIDS	IDEM								

		Communicable Diseases/ Environmental Health/ Emergency Preparedness/ Health education	Not functional. If anything managed from Nairobi. Should be established

Source: Adapted from UN Guideline on Decentralization to Local Government (January, 2010)

4.4 REVIEW OF FUNCTIONAL ASSIGNMENTS

127. ***In addition to the MoH proposed projects to strengthen the provision functions of central and regional structures, this study identifies a number of additional adjustments required to strengthening health systems around the core functions.*** These include, but are not limited to:

- Urgent establishment of trust fund arrangements to pool sector financing as a fungible resource to pursue regional health policies;
- Urgently cost the entire sector including costs of EPHS roll out to all regions, as a means to increase state financing and ring-fence external donor support;
- Urgent support for locating leadership and coordination functions in Puntland;
- Identification of a lead donor for the health system;
- Screening of national and international NGOs in regions not covered by the EPHS, with a view to laying the foundation for future roll out;
- Need to pilot an integrated approach that links health, education and WASH services into a community cluster framework, including the possible establishment of Directorates under the Social Affairs department;
- Consideration be given for graduating EPHS health kits, over time, to include non-essential items;
- Consider approaching the UAE (aid funds of US$ 3 billion in 2011) for financing of capital infrastructure;

The excellent HMIS system should be broadened in scope, to include wider health outcome monitoring and evaluation capacities.

4.5 PROPOSED 'UNBUNDLING' APPROACH

128. ***So what does this analysis mean for the orderly assignments of production and provision functions for the health sector?*** Answering this question is critically important given the need to be clear about which functions should be the responsibility of central, regional, district, community and private sector entities, in order to maximize the impact on health outcomes through value for money services. This task is complex for this sector given that both MoH district offices and District Administration share virtually identical mandates on paper. The simple question therefore is whether investments need to be made to extend the current vertical system toward the district and community levels or to strengthen district administration, or a balanced combination of both?

129. ***There are strong arguments for using the EPHS as a springboard towards the formation of a system-wide approach, and this has been the intention of the EC and UN, and is fully supported by Government.*** Moreover given the weak institutional and fiscal capacities of state, any health system must clearly seek to minimize the risk of expansionary structures that do not directly support provision or actual delivery functions, and rather increase recurrent costs. Critical therefore to unbundling this exercise is identify a service delivery model around which the functional assignments enhance delivery capability, effectiveness and efficiency. In this regard, a number of conclusion are drawn, with implications for the current service delivery model, which includes strong market driven provision functions, and the EPHS as the emerging cornerstone of a more systemic approach. Key strategic observations with implications for unbundling are as follows:

- The absence of a Health Act—but the need for its formulation—provides an opportunity to think through, based on evidence, the preferred framework of functional assignments including sector and local government production and delivery mandates;
- With the EPHS the cornerstone of the emerging health system, every effort must be made to expand this system into all regions, down to communities and districts, whilst utilizing the undoubted capacities of national and international NGOs in the process
- Any system must be built from the bottom-up and top-down, building from Primary Health Units, to the Health Centers, the referral health centers and to hospitals;
- Given the primary role played by the private sector, as the de facto back-bone of the current system, yet the risks of poorly regulated health practices, regulatory oversight and compliance capacities need to be urgently established;
- The particular focus on how to deliver services to the socially excluded must be central to the health policy; alongside commitment to clustering health, education and water and sanitation services to maximize monopolies of collective provision;
- Health financing, improved budget formulation and execution capacities and aid management must be forged from the centre to the regions;
- Building the six management functions of the EPHS is a priority, but this needs to be supplemented by investment in leadership, management and coordination training of senior cadre within the current system;
- Costing the sector, setting services delivery baselines by coverage and catchment populations, as well as establishing pooled financing arrangements to make external resource fungible to the priorities established within the 2011-2015 Health Strategic Framework is vital to support the harmonization and alignment of international support, whilst encouraging greater government ownership and responsibility;
- Improved communication and coordination across the tiers of the system, supported by a strong health communication strategy; and,
- Developing viable pilots to meet the health needs of nomadic communities who are ipso facto excluded from state, NGO and private sector outreach.

130. ***In unbundling the production and provision functions, greater clarity regarding the functional assignments of central, regional, district and community levels has become clear, as has the need to differentiate between the district representative of the parent Ministry and local government.*** Furthermore, in the light of constitutional commitments to '*promote the public health care of mother and child, prevention of contagious diseases, and encourage public health sanitations, whilst protecting health and promoting health institutions, whilst encouraging private institutions for health as regulated by the law*' and decentralization Law. No 7 which aims to '*provide general healthcare and particularly sanitation to the towns and the prevention of contagious diseases; as well as initiation and implementations of projects and programs for social development*', the orderly unbundling of 'production' and 'provision' assignments is necessary.

131. ***An education Act needs to be urgently drafted, to functional assignments of the various actors in support of the emerging EPHS driven delivery model***. Moreover, given that the EPHS has already been established around (i) four levels of service provision (ii) ten health programmes and (iii) *six management components*, and given that the main functional assignments in support of this cornerstone policy have already been clearly defined, then the proposed unbundling of functions must

build on this framework whilst also strengthening policy, planning, budgeting/financing, regulatory and oversight capacities at the centre and regional levels. The overall strengthening approach must also be established to pioneer a new 'leading-change' management framework that builds senior leadership capacities in the public sector, around the new service delivery model. Moreover, given that the private sector and NGOs are critical to the existing and future delivery arrangements, these stakeholders must be centrally involved in discussion towards a more system wide approach.

132. ***Table 14 below provides a summary of proposed functional assignments across the current service delivery framework, building on the emerging system and practices, which would need to be reflected in any future Health Act.*** Of great significance here, Law No.7 would need to be modified in the light of the new EPHS and these findings given the rather overarching assignments, which lead to confusion between vertical sector delivery and local government. Clearly, given the establishment of the four levels of health care provision, it must be the role of the centre to provide provision and production support functions from the top-down and of the district administration to provide them from the bottom up. ***Table 14*** below outlines the allocation of proposed functions, building on ***Table 13*** above, as the basis for creating clarity of mandate.

TABLE 14: POSSIBLE HEALTH PRODUCTION AND PROVISION ASSIGNMENTS FOR PUNTLAND

Types of Decision-Making	Upstream Functions	Downstream Function
Sector Provision (Management)		
Policy Making	– Drafts national health policy, guideline, directives and relevant standards – Established state health policy goals, vision and objectives – Drafts new Health Act – Uphold international treaties and conventions – Establish mandates of RHO, DHO	– Contributor / Evidence / Information sharing
Planning	– Formulates Strategic Health Plan – Establishes service delivery baseline – Undertakes Sector Costing – Established medium term results and expenditure framework – Move from contemporary facility levels to EPHS facility structures – Vertical and horizontal programs – EPHS sequencing – Address social exclusion in planning	– Regional supervisory team implements national health policy; – RHO, DHO and CHC's provides inputs into national planning – Municipalities Integrate local health plans into District Development Plans; – Plans district health facility priorities; – Physical infrastructure needs assessment
Budgeting & Health Financing	– Formulate state budget – Set recurrent, O&M and capital budget requirements; – Comply with statutory budgetary and fiduciary management requirements – Develop cost-recovery and health financing regulations – MTFF/MTEF development – Off-budget harmonization and alignment – Physical infrastructure needs – Ensure donor financing	– Plans and approves the district education budget – Sets staffing needs, within budget limits – Allocates municipal resource, including municipal and district contributions to the EPHS – Support community health fund establishment; – Oversight of NGO activities; – Taxation of private health care providers/services
Execution/Procurement/HMIS	– Regulatory Oversight; – Budgetary and payroll compliance – Procurement of goods, works and services	– RHO staff provide policy, planning, financial, supervisory, personnel and technical support services for all health facilities in

TABLE 14: POSSIBLE HEALTH PRODUCTION AND PROVISION ASSIGNMENTS FOR PUNTLAND		
Types of Decision-Making	**Upstream Functions**	**Downstream Function**
	– Health workers pay, Maintenance and Supervision – HMIS maintenance – Drug management – Coordination	a region. RHO maintains a Regional Medical Stores (RMS) – DHO – Community participation
Health Research/Reporting	– Establish service delivery baseline – Surveys of service coverage and catchment populations – Undertake medical diagnostic studies	– Weekly/daily communicable disease and surveillance reporting;
Regulatory Oversight/Supervision	– Development and enforcement of state educational standards, norms, practices and principles.	– Day-to-day standards enforcement and monitoring of health facilities and service standards
Sector Production Functions		
Primary Health Units	– Sets standards and operating procedures and principles; – Location of PHUs based on demographic and other variables; – Financing arrangements; – Drugs and equipment supply – Staff pre-service and in-service training	– Support promotional, preventive and curative activities; – Prevention of disease and promotion of health through nutrition education, health-seeking behavior, vaccination, mosquito nets and improvements in water and sanitation. – Work with Community Health Workers and Community Health Promoters – Community Health Committee establishment – Core Programs 1-6
Health Centre	– Sets standards and operating procedures and principles; – Location of PHUs based on demographic and other variables; – Financing arrangements; – Drugs and equipment supply – Staff pre-service and in-service training	– The health centre is the key unit of the essential package, at which all core programmes are carried out. It is the first level at which obstetric services are provided, including ANC and facility-based deliveries with qualified midwives; – Core programmes one to six are all applied in their entirety at the health centre, except for a few interventions that only take place at referral health centre level.
Referral Health Centre	– Sets standards and operating procedures and principles; – Location of PHUs based on demographic and other variables; – Financing arrangements; – Drugs and equipment supply – Staff pre-service and in-service training – Maintenance of physical facilities	– Referral Health Centers and district hospitals carry out all core programmes one to six and add additional programmes seven to 10 for treating people with mental illness, chronic disease and dental and eye disease via outreach visits by specialists from the regional level. – The Regional Health Office is responsible for supervision of HCs and RHCs.
Hospital	– Sets standards and operating procedures and principles;	– The hospital ensures 24-hour quality inpatient referral health

TABLE 14: POSSIBLE HEALTH PRODUCTION AND PROVISION ASSIGNMENTS FOR PUNTLAND		
Types of Decision-Making	**Upstream Functions**	**Downstream Function**
	– Location of hospitals; – Financing arrangements; – Drugs and equipment supply – Staff pre-service and in-service training – Maintenance of physical facilities	care, with qualified nurses, midwives and doctors permanently in the hospital
Human resources development	– Promote recruitment and retention of professional staff; – Classification and clarification of the workforce structure and size – Pay and grading – Terms of service – Career management and succession planning – Pre and in-service training – Establish training curriculum for RHO, DHO and Community Health Workers (CHW)	– Oversight of staff management – Staff recruitment and management – Conduct local training – Dismissal and complaints – HRIS reporting
Health Financing	– Health financing policy and arrangements; – Fiduciary risk management and framework	– Local and community financing – Revenue mobilization – Fiduciary risk management
Pharmaceutics	– Policy and regulatory standards; – Accreditation and certification; – Import licenses – Standards enforcement	– Regulatory oversight and standards enforcement – School supply
Regional Health Coordination Unit	– Coordination of regional hospitals – Coordination of district health services	– Coordination of community health services
Public Health	– Promotes public health system – Sets state public health policies and plans	– Promotes public health system – Sets state public health policies and plans
Gender	– Sets standards against gender discrimination and gender based violence – Balanced work force	– Combat gender based violence – Application of gender based recruitment policies – HRIS reporting
Private Sector	– Sets rules and regulations – Taxation – Oversight, compliance and complaints – Legal action	– Oversight – Regulation – Standards enforcement
Aid Management	– Aid management and coordination system development	– Coordinated district level and community based NGOs

4.6 SERVICE DELIVERY MODEL DEVELOPMENT

133. ***The EPHS has defined the service delivery model for primary health care provision; and as such the key issue now is financing roll out to all regions.*** This is not an easy task and requires both increased sector budget allocation and further support from donors, perhaps even the Diaspora. However, because the four tiers of the EPHS model do not inherently describe the provision and production mandates of central, regional and district offices, or the functions of local government and communities, the draft health law needs to identify who does what, when and how in delivery, across vertical and horizontal structures.

134. ***For secondary and tertiary care, where private sector finance is likely to be critical to model success, models need to be identified through stakeholder discussion, thereby laying the foundation around which support can be coordinated***. Given the centrality of the private sector in meeting current health needs, and the relative size of private investments compared to public funds, identifying

financing arrangements for the preferred model is going to be key. Areas of concern, where pilots will be required, including how to increase access to health for male sections excluded by the strong focus on MCH and nomadic communities that are beyond the footprint of EPHS or private sector provision.

4.7 OTHER PROJECT INVESTMENT SUPPORT REQUESTED BY MOH

135. The Ministry of Health faces considerable challenges, and in the course of the key informant interviews, officials outlined the following immediate support needs for the sector:

136. **Option Project No. 1** – ***Work with the Minster's Office and Policy, Planning and Development Department to draft a Health Act that incorporates both vertical and horizontal production and provision needs, around which the orderly unbundling of the sector around the new service delivery model will be regulated***. The need for a Health Act has never been clearer. Law No. 7 has created a degree on confusion and the EPHS now focuses on a sector driven structure with close links to community groups, local government and NGOs. This new service delivery model needs to be described in detail and functional assignments set, broadly in line with the findings of this study. Duration would be 6 Months, at an approximate cost of US$100,000 to US$150,000, depending on the degree of consultation. One international health legal specialist would work with a dedicated policy lead in MoH, around which a national drafting committee would be established, with representatives of the donor, NGO, regional and district committees.

137. **Option Project No. 2** – ***Technical Assistance to the Health Planning and Policy Development Department; as requested by MoH***. Planning the health system and rationalizing and improving the information streams as well as the information-relaying infrastructure, strengthening the ministry of health's role in harmonization and coordination of the International assistance. Duration would be 24 Months with possible prolongation, at an approximate cost of US$150,000 per year. Staff needed include a team of 1 health planning expert, 1 support staff, and 1 driver. Work would focus on:

- Policy and program related management information development;
- Establishment of a service delivery and baseline;
- Improving harmonization and alignment of aid to meet Strategic Health Priorities;
- Improving Puntland based aid coordination capacities;
- Developing guidelines in support of strengthening NGO coordination.

138. **Option Project No. 3** – ***Technical assistance, (P5) supporting the director of planning in the Aid an Donor Coordination Unit - two years full time - to set up licensing, registration and reporting unit of international assistance***. Core leadership and change management capacities will be built, around which the Ministry would be the focal point for aid management and coordination. Reporting, harmonization and alignment capacities will be built, with a focus on upstream and downstream arrangements. A key aim on the coordination side is to prevent pockets of exclusion, which include Sool, Sanaag and anywhere where access is compromised. Something equivalent to an online Donor Assistance Database (DAD) will be established to include strong PET systems, and this would be aligned to the MoF budget tracking process. This is a 2-year support project, costing around US$200,000 a year, requiring a regional expert with strong health coordination skills.

139. **Option Project No. 4** – ***Similar to support provided by ICDSEA for the education sector, there is an urgent need to provide a pool of technical assistance in the area of (i) HRM Systems development (ii) budget development (PFM) (iii) pharmaceutical and medical equipment logistics capacity building (iii) pre-service and in-service training development experts.*** With each expert costing between

US$150,000 to US$250,000 a year, this support will need to be provided for a period of two years in the first instance, to build the core management capacities of the Ministry across the entire budget formulation and execution cycle. This support will also mentor senior Ministry and regional cadre as part of a leadership and management training program – on the job – around which significant improvements in the HRM, PFM, logistics and training will be delivered, including guidelines, regulation and manuals of operations. Time (24 months). Costs Circa US$1.6 million.

140. **Option Project No. 5** – ***Health Service Utilization, Household, Retrospective Morbidity and Nutritional Surveys***. Interviews of health care providers at each type of public health care facility are required, collecting information on Facility infrastructure, Availability and quality of services, Provider training, and supporting management practices. It is proposed to focus on four basic types of health services: treatment for chronic health conditions, treatment for acute health conditions, preventive health care, and reproductive health care.

141. ***The health service utilization survey should assess the health care supply environment through a facility inventory questionnaire***, a health care provider questionnaire, and an exit interview questionnaire. It should assess the facility through an inventory questionnaire, with questions on the type of facility, the availability of services, the number and types of staff working at the facility, the hours of operation, facility infrastructure, the availability of water and electricity, the consultation fees charged to clients, the use of managerial and quality assurance practices, and the availability of in-service training opportunities for doctors and nurses. It should assess the HR environment through a provider questionnaire including questions technical qualifications and training, supervision and management, the types of services provided, and opinions on the issues that need to be addressed. It should do exit interviews with clients at facilities eliciting information on clients' demographic characteristics, their reasons for attending facilities, and their opinions on the quality of care.

142. ***Based on a sample of urban and rural families collecting information on Demographic characteristics, household assets, dwelling conditions, Health problems, Insurance status, Preventive and curative health care utilization, Contraceptive use, Health care expenditures and Perceptions of service quality***. The household survey should provide information on health care utilization patterns and their social and economic determinants, collecting information on Socioeconomic, location, demographic, and health insurance characteristics of households and individuals, Curative health care utilization, Preventive health care utilization and Reproductive and child health care utilization. Questions of food and water access should be addressed as well as a survey of the nutritional status, measuring middle upper arm circumference, weight with a standard 25 kg Salter scale and length and height boards to measure children and immunization through the measurement of the measles immunization coverage as recorded by score card or oral vaccination history. Time (4-6 months). Costs Circa US$ 150,000.

4.8 HEALTH SECTOR – PROPOSED NEXT STEPS

Given fiscal constraints, but with the EPHS providing a strong framework for primary delivery, MoH should focus efforts in directing policy, undertaking sector planning (which involves regional and district structures), budgeting and regulatory oversight, and enforcement. However, unless the minimum staffing and skill-set capacities are costed for key provision functions, decentralized delivery will remain poorly regulated. Next steps for the sector (to be implemented over the coming 2 years) would logically include:

- Strengthening the draft National Health Policy to be clear on the roles of the MoH and local governments, which will require national consultation across vertical and horizontal structures;

- Costing the entire sector (on and off-budget flows) including the core wage and non-wage recurrent, O&M and capital costs, outside of those already costed by the EPHS, and identify sources of financing;
- Identify the preferred Service Delivery Models for health care delivery, given the central role of non-state providers, and then focus on building a system, based around the EPHS, that can, over time, move beyond primary care;
- Establish and cost a service delivery baseline for the sector, setting the budget ceilings for 3-5 years, baaed on a medium-term expenditure framework. As part of this process, move towards a functional (program based) budget for the Health Sector, around which donors can provide and coordinate support;
- Establish a set of standards and accreditation framework for the private sector (pharmacies) as well as best institutional options for regulatory enforcement; and,
- Consider piloting sector categorical grants for health care provision to support existing intra-governmental fiscal transfers.

- 5 -

WASH SECTOR ASSESSMENT FINDINGS

QUICK SUMMARY OF WASH SECTOR FINDINGS

1. **WASH sector in Puntland is analyzed separately for each element** - water supply, wastewater management and solid waste management – all three being subsectors, with hygiene activities - a cross cutting element.

2. **The level of service provision in WASH is generally low**. Water infrastructure consists of networked systems only in parts of urban areas (serving an estimated 15-25 percent of population), with the rest being served by berthas with basic production facilities but no networks). There is a serious shortage of water, due to over-exploitation and depletion of groundwater tables. Wastewater infrastructure is entirely missing, outside on-site and off-site facilities provided by individual households. Solid waste management infrastructure is also absent, with dumpsites and no sanitary landfills, and with collection services provided for a very small (yet, not quantified) part of urban population.

3. **The central agency in charge of WASH in Puntland is PSAWEN, which covers all service production functions as conferred by Law No 2**. The Ministry of Health is also co-responsible for hygiene, as is the Ministry of Education. The legal and regulatory framework addressing water, wastewater and solid waste management is not developed, save for water quality standards. Similarly, there are no PSAWEN or MoH-based programs to conduct Hygiene-related activities, which largely fall within the promotion of hygiene among the population. Although a Puntland State Water Policy has been drafted in 2007, it was not followed by much needed strategic plans for development of the sector and is, generally, inapplicable. The Local Council Laws of Puntland State of Somalia (organic law) assign service provision functions in WASH to local governments, in spite of ambiguities in its language.

4. **PSAWEN service production and provision functions are mixed**, in spite of it being a regulatory agency. PSAWEN is a de-concentrated body, with regional offices, which engage in service delivery. In practice, regulatory oversight functions vested in PSAWEN, such as water quality compliance and service standards, are largely omitted. This is largely due to limited staffing (incl. qualified staff) and financial resources to support activities. The Government does not provide for capital investment, thus it is presently covered by donors, and in partly by the private sector (in water supply only).

5. **Water supply service delivery is performed by both the private and public sectors, but dominated by the latter, either as formalized PPPs, or informal supply by individual traders.**

6. **There is no service delivery role in wastewater**. Solid waste management services are performed by district administrations (in very few cases being outsources to the private sector), but are very basic and focused on parts of larger cities. Hygiene activities, albeit limited in scope and intensity, are also carried out by local government. The roles for each level of government and the private sector are outlined below.

7. **Central Government (PSAWEN)**
   - By law, PSAWEN is responsible for service production**.** In practice, it engages in service delivery through its regional branches, which is incompatible with its regulatory role and highly ineffective.
   - Provides for contracting out service delivery and thus coordinates with so-called Water Companies, which are private companies engaged in service delivery for water supply only.

8. **Regional Government Role**
   - Regional governments have very limited role in service delivery in WASH. Whilst PSAWEN Regional Offices report to the regional governors, they follow instructions from the central PSAWEN.

9. **Local Government Role in WASH**
   - At the district level, local governments have no role in service provision and water supply, and lack staff and equipment to carry on such services.
   - They provide some basic service for Solid Waste Management.
   - Hygiene promotion activities, while being under their remit, are carried out without proper planning and generally omit addressing the IDPs and nomadic population.

10. **Village-Community Bodies**

- Community management of water supplies is widespread in Puntland, with Water Committees in charge in villages.
- They are entirely voluntary structures, appointed by the community to administer water supply facilities. As such, they lack an organizational structure to administer their systems and provide for operation and maintenance in a sustainable way. In practice, they only intervene in emergency cases, mainly serving as conduit of complaints from the community to district councils, and NGOs/INGOs for assistance.
- Assets used for water service delivery are owned by the communities, and clan elders have substantial power to bypass local (and central) government structures if they feel their community interest is compromised.

11. **Private Sector Participation in Service Delivery**

- Two models exist for private sector water supply provision - formal (through PPPs) and informal (individual providers operating water trucks and selling to households).

Formal model:

- Engaged through PSAWEN, the Water Agencies operate the water supply network systems on the basis of a lease, or in some cases, a hybrid contract (between lease and concession) that creates serious ambiguities, especially regarding asset ownership.
- They lack financial control by the Government.
- Serve mainly urban areas (estimated 15-25% of urban population). The level of service provision is substantially better, compared to other providers.
- Operate in absence of proper regulation and monitoring. Prices charged are abnormally high, and may exceed upper limit established by PSAWEN. Another concern is the uncontrolled usage of water resources (deep or shallow wells, and berthas), leading to depletion of resources.

Informal model:

- Is incompatible with service delivery standards such as quality compliance and pricing. The current setting excludes any possibility of regulation – yet it is impossible to stop, as it is now a necessity.
- The only viable alternative for the responsible institutions of the Government is to legalize, selectively, some of the biggest providers, and issue franchises, provided that they fulfill adequate technical and managerial conditions.

12. **The Proposed Functional Assignments in WASH for PSAWEN, MoH and DCs are as follows:**

- PSAWEN should only engage with service production functions, which implies that there is an urgent need to strengthen substantially all capacities related to regulation, to start with revising the PPP contracts. The current service delivery function, as it exists now should be demoted.
- MoH needs to be upgraded substantially in order to be able to perform its functions related to hygiene promotion, to start with staffing.
- DC should be involved in water supply, through providing O&M (or only maintenance) to village systems and un-served urban areas, as new infrastructure is built in such areas.
- The PPPs in rural areas need to be encouraged, provided that regulation is in place (e.g. pricing rules).
- The role of the water committees should be modified to supervision of service agreements (with district departments/public company or private company) and assisting with cash collection, as needed. They should be the contracting party.
- District governments need to upgrade thoroughly their service delivery capacities. In the medium term WATSAN could be organized through public enterprises owned by the district.
- District governments need to upgrade their role in Solid Waste Management and Hygiene promotion, in line with the powers conferred by the Organic Law. PPPs in SWM should be explored; however the sector needs a capital investment plan and subsidies to start an infrastructure base.
- In Hygiene, the current model of roles assigned at the district level (besides MoH and MoE) is workable, but needs more financial support and better coordination with stakeholders.

5. WASH SECTOR ASSESSMENT FINDINGS

5.1 INTRODUCTION

143. ***This section is constructed around two main areas: (i) evidence from the field in support of the unbundling of the WASH sector and analysis on the basis, first, of what would be a reasonable approach and second, what the [very limited] documentation on existing policy and legal framework – (as no such thing as sector or administrative laws exist) implies, and (ii) recommendations based on the WASH sector context, as verified.*** The research presented here is the result of 24 days fieldwork at the centre, regional, and districts levels in Puntland, alongside interviews with more than 40 key informants. The research is also particularly informed by the 2011 '*District Capacity Assessments,*' the Puntland State Laws and sector policies, the Constitution, and JPLG analytical work in support of decentralization.

144. ***An unbundling exercise in WASH sector is predicated on the basis of a simple, yet fundamental postulate***: Clear division of production functions – policy and regulation – from service delivery. This same scheme is used to guide the recommendations set forth in the context of Puntland, while observing and taking note of the specific sector conditions and the delicate balances between the various sector stakeholders. The evidence and analysis reveal that while the decentralization policies of the Government of Puntland assign service delivery responsibilities at the local government level, in line with the general desire of the population and with an underlying logic that stems from a long tradition of community-based management of water resources that continues to this date, these responsibilities still lie largely with the central government structures, particularly Puntland State Authority for Water, Energy and Natural Resources Corporation (PSAWEN). Conversely, local government, in spite of the broad latitude granted by the Constitution, has found no way to play its role in WASH sector, outside a very marginal involvement in basic Solid Waste Management (SWM).

145. ***While service production functions are located at the central structures (PSAWEN), service provision (as well as delivery) functions are performed by Public Private Partnerships (PPP) (in water supply and less in solid waste), district local governments (solid waste only) and much less by MMWR departments and the communities, through water committees (for rural water supply)***. The involvement of the district local governments in service delivery is limited to a very basic solid waste management performed for parts of urban areas only. To date, this is partly justified with the relative backwardness of local government in terms of fiscal, human resource and management capacities, but the detachment of the local government from an active role in service provision is not sustainable as a solution. Furthermore, despite relative success, the involvement of the private sector through central government PPP arrangements is based on a biased public-private balance of interests. It is the case to note that because of the high risk level, and the weak regulatory oversight, private operators are looking for quick return on investment by charging high tariffs and due to lease agreements in place, are not required to provide for investments. The central and local authorities could help to improve the level of service and the coverage rate by creating a safer environment for business, simultaneously to enforcing the regulatory framework and remove or correct the public-private interest bias in the contract terms.

146. **The primary constraints** that affect the sector, largely fall within the headlines of (i) acute lack of government fiscal capability that undermines completely any independence in service delivery operations and capital investment funding (which is virtually non-existent), (ii) a very incomplete legal framework and inadequate regulatory setting, none of which is implemented at any reasonable level, and (iii) the chronic weakness of all levels of public administration structures, in large part caused by the scarcity of human capacity at the central and local level.

5.2. WASH SECTOR SERVICE DELIVERY CAPABILITIES

5.2.1 OVERVIEW OF WASH SUB-SECTORS

The notation WASH implies three subs-sectors (which in other contexts are sectors per se), which are distinct from each other and one crosscutting set of activities.[25] They are:

- Water supply;
- Wastewater;
- Solid Waste Management (SWM); and,
- Hygiene.

147. ***The three sectors involved have differences as well as similarities. One important difference is that while water supply, and wastewater management (the latter if networked) are natural monopolies, solid waste management is not***, (though a degree of rationalization in the number of operators naturally exists, to achieve efficiency through economies of scale). Water supply, wastewater management and solid waste management require regulatory oversight and standards. Again a difference arises with regard to pricing: While it is required that price regulation is applied for water and wastewater services (when service is performed through a networked system), for solid waste this is often not the case, as best international practice suggests. [26] On the other hand, the three sectors require regulation and the division of functions applies to all.

148. ***In the context of WASH sector, hygiene is not a sub-sector per se, but an important crosscutting activity (or set of) relevant to some developing countries (Puntland included), which relates directly to the sub-sectors in WASH and through informing on personal care hygiene practices, ensures maximum benefit of the population from improved Watson and SWM services***. From the

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[25] **Water and Sanitation and Hygiene**: From the Collins English dictionary – Complete & Unabridged Edition 2009, "sanitation" is defined as *"the study and use of practical measures for the preservation of public health".* The obvious implication in the context of public services is that sanitation comprises both wastewater management and solid waste management. Indeed, the word "sanitation" was first coined in 1848, irregularly formed from "sanitary"., whose Latin root *"sanit(as)"* means "health". It was first recorded in 1939 as reference to "garbage." The word "Sanitation" today is used to describe both wastewater management and solid waste management. Hygiene refers to a set of practices to be associated with the preservation of health and healthy living. Modern medical science has established standards of hygiene recommendations for different situations. Hygiene has not (and cannot) developed independently into a public services sector, rather, "hygiene promotion" it is a function that especially in developing countries, has been endorsed by the public authorities, specifically the ministries of health. The reason being that personal hygiene standards are generally low, leading to personal and potentially public health hazards and eventual improvements of water, wastewater and SWM services would not create the expected benefits if basic hygiene standards were not observed. Therefore, the whole focus of hygiene is on raising public awareness on the importance of simple, basic personal care hygiene. The above should not be confused with the routine activities of the MoH or local government related to the sanitary controls of public facilities (both publicly and privately owned), such as schools, shops, slaughterhouses, food warehouses, markets, restaurants, hotels, etc., which often are mistakenly referred as "hygiene" activities. These are core functions of the MoH, and are generally implemented in every country to ensure the safety of public health. Local governments are also tasked with hygiene promotion. Hygiene activities can be calibrated at different levels of sophistication, however in Puntland they are mainly condensed into a basic set of rules, made intelligible to the broad public. In this report, the meaning of the phrase "Hygiene activities" is therefore consistent with the explanations provided above and means a crosscutting set of activities.

26 This arises from the fact that unlike water supply and wastewater, SWM is not a natural monopoly, hence competition in the market is possible and that removes the need for central regulation to avoid abuse of monopolistic power. These notes in the text above are introduced to give the reader a conceptual background and explain why further discussion on price regulation is located at the water supply and wastewater services.

institutional standpoint, Hygiene is of course centered at the MoH structures, but other non-very specialized institutions may be involved in basic hygiene promotion, as is the case of local governments in Puntland. At the level involved in WASH, it does not require the specific legal and regulatory pre-requisites of the three sub-sectors above or specific infrastructural facilities.

149. ***In the course of this research was found that the reality suggests that in Puntland, the water supply sector, and to a lesser extent, solid waste are the only ones for which a public sector exists, while wastewater services, which are not performed through networked systems and are not treated, are provided by private households (save for eventual cleaning of septic tanks, provided by the municipal administration).*** A brief overview is provided below of the three sub-sectors, and the hygiene activities, to inform the reader on the general background before obtaining a more intimate knowledge of the service production and service delivery principles and structures through the subsequent sections.

WATER SUPPLY SERVICES

- ***Puntland has no major water resources that can transform the economy***; therefore, a balance has to be found between the sound management and allocation of available water resources. Groundwater (and much less) rainfall runoff[27] constitutes the water sources and abstraction. Water of acceptable quality (still requiring basic treatment) can be found by drilling deep wells (150 – 400 m), though shallow wells are extensively used. Water quality is deteriorating rapidly due to soil infiltrations of untreated wastewater discharges.

- ***Service coverage through a networked system is limited to an estimated 15-20 percent of households in major urban areas and service is provided through private companies.*** Their systems are operated quite efficiently through the application of a fully commercial approach - they charge a high tariff for their services and collect it at nearly 100%. The rest is served through water trucks, shallow wells, and *berkhads*. The only concern is water quantity. The technical standards of newly built networks calculate a lifeline of 20 m^3 per capita per day, which is the minimum acceptable per WHO standards. This fact leads to the assumption that other means of water provision, outside networks yield a lesser amount per capita. Water quality is very poor, as chlorination is virtually non –existent. Water-borne diseases are widespread as a consequence.

- ***Boreholes owned by communities are regarded as "state property" and are managed by a rather nebulous group of operators or committee of elders.*** Other boreholes are quasi-privately owned, where borehole operation is entrusted to a small number of individuals in the community. In both cases, different from the private companies systems, water for human consumption is provided free, but a fee is charged on water for animals to recover the running costs. The fee charged on water, however, does not please many Somalis, since they believe that water cannot be sold for commercial gain. Thus, any revenues collected are completely insufficient to ensure any degree of sustainability of services.

[27] There is a long history of harvesting rainfall and runoff catchment in *berkhads* and *ballehs*, and in some areas these are the only source of water supporting both people and livestock. Customary water management mechanisms exist for these traditional water sources, though continuing soil erosion-now reached significant levels-is a threat to the effectiveness of these techniques.

WASTEWATER SERVICES

- ***In Puntland, neither wastewater networks nor treatment facilities exist at any level. Households provide privately to build and maintain pit latrines, either for individual or common use (e.g. 10 households).*** In spite of technical standards required to build such facilities, and the assistance provided by NGOs and INGOs in these terms, there is broad evidence of contamination of water tables – especially when near the surface – through soil infiltration. When it becomes necessary, wastewater is discharged directly into the environment.

SOLID WASTE MANAGEMENT

- ***SWM is only very basic, as it consists of a small number of dump sites, outside any acceptable standards.*** Moreover, where they exist, these services are limited to a mere collection of solid waste. There are no sanitary landfills or treatment facilities in Puntland.

5.2.2. MAIN ACTORS IN WASH

150. ***In presenting the configuration of the main stakeholders in the WASH sector in Puntland, it is important to make a distinction between what the legal framework in effect designates as stakeholders, and what the practical roles of these designated stakeholders suggest in terms of their status vis-à-vis WASH sector.*** This difference arises from the extent to which the decentralization reform has enabled, in practice, the local governments to discharge their functions as well as the ability of the other stakeholders to perform their functions conferred by law. The following narrative will seek to make this distinction based on the facts collected on the ground.

151. ***The main stakeholders, designated by law, in the WASH sector in Puntland are the following***: (i) PSAWEN (ii) Municipalities/Local Councils (iii) Village Committees and (iv) Ministry of Health (MoH).

152. ***Based on applicable legislation and assigned authorities, PSAWEN and MoH, are regulatory bodies, but with PSAWEN engaging in direct service provision and delivery, as emerges from this research, its positioning covers a broad spectrum of WASH sector***. Local governments, district government level and Village Committees are also primarily responsible for service provision, but are very marginally engaging in service delivery. District governments deal to a minimal extent with solid waste management, while Village Committees may play some role when emergency situations with water supply arise. In practice, NGOs and INGOs are effectively discharging many of the basic functions related to service provision. These all represent only very basic institutions, as their functions are only limited to a minimum, yet incomplete set of competences than would normally apply in a sustainable WASH sector setting.

153. ***Other stakeholders include the Private Water Companies, which manage the water supply systems in urban areas, where they exist, and provide retail services through public-private partnership arrangements that in Puntland are organized exclusively under the form of lease contracts***. In addition, the Water Truck Companies (privately owned) provide water supply through direct distribution via trucks in the same urban areas not served through a piped system. While these are not explicitly mentioned in the relevant laws, their being stakeholders is naturally derived from the exercise of the functions of the aforementioned authorities and the legal environment enabling their existence. A small number of private companies also exist providing SWM services, contracted by the district administration (e.g. in Garowe). The Community is also a stakeholder being the receiver of services. Finally, two further important stakeholders are the NGOs and INGOs, which provide much of the financing and implementation of capital investments as well as operational costs of water supply

operations, especially in the rural areas. A more detailed description of each key stakeholder and an analysis of their functions and related impact are provided below.

154. ***Puntland State Authority for Water, Energy and Natural Resources Corporation (PSAWEN) is a central government body*** created on December 2000 under the Presidential Decree of Law No.2, and approved by both cabinet ministries and parliament. It became fully operational in 2001 as the sole institution responsible for water, energy and minerals, and was established as an autonomous agency under the Office of the President. The current mandate of PSAWEN, as stipulated by law, consists of the following main competences:

- ***Report on the situation regarding water supply:*** Reporting to the Government and the local community;
- ***Plan locations for service delivery in collaboration with implementing partners:*** This function implies a degree of urban planning with regard to allocating land for building network facilities as well as deciding where to extend services. The allocation of land is a competence of local councils, but PSAWEN, based on its plans for extension of service, consults and negotiates with local councils in obtaining permission for land use. Given that land is broadly available, and it is in the interest of local councils to extend water supply services to the respective population, anecdotal information suggests that so far negotiations have been successful;
- ***Implement projects funded by partners through private companies, international NGOs and local NGOs:*** In addition to providing for land available as described above, project implementation entails entering into lease agreements between PSAWEN and the private water companies delivering the service. This role – i.e. tendering, contracting out and contract monitoring is entirely assigned to PSAWEN while local governments have no role. In addition, PSAWEN decides on the tariffs for water supply services; and,
- ***Monitoring of water and sanitation quality and service standards:*** The National Water Policy that PSAWEN operates on needs enhancement and further development. It stipulates that all groundwater interventions for boreholes and shallow wells (as well as catchments, dams, and springs) must satisfy State Water and Sanitation Standards. They must address a) environmental degradation, b) environmental sanitation, c) appropriate management structures, and d) sufficient start-up provisions.

155. ***While PSAWEN has the features of a regulatory body, in practice it engages in direct service delivery activities through providing technical assistance*** for minor repairs to systems in rural areas owned by local governments, when the latter ask for such assistance. PSAWEN budget allocations for minor works (from the Treasury) consist of circa US$13,000 per annum, (which nonetheless are highly insufficient to address the needs of water facilities they operate). **Thus, evidence suggests that the role of PSAWEN as service provider is broadly inconsistent with the role of a regulatory body. Based on good WASH sector practice, this is neither effective, nor advisable.**

156. ***Local Government: The local government system in Puntland consists of regions and each region is divided into districts; below the district level are villages***. While the regions have mainly coordination authorities, with regard to service delivery in the WASH sector, it is the district level of local government and village committees that are granted such competence. In late 2003, the Puntland government engaged in the process of decentralization of power and administration as part of the

Puntland democratization process. The Constitution and the District Self Administration Law No. 7 of 2003 forms the basis of local governance and decentralization in Puntland. The act confirmed that the District Councils have self-administration powers. This means they can plan for their economic and social affairs; collect, manage and allocate resources; enact local by-laws; and deliver a range of community services within their areas of jurisdiction. The local governments are given broad latitude by the Constitution to establish their revenue base, including the choice of instruments and rates, within their areas of jurisdiction. However, due to the lack of capacity and political control, most of the municipal district council problems are caused by lack of revenues to meet their assigned tasks.

157. ***According to the law, local authorities in Puntland are responsible primarily for the provision of services such as health, primary education, security, refuse collection, water and sanitation, etc. within their areas of jurisdiction.***[28]However, the information gathered in the course of fieldwork showed evidence of a number of pressing challenges for local governments relating to public service provisions due to the lack of capacity (both human and financial) and institutional incapacity. The result is that almost all core local water supply services are currently being provided by private companies and, either directly, or with the heavy support of, international/ local NGOs, while local governments are lacking means to respond to the needs of the community and have their role basically limited to liaising with NGOs and INGOs to seek assistance and provide very basic solid waste management services. While Public-Private Partnership (PPP) arrangements are entirely carried out through PSAWEN, the only role left to the local government is that of land allocation for building WASH facilities (basically water supply and collective pit latrines), and delivering vey basic solid waste collection services. That implies that in practice, decentralization of water services is inexistent while for sanitation services is only very marginally fulfilled – consistent with the level of services provided.

158. ***Placed at the periphery of the local government and closer to the community, the Village Committees can be viewed as the representatives of the community more than anything else*****.** They are established in each village, composed of 7 individuals from the community, confirmed by the district and operating on entirely voluntary basis. Village Committees, which operate in rural areas and are linked to the publicly owned water supply sources (boreholes) lack any clear organizational structure, besides including a woman in their midst to correspond to a gender-sensitive approach to WASH, and being chaired by the eldest member. These committees are expected to perform the following tasks:

- Take initiative for improvements of community water supply;
- Organize contributions from communities in cash or in kind, towards construction, operation and maintenance of water sources;
- Organize proper operation and maintenance, including supervision of caretakers;
- Keep accurate records of all payments and expenditures;
- Promote hygienic and effective use of new facilities;
- Hold regular meetings to discuss and decide on issues, procedures and problems;
- Inform the community regularly about decisions, and report on revenues and expenditures.

159. ***It is important to note that these tasks do not imply legal authority of Water Committees in service delivery competence. Also, there is no management structure in place to support service delivery functions, which in fact, precludes sustainability.*** For example, revenue is collected on an ad

[28]Article 9, paragraph 9.16 of Law No. 7.

hoc basis, when as breaks of minor equipment occur and there is no enforcing mechanism to ensure collection. In the case of major breaks, the local council – informed by the Village Committee– approaches NGOs/INGOs for assistance.

160. ***The Ministry of Health (MoH) is a designated WASH sector stakeholder and it became so through a letter the President of Puntland State of Somalia sent on 29 June 2010, to all UN agencies and INGOs indicating that the MoH is responsible for all matters related to health including Sanitation and Hygiene***. According to the official structure of MoH, the director general of the public health department (MoH) is in charge of Sanitation and Hygiene, while anecdotal evidence suggests that both MoH and PSAWEN are responsible for water quality. ***Though there are no files available by PSAWEN on water quality, regarding water standards they suggest that the MoH uses World Health Organization (WHO) standards. Beyond the confusion created by the overlapping of competences between PSAWEN and MoH, the discharge of this function is hardly applicable in any case, as only one laboratory facility exists (in Bosaso, run by PSAWEN) and water chlorination is very rare.***

161. ***Private Water Companies***: In Puntland, 4-5 main, privately owned Water Companies operate, providing water supply services to a part (15-20 percent) of the urban population in the main cities of Puntland. Some of these companies have operated since 2000/2001 under lease contracts signed with PSAWEN. The PPP arrangement has achieved relative success in water supply provision, through the application of good management practices of networked, and fully metered systems, increasing coverage and sustainability of supply, and representing a revenue stream to the central government (through PSAWEN). It is recognized broadly that whenever these companies operate, the role of the public sector in monitoring (of contracts and service provision) as well as regulation is virtually non-existent. In the course of this research no data from these companies were made available (through PSAWEN).

162. ***The lease contract does not foresee that the involved companies contribute in capital investment; neither does the Government have the means to invest. (Any capital investment in water supply is provided through donor aid***. In addition, the tariff level at US$1/m^3 is extremely high in the socio-economic context of Puntland, suggesting that the estimated 15-20 percent of the population they serve is the rich strata of the society only. While there has been no cost-benefit analysis or financial analysis of any of these private companies, anecdotal reference suggests that the profit rates could be as high as 40 percent. Given that there is no effective regulation and the private operators are obviously seeking profit, it can be suspected that the profit rates may indeed exceed some acceptable industry norms. <u>The present setting of the terms of PPP in WASH does not seem to realistically lead to the extension of PPP arrangements towards currently un-served areas, because the tariffs would be prohibitive, unless, of course, this aspect is revised.</u>

163. ***INGOs and NGOs are a key, de facto stakeholder as many of the core, essential WASH services, are currently provided by private institutions or international/ local NGOs, not only in a more efficient and effective manner than local governments, but to a far greater extent than the local authorities, especially in rural areas***. The role of NGOs and INGOs extends from building new infrastructure, to providing for coverage of operational costs (mainly replacement of network equipment and facilities) when possible. While their work is invaluable in the sense that it provides for services that otherwise would simply not be exist, and they have produced a cadre of leaders as well as organizations with proven capacity to innovate and work effectively at community level, by paradox INGOs/NGOs also generate two counter-productive side effects: *First,* anecdotal information suggests that the *modus*

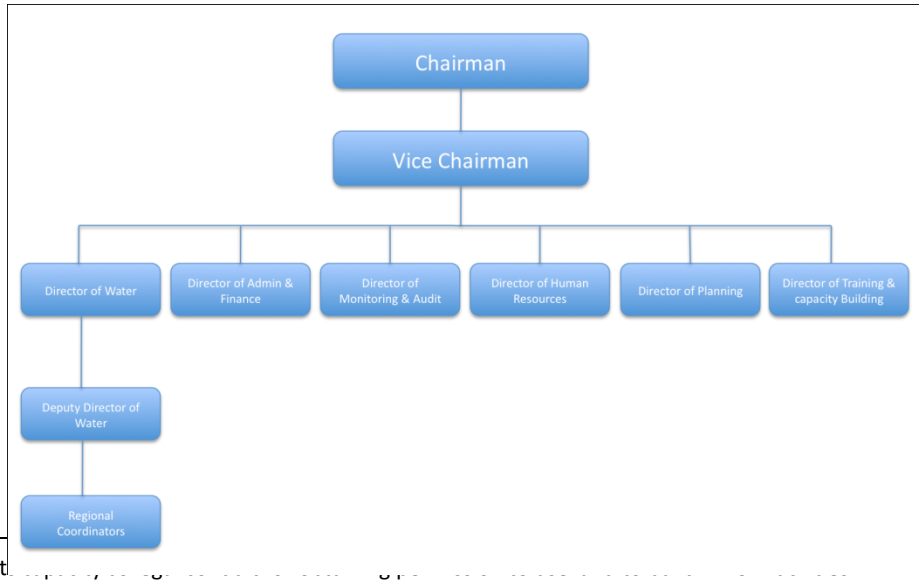
operandi of NGOs and INGOs is guided by the objective to achieve the greatest possible freedom to perform their work, which more often than not implies bypassing entirely the local government institutions, as well as PSAWEN.[29] In practice, NGOs and INGOs tend to liaise directly with the village elders – the "omnipotent" clan leaders who hold significant power in decision-making for their communities. While such an approach maybe more efficient in a short term, (i.e. the implementation) phase, the investment left behind is largely unsustainable, as the village elders are not a legal structure of the local government and have no direct responsibility for the maintenance of the newly created assets, and at the same time, the fragile authority of local governments is further undermined. *Second,* they introduce a deformation into the local labor market: the local, qualified staff working for them is paid at a rate that exceeds six times the remuneration of the same staff in public sector, thus providing a powerful disincentive for qualified people to approach the public sector. While remuneration has to be higher than the alternatives to attract qualified staff, the gap may, however, be more moderated.

5.2.3 SERVICE PRODUCTION PROCEDURES

164. ***A closer assessment of the WASH sector related bodies is necessary to understand how they work and what the underlying causes of their level of performance are.*** The following paragraphs will describe in greater detail the structures of PSAWEN and the MoH (Environmental and Health Unit Section). These are both concerned with water supply and wastewater services, but PSAWEN is also in charge of Solid Waste Management (SWM). It should be noted that while a water sector policy exists in Puntland, there is no such policy for SWM. While this service is effectively decentralized at the local government level, SWM sub-sector is completely lacking basic infrastructure, which probably is the cause for maintaining a very low effort in terms of production functions.

165. ***PSAWEN is a central agency, but has a de-concentrated structure consisting on a nexus of sub-offices at the regional and municipal levels***. At the centre the structure of PSAWEN is a simple, relatively hierarchic structure, comprising six departments reporting to its vice chairman and the chairman. ***Figure 12*** below provides a graphical presentation of PSAWEN, while further on each department is described separately.

Figure 12: Existing Structure of PSAWEN Puntland



[29]PSAWEN in it

166. ***Water Department: The Water Department within PSAWEN is responsible for*** (i) survey and design of water supply developments in Puntland, (ii) approval of water abstraction, and (iii) development of plans and programs concerning the monitoring and evaluation of the water sector, which fulfill the role of water sector regulator in the interests of protecting the public and water quality. The Director of the Water Department is located in Bosaso, while his deputy is located in Garowe. These are all regulatory tasks, but as a result of lack of resources, remain largely unfulfilled.

167. There is a **regional coordinator for each region,** as well as supervisors, fee collectors, an electrician, generator operator, accountant, cleaner, driver, guard and watchman. As observed below, the roles of regional coordinators have nothing to do with regulation but rather service delivery. Regional coordinators are responsible for:

- Assessing water needs of local communities;
- Coordinating the work of INGOs and NGOs in their areas;
- Raising public awareness of local communities;
- Coordinating activities and attending meetings with local council and water committee
- Fee collections; and,
- Helping communities with major problems such as repairs of pumps and generators.

168. It can be noted that the regional offices engage mainly in minor issues and do not engage in regulatory oversight, which should be the case, as de-concentrated structures of PSAWEN: Again, this fact is illustrative of the overall scarce resources at PSAWEN:

169. ***Administration and Finance Department:*** The department consists of four staff: the director, accountant and two other employees. Only one office is equipped with basic IT hardware (one old computer and printer.) Duties of the department include:

- Preparation of salaries and taking care of all financial matters;
- Supervision of all regional staff and office in terms of financial affairs;
- Making contact with local Government to facilitate projects;
- Helping in the expansion of offices;
- Purchase of furniture and equipment; and,
- Supervision of fee collections.

170. ***Monitoring and Audit Department:*** The department is responsible for follow up on activities of PSAWEN. It carries out monthly and yearly plan verifications and reports delay problems to the top management.

171. ***Human Resources Department:*** Consists of director who is located in Garowe and deputy in Bosaso with five others working in the department. There is a head of human resources in each region. Duties of the department include:

- Job description for employees;
- Report on performance for employees;
- Keep files for employees; and,

- Monitor employees (attendance or absence).

172. ***Planning Department:*** The department, which was composed of two employees, has a broad and important range of activities, which include:

- Estimating the needed resources under each department;
- Facilitating and encouraging investment and activity in the sector;
- Developing plans and programs concerning long and short term planning of the water sector which fulfill the role of water sector regulator in the interests of protecting the public, and,
- Encouraging and facilitating extensive inter-ministerial-interagency collaboration in the sector so that resources may be used wisely and effectively.

Due to lack of capacity (and personnel) these tasks remain unfulfilled.

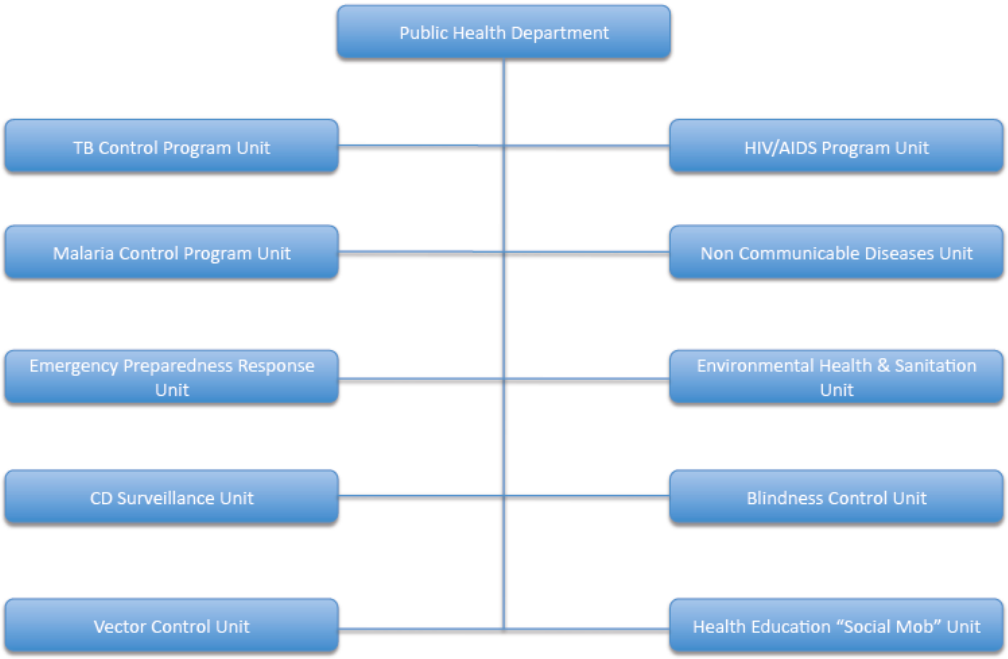
173. ***Training and Capacity Building Department***: This is a new department and is presently comprised of a director only. Its duties include conducting training need assessments for all departments of PSAWEN. However, these ***duties remain unimplemented.***

174. ***Regarding the responsible WASH structure at the MoH, the Sanitation and Hygiene component—officially called Environmental Health and Sanitation Unit—is headed by the DG of public health department and has only one person—who is a volunteer— as staff.*** So far there is no budget allocated to the Environmental Health and Sanitation Unit; most of the activities related to Sanitation and Hygiene are carried out by UN agencies and INGOs. Based on the meeting with the Director General of public health department, the mandate of the department is to:

- Carry out hygiene promotion and education geared towards improving the standards of living;
- Ensure up scaling of latrine coverage across the country;
- Build the capacity of staff, partners, and community members involved in sanitation;
- Carry out research, surveys, assessments on appropriate and alternative technologies, especially on ecological sanitation;
- Raise awareness on sanitation and hygiene;
- Coordinate sanitation & hygiene promotion activities to increase participation and involvement by all stakeholders and partners;
- Ensure Promotion & social marketing of sanitation & hygiene;
- Collect, analyze and collate data and keep records; and,
- Carry out Monitoring & Evaluation of sanitation & hygiene activities.

175. **Figure 13** below, provides a graphical presentation of the structure of Public Health Department, part of which is the Environmental Health and Sanitation Unit.

Figure 13: Existing Structure of Public Health Department at the MoH



176. ***The current staffing, with one person only of the Environmental Health and Sanitation Unit and no budget, clearly does not suggest that any of the designated tasks are performed.*** Also, the lack of material base – equipment, laboratories etc., mentioned in the previous section is a crucial hindrance to enabling the unit to perform water analyses and maintain a database, even if it will start to be completed with personnel.

5.2.4 Service Delivery Procedures at Regional, District and Community Levels

177. As described in the previous sections, service delivery is performed through (i) PSAWEN structures, to some extent, (ii) PPPs, which place privately-owned water companies in the latest scale of service provision, by delivering retail water services to the community in part of the urban areas, (iii) WASH Committees that effectively provide for basic water supply services to the community and (iv) private individuals selling water via trucks or other similar (mobile) facilities to households (mainly). While the former three are legally operating entities and models, the latter is extra-legal in that that the law does not foresee these services providers. Apart from these, (but not included in the following analysis), the NGOs and INGOs play a role in service delivery by providing support, on an ad hoc (and need) basis to various, (mostly rural) communities.

PSAWEN

178. ***As a de-concentrated body, PSAWEN is extended up to the regional level through the Regional Water Authorities.*** The Authorities and their staff are professionally responsible to PSAWEN and under its technical guidance of PSAWEN, while being administratively responsible to the Governor of the region. At the regional level, Water Authorities and their staff will provide a formal framework for the supervision of the operation and maintenance of bore wells and shallow wells in their regions. ***The total***

staff of PSAWEN at the regional level is 96 consisting of engineers, drillers, mechanics, electricians, plumbers, finance officers, revenue collectors and watchmen. Distribution of staff per region is provided in **Table 15** below.

TABLE 15: PSAWEN STAFFING PER REGION

Region	Bari	Karkar	Nugal	Sannag	Mudug	Sool	Cayn	Hayland	**Total**
Number of Staff	35	18	18	4	8	9	3	1	**96**

Source: PSAWEN

179. The Regional Water Authorities are responsible for organizing, collecting and prioritizing community level needs and plans for water resources utilization and development. The extent and quality of these services is highly questionable as PSAWEN lacks both human and financial resources to discharge its functions, though responsibilities include:

- Providing primary technical assistance for the region;
- Performing monthly inspections of the wells;
- Certifying quality and completeness of water sector interventions;
- Renewing operating agreements where there is no complications;
- Collecting relevant data on the bore wells/ shallow wells in the region and preparing monthly and annual reports for the PSAWEN, and;
- Assessing sanctions/ penalties for infraction and neglect.

180. ***District level***: PSAWEN doesn't have functional structures at district level; instead there are direct decision-making routes from regional to community levels. Regional offices train pump operators identified by local community and do minor repairs at water extraction points.

MOH-ENVIRONMENTAL HEALTH AND SANITATION UNIT

181. ***Regional level***: Regional offices are just established and lack facilities such as furniture, cars and other equipment that are necessary to carry out their work. Regional office will cover few districts and many villages; this should be reflected in terms of enough qualified staff and sufficient equipment.

182. ***District and community levels***: There are no staff at the district or community level for the Environmental Health and Sanitation Unit. The new structure suggests the extension of PSAWEN at district level through the establishment of Water, Sanitation and Hygiene committee.

VILLAGE COMMITTEES

183. Rural populations experience water stress in almost all dry periods, and people has devised ways of coping with water shortages. Common remedies include reduced daily water consumption, buying water from vendors and migrating to areas of permanent water sources. The scope of the community-based water resources management, ***which is realized through provisions of WASH Sub-Committees, which are under the Village Committee, for publicly-owned water supply sources,*** and the village elders for privately-owned sources (which is based in a long traditions and not being discussed in greater detail here), includes:

- Ownership of the water supply system at village level;

- Management of the water supply system (O&M);
- Protection of water resources;
- Conservation of water shade in order to enhance water resources/recharge; and,
- Awareness of the sanitation and hygiene promotion.

184. ***All these services are performed at a highly rudimentary level.*** The WASH Committees act on an ad hoc basis, only when water crisis occurs, i.e. shallow wells or berkads run dry or the equipment of the deep wells (boreholes) break, in which case they either seek another source through migration, try to raise money within the community to replace the equipment, or address the NGOs (through the local government or directly) for help, in the hope it is available. There is no system whatsoever in place for sustainable maintenance as there is no regular fee charge and collection – all work is done on a voluntary basis.

PRIVATE WATER COMPANIES

185. ***Most municipal water systems are under the management of private companies, owned by local shareholders***. They are realized through public-private partnerships and all are under lease contracts with PSAWEN. These companies (4-5) serve all in urban centers on a 24-hour basis– some of them since 2000-2001. 15-20 percent of households are served through networked and fully metered systems.

PRIVATE INDIVIDUALS DELIVERING SERVICE THROUGH WATER TRUCKS OR OTHER MEANS

186. A significant number of individuals provide retail services to households not connected to networks, by selling water through water trucks (fleets sometimes are owned by wealthy privates) or other simpler means, as carts used to carry bottles, etc. These services fill in a gap left by the public and other private services, but while being privately provided, they operate outside legality. In absence of any controls over the product they sell, concerns arise regarding the quality of water. Also the prices they charge are often speculative, especially during the dry season, when compared to the other water companies they charge up to 3-4 times more.

5.2.5 BUDGET: EXTERNAL AND INTERNAL SOURCES OF FUNDING AND POINTS OF ORIGIN

187. ***Emerging state and local level authorities in Puntland provide the basis for development of urban infrastructure management, and for a more effective environment for infrastructure investments. An institutional constraint in the urban sector is the lack of large-scale municipal and national investment capacity required for the rehabilitation and development of expensive common use urban infrastructure.*** This derives from the very weak tax collection systems. The present legal framework in Puntland is insufficient for the local authorities to develop their revenue base. The lack of transparent municipal finance systems adds to the challenge of reconstruction and development of critical urban infrastructure. Budgetary or any other support from the central administration to local authorities hardly exists. On the contrary, any national budgets increase largely at the expense of the local level.

188. ***As a result, Government revenue is totally insufficient to provide for public services such as operational costs of service delivery, and even less for capital investment***. The only significant government grant is the one given initially as a 'get-go' fund to local councils in their early stages of operations. The provision of state governments' grants to local authorities is either non-existent or very low. This is so tangible that it is practically transposed into legislation. With regard to inter-governmental transfers, the Capital Law No. 3 (2006) page 156 specifies that 3% of the total government

income should be allocated to the development fund to finance development projects in the capital city of Garowe (apparently only in Garowe, as this is specified). District Councils can also receive donations from the State Government (see law no. 7 article 35 page 103). In reality, local governments receive only a minimal budget, often not received on due time- for salaries and elementary administrative expenses and no budget at all for public services**.** The 2011 '*District Capacity Assessments*' conducted with JPLG assistance confirm that in all three major districts of Puntland (Bosaso, Grove, Gardo) the inter-governmental transfers result is zero, while all three provide financial contributions to the budget of the regional authorities.

189. ***In addition to the above, any service provided by the public sector, such as water supply of solid waste management is not subjected to any fees, (except very small fees for livestock water consumption in rural areas). This completely undermines any sustainable approach to the management of public services.*** It is partly the result of an existing mentality that regards water as a free gift, and more the result of weak public management, because there already exists a private sector in the water supply that charges fees and even very high ones, and that at fully paid. Therefore, it appears that the free water mentality can be challenged and changed, provided that an effective and pro-active management is in place.

PSAWEN

190. ***PSAWEN budget is highly limited to cover only salaries and elementary administrative expenses, and an amount of roughly US$13,000 per annum for the discharge of its functions. In addition, PSAWEN revenues are augmented through the fees paid by the water companies***. Puntland Government budgets and PSAWEN budgets (for comparison) for 2010 and 2011 are shown in ***Table 16*** below.

TABLE 16: PUNTLAND GOVERNMENT AND PSAWEN BUDGET 2010-2011

DETAILS	2010 (SOS)	2011 (SOS)	2011 (US$)
Government Budget			
Personnel Costs	348,871,680,000	369,746,376,000	12,324,879
Services	479,728,320,000	522,999,624,000	17,433,321
Total Government Budget	**840,600,000,000**	**904,746,000,000**	**30,158,200**
PSAWEN Budget			
Personnel Costs	360,000,000	360,000,000	12,000
Services	390,000,000	390,000,000	13,000
Lease fees-Private Water Companies	1,080,000,000	1,080,000,000	36,000
Total PSAWEN Budget	**1,830,000,000**	**1,830,000,000**	**61,000**
PSAWEN Percentage of Total GoP Budget (%)	0.218	0.202	0.202
% Personnel Costs	19.7	19.7	19.7
Services Budget Allowances Breakdown			
Material Supplies, Repairs and Maintenance	270,000,000	270,000,000	9,000
Internal Travel Expenses	120,000,000	120,000,000	4,000
Total PSAWEN Services Budget	390,000,000	**390,000,000**	**13,000**
Donor Support			
UNICEF, CARE, World Vision, Islamic Relief, Muslim Aid and others			200,000
		Grand Total PSAWEN Budget	**261,000**
% Donor Support to PSAWEN Budget			**76.6**

Source: PSAWEN

191. ***Anecdotal evidence suggests that the lease fees are used by PSAWEN. It is worth noting that the most important source of revenue is the financial assistance provided by donors, accounting for an overwhelming 76.6 percent of the budget of PSAWEN.***

MOH-ENVIRONMENTAL HEALTH AND SANITATION UNIT

192. ***So far there is no budget allocated to Environmental Health and Sanitation Unit according to the head of public health department***. No policy or plans related to Sanitation and Hygiene are in place at the time this research was conducted.

5.2.6 STAFFING DETAILS AND TECHNICAL SKILLS NEEDS

193. ***The highly limited funding through public sources does, of course, affect the level of salaries for public officials***. As a result, the civil servants in Puntland usually take on other jobs. Typically, the most qualified are working with NGOs, whose level of pay exceeds no less than six times the salary they receive through their employment at a public office and therefore perform primarily in their better paid job, or are populated with highly unqualified employees unprepared to deliver their tasks. While there are problems with nepotism in assigning public offices, the very low level of remuneration is a sufficient hindrance in attracting skilled people to the public service.

194. ***At present PSAWEN has a technical profile that corresponds to service delivery, more than service production functions. An assessment of staffing needs suggests that overall the actual human and financial resources available at PSAWEN are largely incompatible with the broad legal remit with respect to policy implementation and regulatory oversight role***. Personnel and skills that would enable PSAWEN to fulfill such roles, provided that sufficient financial resources are made available to back-up staffing, include:

- Regulators, especially with an economic background, capable of formulating clear and realistic pricing policies;
- Technical personnel capable to conduct research related to water resource management, (including geologists GIS experts, water engineers, etc):
- Planning and strategic management skills, both at the center and the regional offices;
- Legal personnel, capable to drafting and lead the monitoring of PPP contracts. The existing contracts are often not in line with acceptable legal standards in their formulation and scope; and,
- Regulatory skills that include water quality management, and assessment of investment projects for construction of new facilities.

These skills are needed both at the centre and the regional offices, which are now entirely composed of technicians, in line with their almost exclusive service delivery role.

MOH-ENVIRONMENTAL HEALTH AND SANITATION UNIT

195. ***Total Staff of the Environmental Health and Sanitation Unit is two persons at the central level***. This unit is headed by the Director General of the Public Health Department and only one lady who is a volunteer working with unit. Plan to have Field officers at regional level are underway. Technical skills needed, include:

- Sanitation and Hygiene education cadre;
- Technicians for solid and liquid waste management including decentralized waste-water management and technology options for waste-water treatment;

- Systematic sanitation /Solid Waste Management approach for urban and rural areas;
- Water sanitation& Nutrition- training and convergence planning;
- Humanitarian Interventions specialists- WASH Emergency (minimum design standards) services-preparedness and response training and inter sectoral/ departmental convergence;
- Engineers/IT -: engineering designs, engineering surveys, computer skills, computer modeling and simulations.

196. ***International Agencies/ NGOs have played an important role in Puntland State of Somalia over many years under difficult, and at times, dangerous conditions***. This has produced a cadre of leaders as well as organizations with proven capacity to innovate and work effectively at community level. Also they reach and serve the local community, where government does not have the resources and capacity. So, technical skills are available in country, but not available to the public offices, due to the gelatinization of incentives because of better remuneration terms offered by the NGOs and INGOs In the absence of resources and lack of staff and other facilities, the Environmental Health and Sanitation Unit cannot plan its role in delivering services to communities. More staff must be allocated to both central, regional and district level. Key observations and priorities include:

- Training of that staff should be a high priority. Suitable and furnished offices and cars should be provided to Environmental Health and Sanitation Unit at least at regional level;
- There is a need to identify any gaps in existing financial and institutional governance policies which may be hindering service delivery; and,
- Environmental Health and Sanitation Unit has no budget at all. No policy related to Sanitation and Hygiene is in place. UNICEF should play the mail role in developing this policy and help to make clear and practical plan for Environmental Health and Sanitation Unit and help to get resources to implement such plan.

197. ***In addition to the considerations expressed with regard to the strengthening of the Environmental Health and Sanitation Unit, it is important to note that while it is indispensable to improve the quality of drinking water and regulate wastewater discharge, the range of problematic is much broader than building capacity at the unit.*** With (i) virtually no chlorination in place, for which provision are required (ii) no enforcing mechanisms directed at the private companies for the areas they serve (whenever they decline to chlorinate) (iii) no substantial subsidies from the Government for all the remaining areas, or for a minimum of logistical infrastructure and equipment, and (iv) no provision for wastewater discharge treatment, there is indeed little that the MoH can do to perform its functions.

5.2.7 SHORT AND LONG TERM CAPACITY BUILDING NEEDS

198. ***At present there are insufficient trained water resource professionals available in Puntland to fill roles created in the public and private sectors*.** The government sector, in particular, requires (i) professionals trained in water resource assessment and design, (ii) physical and financial planning, management and regulation. Government also needs professionals able to oversee the work of the private sector in construction, repair and maintenance of water systems. Additional government professional capacity is required to ensure the environmental sustainability of water resources and also to be responsible for hygiene, sanitation and water quality. A suitable civil service environment is needed to attract private sector professionals to work in Puntland.

199. ***The implementation of the work objectives of PSAWEN need to be supported by qualified staff, which today is lacking***. Its competences are not met by in-house capacity to date. Staffing and skills are needed urgently, and therefore a question comes up in this context: How can the necessary expertise be made available in a short term, also being sustained over the longer-term?

200. ***The fulfillment of the broad service provision functions require skilled professionals specialized in technical fields, to include water economics, finance, international (and national) law, water resource management, engineering (several types), legal experts, environmental experts etc. All are needed in the short term, but realistically cannot be provided in a short term through training and coaching of people available***. The level of necessary, prior knowledge, and practical skills required to satisfy such job requirements is the result of a serious education, excellent academic and professional records and experience too – which if not there already, cannot be achieved through short-term training.

201. ***The recommendation is that PSAWEN must seek the technical assistance of the donors to ensure the expertise on all the fields mentioned above***. Such specialists would work together with the existing staff at PSAWEN and help build capacity over a mid-term.

202. ***Service provision functions require experts in contract monitoring, as far as the relations with the Water Agencies are concerned and these are short-term needs***. Consistent with the objectives of the Government to deepen the decentralization of service delivery to local governments, and with the recommendations to be provided as a result of this research, the service delivery capacity building should address not PSAWEN, but rather local governments.

203. ***In a longer term, such skills can be made available in a sustainable manner by following the example of other countries in need of skilled professionals, irrelevant of the field. The algorithm is simple in principle***: [30]

- Sponsoring the education and further training of talented Somali students in universities abroad. The agreement being that they return and work in their country after graduation;
- Attract available, skilled professionals by reforming the civil service legal framework and ensuring a competitive remuneration scheme – which is equally valid for the sponsored students; and,
- Support, when and if needed, with international technical expertise the in-house experts. Such assistance would then yield the maximal results.

204. ***In practice, this approach is realistic for Puntland, in the framework of Somali state.*** The only pre-requisite is long-term thinking by the political establishment and the Government. The costs are not prohibitive either: It is a non-expensive investment with potentially huge returns in a longer term.

Long-term capacity building needs:

- The lack of professional and well-trained staff is amongst the greatest challenges to the progress of the government in the Puntland State. The lack of financial resources for staff employment

30 E.g. in view of the expected EU membership, the Lithuanian Government sponsored studies of a number of talented Lithuanian students in specialized fields, which were lacking at that point in time, but were needed in country after EU membership. Such approach is a perfect example of forward thinking and can be applied by any country.

means there are insufficient staff and that people that are actually employed lack sufficient capacity and expertise to develop projects and perform assigned tasks;

- ***Concerns about the unattractive environment for professional staff were expressed by many young educated people with administrative skills, consulted in the course of the assignment***. These young persons also highlighted that the low salary given by government offices has not only called for the employment of unprofessional staff but has also discouraged talented people who might have otherwise considered working for the government. The Government of Puntland should give special attention to attracting professional and talented people through improving salaries and incentives, and generally reforming totally the current civil service setting.

MOH-ENVIRONMENTAL HEALTH AND SANITATION UNIT

205. ***Short-term capacity building***: Capacity-building will focus on the development of skills in newer programming areas, including learning and knowledge management, intermediate level capacity building, integrated water resources management, and household water treatment. At the same time, competency will be reinforced in the areas of (i) program management, (ii) strategic planning, (iii) hygiene promotion and communication, (iv) participatory approaches (including the Participatory Hygiene and Sanitation Transformation approach, as well as tools for promoting the participation of children), (v) advocacy and policy development, (vi) emergency preparedness planning and coordination, (vii) school-based programming and (viii) human rights-based approaches to programming.

206. ***Long-term capacity building***: The five strategic areas where increased capacity is required are: (i) Effective WASH Sector Coordination; (ii) Effective and Efficient Information Management and Standards for WASH Humanitarian Response; (iii) Increasing WASH Sector Capacity for Humanitarian Response; (iv) WASH Sector Preparedness and Response; and, (v) WASH Sector Best Practice and Learning.

207. Another key stakeholder in hygiene promotion is the Ministry of Education. Coordination with MoE is very important to create synergies between programs run at MoH and MoE, therefore coordination skills are needed.

5.2.8 KEY LEGAL INSTRUMENTS AND THEIR SIGNIFICANCE FOR SERVICE DELIVERY

208. The legal framework for the water sector in Puntland is guided by:

- ***The Transitional Federal Charter of the Somali Republic (2003)*****,** which stipulates the public ownership of (most) water resources; Article 67 of the Transitional Federal Charter of the Somali Republic (2003) requires that *"the natural resources of the country such as the minerals, water, flora and fauna shall be public property."* Water resources are therefore a public property, held in trust and protection by the government in the interest of all citizens;

- ***The Puntland Water Policy of 2007*** defines in some significant detail the desired directions of the legal framework. It is a very ambitious policy, and to a great extent appeals to a long-term vision in the WASH sector. It does suggest that service delivery should be detached from other policy and regulatory functions and that it should be devolved as close to the community as

possible. This approach is fully in line with the Constitution of Puntland State and more accentuated than it is in the Law No. 7 referred to above.

- ***Law 2, which establishes PSAWEN***. The law largely designates PSAWEN as a regulatory agency and does not suggest any clear role in direct service delivery. The Puntland Water Policy of 2007 supports fully this interpretation of the law;

- ***Local Council Laws of Puntland State of Somalia*****,** which assigns powers to the Ministry of Local Government and Rural Development (LGRD) to run and service local authorities, and regulates the provision of basic services such as education, health and water and sanitation amongst others. The purpose of this law is to unburden central government from having to take exclusive responsibility for the development of rural communities, and to encourage communities to become stakeholders in the future development and upkeep of their own communities.

- ***Law 20*** concerning range and water management as well as any subsequent amendments and laws as applicable to Puntland.

TABLE 17: WASH SECTOR LEGISLATION

Description of Legal/ Facilitative Instrument	Date of Issue/ Stage of Preparation	Purpose of instrument	Anticipated outputs or outcomes	Performance Against Expected Outputs or Outcomes	Facilitates Decentralization	Need to be Harmonized or Revised to Support Decentralization	Copy of Legislation Attached
The Local Government Law, Number 7	2003	Assigns powers to the Ministry of Local Government and Rural Development (LGRD) to run and service local authorities, and regulates the provision of basic services such as education, health and water and sanitation amongst others. The purpose of this law is to unburden central government from having to take exclusive responsibility for the development of rural communities, and to encourage communities to become stakeholders in the future development and upkeep of their own communities.				In a longer term, needs to be more specific on exclusive roles of LG units vis-à-vis service provision authority	Attached
The Transitional Federal Charter of the Somali Republic	2003 (Enacted in 2004)	Stipulates the state's territorial sovereignty, official religion, national symbols, Transitional Federal Government (TFG) and fundamental rights and freedoms of its people.	Article 67 of the Transitional Federal Charter of the Somali Republic (2003) requires that 'the natural resources of the country such as the minerals, water, flora and fauna shall be public property.' Water resources are therefore a public property, held in trust				Attached

			and protection by the government in the interest of all citizens.				
Law 2	2002	Establishes PSAWEN	Regulate the work of PSAWEN	8 regions are established and not functioning as planned	In its role as regulator PSAWEN facilitates decentralization.	Clarify roles for the regional offices especially with regard to regulatory oversight and gradually move away from engaging in service delivery.	Law not available
Law 20	2004	Concerns water management as well as any subsequent amendments and laws as applicable to Puntland and published in the *Faafinta Rasmiga*					Law not available
Puntland Water Policy	2007	Defines in some significant detail the desired directions of the legal framework in the sector. It is a very ambitious policy, and to a great extent appeals to a long-term vision in the WASH sector.	Service delivery should be detached from other policy and regulatory functions and that it should be devolved as close to the community as possible.				Attached

5.3. ABILITY AT CENTRAL, REGIONAL AND DISTRICT LEVELS TO DELIVER SERVICES EFFECTIVELY

5.3.1 SERVICE PROVISION AT CENTRAL, REGIONAL, DISTRICT AND COMMUNITY LEVELS

209. ***The on site-verification of service delivery systems in WASH informed the following observations and related constrains to the ability of the central and local governments to discharge service delivery functions:***

- Service provision in WASH[31] by the ***central government*** ***level implies engagement of PSAWEN and MoH.***

- ***In practice, PSAWEN role is limited to water supply services only and occurs in two forms:***

  - ***Through provision for private sector participation in service delivery, where PSAWEN is the contracting party representing the public side.*** The current agreements are lease contracts, but poorly formulated, and biased in favor of the private interest. PSAWEN needs significantly better legal expertise to draft and negotiate adequate contracts with the private sector so that the public interest is better represented.
  - ***Performing service delivery through PSAWEN regional offices. These services are not compatible with PSAWEN role as the regulatory agency***, and in any case, they mainly consist on emergency interventions in rural systems, performed ineffectively, due to lack of skilled staff and equipment. The recommendation is that PSAWEN should gradually abandon its involvement in service delivery at this level and concentrate on its regulatory role.

- ***MoH PSAWEN ability to discharge its functions vis-à-vis service is Service provision in WASH by the central government level implies engagement of PSAWEN and MoH.***

- ***MoH is responsible for the Hygiene and Sanitation component,*** which is a very recent competence. In discharging the functions related to Hygiene and sanitation, the MoH has also service provision role, to be provided through its de-concentrated structures. However, to date ***there is no effective role in service provision or delivery, due to lack of staff - MoH does not even have any personnel responsible for hygiene.***

- ***The regions have no role in service provision***. By law they have only coordination tasks, which do not appear to play any role in service provision for WASH. In any case, their administrations are quite weak and need addressing in terms of staffing and financial support.

- ***At the district level service delivery concerns only solid waste management services, which are carried out at a very basic level and highly inadequately.*** There is no infrastructure (e.g. sanitary landfills) and only solid waste collection is done selectively for urban areas (parts of). With regard to hygiene, the level of engagement of local governments is below the required amount of work

[31] With regard to wastewater management, there are no service provision activities, as these are managed individually by households, who provide for basic on-site or off-site facilities. There are no networked systems, neither treatment of wastewater.

- ***Where services (water supply mostly) are provided through private water companies, there is a drastic, positive change in their quality***. However, apparently the water supplied through networked systems, run by these companies is exclusively targeted at the rich strata of the population. Anecdotal reference suggests that these water companies make substantial profits, through the application of a fee level for piped water that is exceptionally high even for Eastern European countries (US$ 1/M3) and definitely many times higher than that applied in all MENA countries (West Gaza). Water sold via trucks exceeds 3-4 times this price, especially during the dry season. As no records were made available to the consultants, neither by PSAWEN, nor by these companies, anecdotal information suggests that the unit sale cost would not exceed US$0.6, for piped water, and thus revenues exceed operational costs by far.

- ***The lease contracts foresee a fixed fee that these companies pay to PSAWEN (in 2010 and 2011 amounted at a total for all of US$36,000) while there is no obligation for capital investment funding.*** At the same time, collection rate, clearly, is nearly 100%, as the water companies operate a fully metered system, with no provisions for the poorer strata of the society, and with the only guiding principle being "no pay, no water." Such a situation represents a huge disincentive to extend urban-networked systems indiscriminately, but only to a very specific (and small) portion of population who can pay, thus deepening the social gap between the poor and rich. This is a formidable situation in a country where a large part of the population lives under US$ 1 per day.

- ***Water service provision at the village level is done through shallow wells or boreholes, without any meaningful maintenance procedure, in absence of any fee collection except when major breaks occur.*** The village committees in charge of the management of these systems are totally inadequate to carry out their role at any acceptable level. Mostly they serve as conduit of the complains of the public to the district council, which afterwards turns to NGOs/INGOs for assistance;

- ***NGOs/INGOs provide mainly for capital investments.*** More often than not they bypass PSAWEN and district administrations, because is easier for them to deal directly approach does not help any capacity building at the local level, but quite to the contrary, undermines the authority of the district councils. More coordination is required.

5.3.2 THE UN, INTERNATIONAL DONORS AND NGOS

210. ***International Agencies/ NGOs have played an important role in Puntland State of Somalia over many years under difficult, and at times, dangerous conditions***. This has produced a cadre of leaders as well as organizations with proven capacity to innovate and work effectively at community level.

211. **Donor involvement in Somalia's WASH sector is primarily a humanitarian operation – a situation that applies to Puntland as well. Very little focus has been devoted to financial, managerial, and technical issues. The considerable challenge in developing the water sector in Puntland will need to be broadly supported- both nationally and internationally- and, therefore, technical and financial cooperation with international agencies will be facilitated and encouraged**. Not only will the sector need financial investment, it will also need extensive technical support and development in many specialized fields. In order to ensure that this cooperation can be of lasting benefit to Puntland it is

essential that institutional local capacity in human resources and equipment be built so as to avoid dependency upon external resources in future. Financial and technical cooperation partners should aim to transfer their knowledge and skills to local partners within the duration of projects and programs.

212. ***The European Union*** has implemented many projects that contribute to poverty alleviation of disadvantaged rural communities through increased access to sustainable and reliable energy services in rural areas. The EU has also contributed to increased access to safe water and sanitation for the rural population in Puntland with particular focus on women and children; and has supported the empowerment of communities and local authorities to manage these resources in a sustainable way.

213. ***UNICEF*** contributed to improved livelihoods of the urban population, with particular emphasis on women and children. Activities focused on sustainability of urban water supplies and increased access to enhanced sanitation in urban areas through selection of urban areas where activities can be undertaken. UNICEF is contributing to WASH improvement in the rural areas in a quite substantial manner in both coverage as well as sustainability of water system through expanding PPP to rural areas. I addition UNICEF is working closely with MoH in developing state policy for Hygiene and sanitation and spearheading community led total sanitation.

214. ***CARE*** is running an extensive program focusing on target beneficiaries that include the urban poor, those migrating from a pastoral livelihood, minority groups, and women-headed households. The program supports CARE Somalia's Strategic Plan of 2008-2013 with a goal to *'reduce poverty through empowering women, enhancing access to resources and services, and improving governance'*. Having re-engaged in water projects in Somaliland and Puntland State since early 2008, much of CARE's focus has been on emergency rehabilitation of water sources as a response to drought and displacement, in line with strategic direction to reduce the impact of emergencies on vulnerable communities, particularly women and children. As such, the program respects SPHERE minimum standards for water supply, sanitation and hygiene (WASH) promotion. CARE is pro-actively involved in the interagency cluster approach to coordinated humanitarian action and lifesaving during emergencies.

215. ***The main INGOs active in the WASH sector in Puntland*** are CARE, CARITAS, Islamic Relief and Islamic Aid.

5.3.3 CURRENT CONSTRAINS TO CAPACITY TO DELIVER THE SERVICES REQUIRED

216. All the relevant institutions dealing with WASH face serious constrains to their capability to deliver services. Presently, PSAWEN as well as district administrations are unable to ensure adequate WASH services to the population, lacking managerial, financial, and human resources to extend reliable and safe services to the population. The findings from District Capacity Assessments of 2011 reveal serious gaps in all aspects of administration and particularly WASH services. Major constrains revealed also during site visits, include the following:

- ***Lack of capacity to identify a role for districts in water supply***. Although it is a priority of the district administrations, they are still wandering in the dark in that regard;

- ***Lack of revenues at the central and local level for WASH:*** In absence of sufficient central government transfers and any revenues generated through fees (except for the lease payments), the sector is entirely on the hands of international aid with no perspective in the horizon to become self sufficient at any rate in the near future;

- ***A consequential and substantial lack of human resources to deliver WASH services.*** Associated with a thorough reform of the civil service, which among other implies a reformation of the remuneration scheme, a sustainable, long-term solution would be provided through the establishment of sponsoring facilities for educational programs for professional and talented persons at Masters and PhD levels outside the country, whilst ensuring that they were employed by the public sector, both at the central and local level, upon finishing their programs. This support can be channeled through donor funding; and,

- ***Inadequate institutional arrangements for the provision of service through private companies*** need to be addressed to ensure a fairer share between private profit and public benefit. This is essential not only to ensure the much-needed public revenue for capital investment, which are totally lacking, but to also remove the current anti-social setting through the application of prohibitive and unfair tariffs for the population.

5.3.4 Financial and Institutional Gaps, Hindering Service Delivery

217. ***There is a strong need to improve all facets of financial management planning, budgeting, execution and tracking, monitoring and oversight.*** Findings and observations to this end include:

- Fiscal constraints undermine salary levels, O&M and capital spending;
- A serious shortage of qualified and trained Financial Managers and Administrators, paralleled with a lack of a clear general ledger accounting system. There are significant gaps in the tracking and disbursal procedures, especially in tracking recurrent expenditures at REO and DEO levels;
- Transparent and/or consistent integrated annual budgets, disaggregated by clearly distinguishable line items are unavailable; and,
- No financial information shared by autonomous districts, and weak aid coordination and compliance arrangements fall short of ring-fencing financing of non-treasury flows.

5.3.5 Gender, Human Rights and Insecurity

218. ***Gender:*** Women and children are the main beneficiaries from improved WASH facilities and suffer disproportionately when there is a lack of these. Having to carry water over long distances causes significant health problems and can lead to miscarriages. Women are also important contributors to the national economy, particularly as they care for the family, often without support from men. Child morbidity and mortality arising directly from inadequate provision of water and sanitation facilities is an enormous burden upon the people and wellbeing of Puntland as a whole and its eradication must be given high priority by the water sector as a whole.

219. ***Women are encouraged and enabled to play an important role in promoting community awareness of water supplies***. Their role in promoting knowledge of hygiene, pollution, disease, water use and protection is an essential component that leads to an effective water supply. Women can make a key contribution to explaining why payment for water is necessary.

220. ***Human rights:*** WASH is an important prerequisite for ensuring the right to basic education. Children commonly miss school because they are too busy fetching water or are sick with a water-related disease. Girls — especially older girls who have reached puberty— are often reluctant to stay in school when toilet and washing facilities lack privacy, are unsafe, or are non-existent. Even when

children are in school, they are often not meeting their learning potential due to mental stunting caused by helminthic infections and diarrhoea. Programs that combine improved sanitation and hand-washing facilities in schools with hygiene education can improve the health of children for life. Where properly integrated into wider community initiatives, school-based programs also promote positive change in communities as a whole.

221. ***There are strong links between WASH and the economic and social development of communities and nations***. Poor hygiene, sanitation and water exacerbate poverty by reducing productivity and elevating health-care costs. Safe water sources near homes reduce the lengthy and tedious process of fetching water (a burden borne disproportionately by women and girls) and provide opportunities for poor families to engage in small-scale productive activities such as market gardening. Furthermore, armed conflict and natural disasters prevent households from using safe drinking water and practicing hygiene, impacting particularly on the most vulnerable, including women and children.

222. ***Communities consistently cite reliable and accessible water sources for household use as a development priority and increasingly stress the importance of sanitation as well***. A clean living environment, including access to sanitary means for excreta disposal and adequate water supplies for washing, is linked not just to well being but to the dignity of families and communities.

223. ***Insecurity:*** The increased insecurity has double effect on the budget as all field visits in Puntland including in town tours have to be escorted by armed police. Hence, the cost of security services has increased the operational costs. People are already weakened by successive cycles of drought and disease outbreaks. This volatile situation is not matched by increase in resources to meet the needs of the vulnerable people and preserve their dignity. With the attention of donors increasingly focused on emerging hot spots, Somalia protracted conflict will be forgotten and humanitarian actors working in Somalia will face enormous challenges in sustaining their services.

224. ***Famine and drought:*** Livestock provides 80 percent of Puntland foreign exchange earnings and 60% of the employment opportunities through a nomadic pastoralist system. The success of the livestock industry depends upon the availability of water, sustainable grazing and an accessible market. Livestock also represents a traditional form of social security. During Famine and drought, shortage of water affects both human and animals.

TABLE 18: DEFINITION OF FUNCTIONAL ASSIGNMENT TO DIFFERENT LEVELS OF GOVERNMENT: WATER, SANITATION & HYGIENE

	Sub-sector	Functions	Present Implementation Modality			Future Implementation Modality			Future Implementation Timeframe			Justification
			Central	De-concentrated	Delegated / Devolved	Central	De-concentrated	Delegated / Devolved	1 yr	2-5 yrs	10 yrs	
	Water Supply	**(Production functions)** (i) Survey and design of water supply developments, '	**Partially done**			Draft and send for approval to apposite authorities all regulations regarding water sector.	Assist central offices in regulatory oversight and compliance monitoring					Needed to enable safe and sustainable delivery of water supply services.
		(ii) Approval of water abstraction,	**Partially done**									
		(iii) Development of plans and programs concerning sector monitoring & evaluation, which fulfill the role of water sector regulator in the interests of protecting the public and water quality.	**Largely unfulfilled.**			Organize all in regulatory oversight activities and procedures.				**X**		Furthermore is compliant with the legal remit of PSAWEN.
		Provision of service provision through contracting out private sector for water supply	**Done, but needs improvement**			Contracting out needs thorough revision, to improve quality and regulation of prices. Also contracts need supervision.	Assist central offices in supervisory role/contract monitoring.			**X**		
Service Production and Provision	**SWM (Environmental Health)**	Establishment of solid waste regulatory standards. **(Production function)**	**Not done**			Develop regulatory standards for solid waste collection and	-	Regional offices will follow the implementation with active participation of	-	**X**	-	Compliant with legal remit

Functions						disposal.		the communities					
		<u>Provision</u> for SWM services	**<u>Not done</u>**		**Partially done.**	Identify service delivery models for solid waste collection					**X**		
		Design and dissemination of key messages and actions that will limit vector breeding at a household level	**<u>Not done</u>**	**<u>Not done</u>**	**<u>Not done</u>**	-	Coordination & oversight	-	Regional offices will play major role in raising public awareness	-	-	**X**	-	Compliant with legal remit
		Train community volunteers	**<u>Not done</u>**	**<u>Not done</u>**	**<u>Not done</u>**	-	Develop training materials	-	Identify volunteers and conduct the training	-	**X**	-	-	Compliant with legal remit
	Hygiene Promotion	Personal hygiene promotion relating to hand washing (at critical times), latrine usage, water transport, storage, and consumption as well as infrastructure maintenance and management related to latrines and water points	**<u>Not done</u>**	**<u>Not done</u>**	**<u>Not done</u>**	-	Prepare design of IEC materials for illiterate people, gender considerations, and cultural norms. Coordinate with of MoE and MOWDAFA to implement joint programs.	-	Train communities to adopt these materials and maintenance of latrines and water points. Coordinate with de-concentrated structures of MoE and MOWDAFA to implement joint programs.	-	**X**	-	-	Compliant with legal remit

	Wastewater Management	Construction standards for household and family latrines, and communal latrines	**Not done**	**Not done**	**Not done**	-	Develop plan with full participation of regional offices	Participate in developing plan and collect information	Oversight of compliance	**X**	-	Compliant with legal remit

5.4 REVIEW OF FUNCTIONAL ASSIGNMENTS

ADDITIONAL ADJUSTMENTS TO PROVISION AND PRODUCTION FUNCTIONS

225. ***Performance improvement in the WASH sector requires, in addition to the above, a range of measures***, which are mostly consistent with the needs to enhance capacity at the central and local level in Puntland and remove the other institutional barriers that hinder effective and efficient discharge of the state functions in Puntland.

226. ***Data collection and monitoring:*** While there has been done substantial and very important research in the framework of SWALIM on water resource data collection, it is crucial that this work is endorsed and carried on professionally by PSAWEN and other water sector stakeholders. This entails not only the update of the database, but also the use of the information to protect and develop the State's water resources on behalf of the people. Therefore developing government capacity to collect, manage and analyze these data is a priority activity.

227. ***Enhancement of human resource capacity and skills at public functions is an urgent need.*** Associated with a thorough reform of the civil service, which implies a reformation of the remuneration scheme, a sustainable, long term solution would be provided through the establishment of sponsoring facilities for educational programs for professional and talented persons at Masters and PhD levels outside the country, whilst ensuring that they are employed by the public sector, both at the central and local level, upon the finishing their programs. This support can be channeled through donor funding.

228. ***Amending the existing institutional arrangement for the provision of service through private companies to ensure a fairer share between private profit and public benefit is also crucial.*** This is essential not only to ensure the much needed public revenue for capital investment, which are totally lacking, but also remove the current anti-social setting through the application of prohibitive and unfair tariffs for the population.

229. ***Completion of the current legal framework is a necessity, as in its present state there are significant gaps and inaccuracies at the conceptual level.*** The recommendation is to address, in a short to mid term, the following critical and mostly urgent issues, shown per functional areas:

Water Resource Management

- Development, allocation, abstraction and use of water;
- Environmental and sanitary protection of water resources, including impact assessment, pollution and discharge issues;
- Protection of groundwater recharge areas and catchment basins;
- Approach to water disputes and settlement, and shared national and international waters; and,
- Approach to a groundwater reserve and over pumping which might cause irreversible damage to an aquifer.

Economic aspects of services

- Adequate pricing of water supply services.

Other Regulatory Framework

- Review and amendment of PPP contracts with a view to balance public and private interests;

- Realistic, (yet acceptable) service standards and water quality standards; and,
- Gradual removal of overlapping functions between various agencies/ministries/local government bodies, to crystallize, over time, a separation of the policy, regulatory and service delivery functions – no matter how rudimentary they maybe.

230. ***Raise public awareness:*** For WASH to be sustainably developed in Puntland it is essential that the public are aware of their rights and responsibilities together with the ways in which they can best ensure their water sources and environment are managed and maintained properly. The public must therefore be fully involved at the local level in planning, financing, developing and operation of their water supplies and other WASH infrastructure. Opportunities have to be created to enable the public to express their views.

231. ***Building of central and regional oversight, enforcement and compliance capacities*****.** This new level of financial oversight and responsibility will require extensive capacity building of existing financial management staff, and the recruitment of better educated graduates with financial management qualifications and experience.

232. **Adoption of participatory techniques**, ***such as PRA tailored to the water and sanitation sector, could be used to strengthen the participation of women (and the rural population in general) in the analysis of water supply characteristics as well as those for sanitation.*** In particular, the involvement of the local community in collection and analysis of the extensive baseline data contributes to a profound knowledge of the communities and a common understanding of how to proceed. It provides a strong basis for on-going project monitoring and for future impact assessment. As women play a significant role in the household water supply, greater effort should be made to foster their participation in decisions over community water and sanitation service characteristics. Women could make valid and effective contributions to project planning, construction and management, which can be encouraged by the adoption of an appropriate emphasis during training and raising awareness.

5.5 PROPOSED 'UNBUNDLING' APPROACH

233. ***The unbundling in the WASH sector is challenged by a number of factors that entail production functions which are not addressed in a number of areas-especially policies (for SWM), a complete set of regulatory standards for water, wastewater and SWM, as well as contracting out to the private sector, to continue with the nebulous language of law No. 7 which does not assign exclusive service delivery competences to local governments, and more significantly, by the high management, fiscal and human constraints faced at the local and central government levels, though at varying degrees***. Service production and provision functions are not clearly defined and not implemented to ensure an effective and sustainable sector. While it is the central level of government (PSAWEN) that is concerned with service production and provision in WASH, the local governments (districts) are yet to be positioned within the service delivery domain, and the private sector participation, which though provides substantial services and is quite strong, needs to be regulated and termed in a more adequate manner, as was observed in earlier sections of this report.

234. The findings on the institutional capacity at the central and local levels to discharge the production and provision functions strongly suggest a parallel movement: While initiating effective service delivery at the local level, strengthening of the central functions – regulatory, oversight – need to be equally addressed.

235. ***It should be intended that the implementation of any measures to correct existing models, or adopt new ones must, in the first place, totally preclude service disruptions. A service vacuum in WASH-especially in water supply creates an emergency even if lasts a few days***. Sector unbundling must therefore be done is a gradual fashion, allowing, temporarily, overlapping of competences, especially service delivery competences.

236. ***In the given context, the substance of the recommendations for the correction/improvement of the existing models and the new proposed models aims at the following objectives:***

- Encourage de-concentration of the Water Resource Department structures to district levels, with the aim to gradually integrate these into the local government structures when these will become managerially capable;
- With substantial donor assistance start outlining an alternative service delivery model with the creation of pilot public enterprises, at the local level (district)
- Explore and pilot PPPs at the rural areas, possibly with a service management role based on management contracts, as alternative to lease contracts; and,
- Build capacity at the enterprise level, through intensive and continuous training and coaching for a period of time (1-3 years).
- All these measures need a substantial support with capital investments and a re-dimensioning of the assistance of the donor community, which should enhance the local government-strengthening vector, a thorough re-thinking of fiscal decentralization approach to make it workable and effective over time, and an essential civil service reform to support all the other reforms.

237. ***It is important to point out that low institutional capacity goes hand in hand with low level of infrastructure facilities***. They are both faces of the same coin, and while the equation relating the two is complex, nonetheless the development of the later is a factor to incentivize the improvement of the former, especially with regard to those services that lack infrastructure altogether, or that have it developed at a basic level only. International experience suggests that any effort to strengthen institutional capacity in public service provision, when the level of physical infrastructure is inadequate to support a basic level of services, as it is the case for most of WASH services in Puntland, needs to be strongly associated with capital investment. With that in mind, the development of service delivery models assumes that whenever they are implemented, a suitable level of physical infrastructure exists, or is being planned.

5.6 SERVICE DELIVERY MODEL DEVELOPMENT

238. ***The models discussed below concern water supply and wastewater (WATSAN) services***. Although the latter are not developed in terms of infrastructure, the management bodies and operators engaged in water supply services discussed herein would be in charge of these services. This arises out of the fact that the skills – both managerial and technical – needed to address water supply are the same largely for wastewater services. Also good practice requires that these services are performed by the same entity/operator, for reasons concerning not only similar skills, but consequential links between the two, as well as potential cross-subsidizing of wastewater services.

239. ***Solid Waste Management models are not part of this section.*** The operation of public or private companies requires rules in place, and that is an emergency. While PSAWEN is in charge of SWM, it still needs to develop regulation for solid waste management, which are entirely missing, to

start with regulatory standards, which are critical. The SWM sector in Puntland need an urgent Investment Plan to enable even basic discharge of services. In addition, these services need to be subsidized by the government, at least initially, and that applies even if the private sector is involved. While the models described further in this section can be used to some extent[32], with due modifications, for SWM, it is advisable to treat these IN A separate, comprehensive study.

240. ***With regard to hygiene: the present setting where the central government bodies (MOH and PSAWEN), discharge their tasks through de-concentrated structures, and also the district governments engage in hygiene promotion, is a model to be strengthened with more action especially targeted at IDPs and nomadic population***. In addition, more innovative activities that engage the youth and children, that through better coordination with the MoE are incorporated with the educational system are encouraged and suggested as good ways to promote hygiene education.

241. ***The development of service delivery models for water supply and wastewater services in Puntland concerns two aspects*** (i) correction of the existing models and (ii) introduction of new models (or variants of existing models). The proposed measures to correct and strengthen the existing systems, and the proposed alternatives are informed and lead by considerations concerning delivery of social goods – in this case, WATSAN services- in a fair and equitable manner and consideration of good public governance.

5.6.1 AMENDMENT OF EXISTING MODELS AND RATIONALE

242. ***The key provider of WATSAN services in Puntland is the private sector. It concerns two different models-one formal, the other informal, and which be addressed separately:***

- ***The PPPs,*** which are legally recognized, manage primarily networked systems and are regulated through contracts; and,
- **The informal sector**, but very widespread, consisting on individuals selling water to households that are not connected to networks, and that range from primitive means to entire water truck fleets, depending on the wealth of the individual concerned.

243. ***Concerning the PPP arrangement, the main problematic is on the governance side, and less on the models per se.*** In Puntland the arrangements are lease contracts, of 10-year duration, but in those cases when the private operator is required to provide for capital investment, then the boundaries between lease and concessions are blurred. Contracts are also poorly formulated, leading to a bias of interest that generally favors the private operator. The proposed measures focus therefore on the overall strengthening of the regulatory context, which implies building core capacities of the bodies in charge of implementation. The lines along which such improvements need to take place are those of good governance discharged by the public institutions responsible for the provision of public services.

244. ***The improvement of the PPP model requires prior research to precisely establish the following***:

[32] Currently Terre Solidali is running a project on SWM that aims at providing elements for a significant improvement in waste management and for a reduction of urban environmental impact of waste disposal in Puntland. Through a participated approach, the intervention aims to sensitize all stakeholders on the territory and to provide the entire community with a shared and improved understanding of challenges faced in the provision of solid waste management in Bosaso in the medium term, and of the necessity to expand the actual service structure in line with the institutional and socio-economic context. On this basis, a set of structures and instruments will be designed and put in place to allow the launch of a widely accepted and effective PPP structure.

- What are the current profit rates, which are deemed to be abnormally high, and on that basis address the pricing modalities from the regulatory side, to include an adequate profit rate for the private operators;
- Amendment of contract terms to remove any ambiguity and strike a fair private-public balance; and,
- The option of transforming some of these contracts into concessions needs to be thoroughly explored in a longer term, after meticulous research on overall performance of existing operators is made and after a social cost-benefit analysis is conducted. Important to note here that concessions particularly require a strong regulatory environment, which realistically, places this option at a later point in time.

245. ***The informal sector fills a huge gap left by the formal private sector and the public sector alike, in servicing a sizeable portion of population residing both in urban and rural areas.*** The number of such service providers is not known, but certainly is a large number. While it represents a factual model of service delivery, it is a coping strategy used in the absence of an alternative.

246. ***In spite of the above, this practice is incompatible with the minimal standards of service required when water supply services are involved***. While the delivery of water via water trucks where there is no alternative service is a mode used in many countries, it is nonetheless done through properly licensed operators, which are companies, and not individuals. The current setting in Puntland excludes any possibility of regulation – yet is impossible to stop the service, as it is now a necessity.

247. ***The only viable alternative for the responsible institutions of the Government is to legalize[33], selectively, some of the biggest providers, and issue franchises, but provided that they fulfill adequate technical and managerial conditions.*** The Government should seek to strike a balance between their interest to operate in a legal setting, and the need to ensure at least safety in service delivery to the public, besides other concerns. Eventually, with the progressive extension of services and involvement of PPPs and the public sector in service delivery, the need for this informal service will wane, although it may take a very long time until it will entirely disappear.

248. ***The public sector service delivery model through PSAWEN departments is deemed largely inadequate, because*** (i) is incompatible with the regulatory role of PSAWEN[34] (ii) is highly ineffective and inefficient, and has no chance to improve. Therefore the recommendation is to abolish them completely, with a cautionary note that this needs to be done in a manner that does not cause any service disruption.

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[33] Legalization can be enforced by applying fines to existing providers, so that they have an incentive to obtain a legal status. It may be possible to impose and collect fines for such providers that operate water trucks, or fleets of, near or into large urban areas. Clearly, the government (PSAWEN) needs to draft licensing standards.

[34] The placing of service delivery under the same roof with regulation simply produces bias in regulatory oversight, as one entity (any entity) cannot possibly control itself and immediately this setting generates a conflict of interest. In the case of public companies, which are owned by the government and regulated by the same, usually the ownership is vested with one ministry (typically, either the ministry of economy or the ministry of finance) while regulation (standard setting and oversight) is performed by another central agency (be that a line ministry, or independent regulator). In the case of local governments engaged in service delivery, through establishment of own enterprises, best practice requires that regulation is performed by a different agency – a central agency. Especially so in cases when the government is weak. But invariably, service provision and regulation for that same service should never come under one single entity.

249. ***The village-based water committees model is inadequate to ensure at any degree safe, reliable and sustainable services because it lacks*** (i) an organizational structure that can is required to ensure management of infrastructure (ii) lacks human resources with adequate technical skills that can perform specialized operation and maintenance, such as is required for water supply services. Water supply services cannot be sustainable on a voluntary-based work and participation. Their major concern is to ensure proper maintenance of the facilities, and that cannot be achieved through community management only. However, community participation can materialize and be placed in the role of the supervisor of a public or private operators, and in raising community awareness on issues such as payment of bills and water conservation. The following discussion on the proposed models for public service delivery are an extension of the above, as it seeks to fill in the gap that would be implied by the proposed demotion of both models described.

5.6.2 PROPOSED NEW SERVICE DELIVERY MODELS AND RATIONALE

250. ***In the light of the rationale outlined above, the proposed new models seek to address existing concerns in the public sector domain, while at the same time enabling service decentralization, in line with overarching policies in Puntland***. The proposed public sector involvement in service delivery is considered in geographical and service terms, while the private sector participation is addressed under a different angle. It should be noted however that the introduction of public service delivery models with a social, not-for-profit profile, strengthens competition in the sector, but also helps identify excesses of the private sector, especially with regard to pricing and other social considerations. It therefore, has the potential to encourage and accelerate reforms for improvement of sector governance as a critical element towards more adequate WATSAN service delivery.

PROPOSED MODEL 1

251. ***The first model proposed is that of establishing regional bulk water supply service providers (i.e. public companies) owned by the central government bodies***. The rationale for this model is informed by (i) the need for central control and efficient management of the scarce water resources, and (ii) the economies of scale that could be exploited. The degree of aggregation of bulk water supply services, the geographical areas where this is feasible, the number of such companies, and the details of contractual arrangements with the retail operators are key details that require further research. One key consideration is that such public provider of services can be established when there is clear that the assets are owned by the state – to start with the water source facilities, pipelines, etc. consideration should be given to this model in the case when large public investments (donor funded) concern the construction of new production and transmission facilities, assuming that in such cases ownership should be easier to determine. This model needs to be implemented on a pilot-basis. In the long-term, and with political will, this model has the potential to evolve further in its scope, with engagement in retail services to the public and as an alternative to the private sector. This model has been implemented in Uganda.

252. ***The second and the third model regard initially the rural areas. A brief analysis of the existing setting there reveals that the village councils are not a juridical person, they have no direct responsibility for service provision, neither can they be held accountable if they fail, as often happens***. ***However, in a tribal society it is very common to find similar arrangements.*** In reality, village-based water committees are controlled by the clan elders, who enjoy very substantial power and can bypass state structures (local governments included) if their interest is concerned. Recent research has suggested that the community management model introduced in many parts of rural Africa has largely

failed to produce the expected results, because the assumptions made on the "strong sense of ownership" have proven to be either exaggerated or in any case unrelated to the attributes required to perform the role they were required to fulfill.[35] However, in the conditions when the public sector is at its infancy, there is still needed a strong presence and participation of the community, but re-modeled to mitigate as much as possible the problematic it presents in its current form. These observations, together with the factual performance of the community management in both countries, naturally lead to two possible models, as follows:

PROPOSED MODEL 2 – INVOLVING DISTRICT GOVERNMENTS IN SERVICE DELIVERY

253. ***The local government has the legal mandate, responsibilities, and can be held accountable if they do not perform their duties. It is therefore proposed model is that of establishing departmental service delivery units at local government and district levels, initially serving village communities and later expanding their services towards underserved urban areas***. These departments are envisioned to evolve into public companies over time (if not possible to establish as such from the beginning), owned by the local governments and serving within the respective territories. In fulfilling their function, these entities would closely cooperate with village authorities, in the form of a ***management services*** agreement ***or service contracts.***

254. ***The envisioned, pro-active role for the community-based structures, i.e. Water committees, consists on***: (i) due-diligence on payment for services rendered, and (ii) monitoring the performance of the public service provider.

255. ***Given the public sector involvement, pricing policies would be socially acceptable and within a reasonably affordable range. In general, the assets of community water supplies are owned by the community themselves. If the contractual arrangement is a management contract, involving full operation and maintenance services, it would be desirable and necessary to agree, with the village communities, that assets are held in custody by the service provider, while ownership does not change.*** The agreement should make provisions for the return of these assets upon termination of the contract agreement. ***The viability of this model needs to be substantiated with further research and to be implemented on a pilot-basis.***

PROPOSED MODEL 3 – INVOLVING THE PRIVATE SECTOR

256. ***In, addition to the involvement of the private sector along the existing lines as in the urban setting, another suitable model, applied selectively, where applicable, is that of management contracts, or service contracts similarly to the public sector model described above***. This model is versatile, as it enables participation of small private operators (companies), not just the big, existing companies, introducing some competition in the market. The time span of a management contract is far smaller than a lease, which gives more choices to the contracting party. When the operator is to serve a large number of rural systems, it is possible that the only option for the public side of the contract is that of the Government.

257. Whenever the private company is operating in a small scale, the operator needs to have side performance agreements with each village council, with the latter performing a contract-monitoring

35 See Harvey A., Reed R., Community-managed water supplies in Africa: sustainable or dispensable? Oxford University Press, 2007

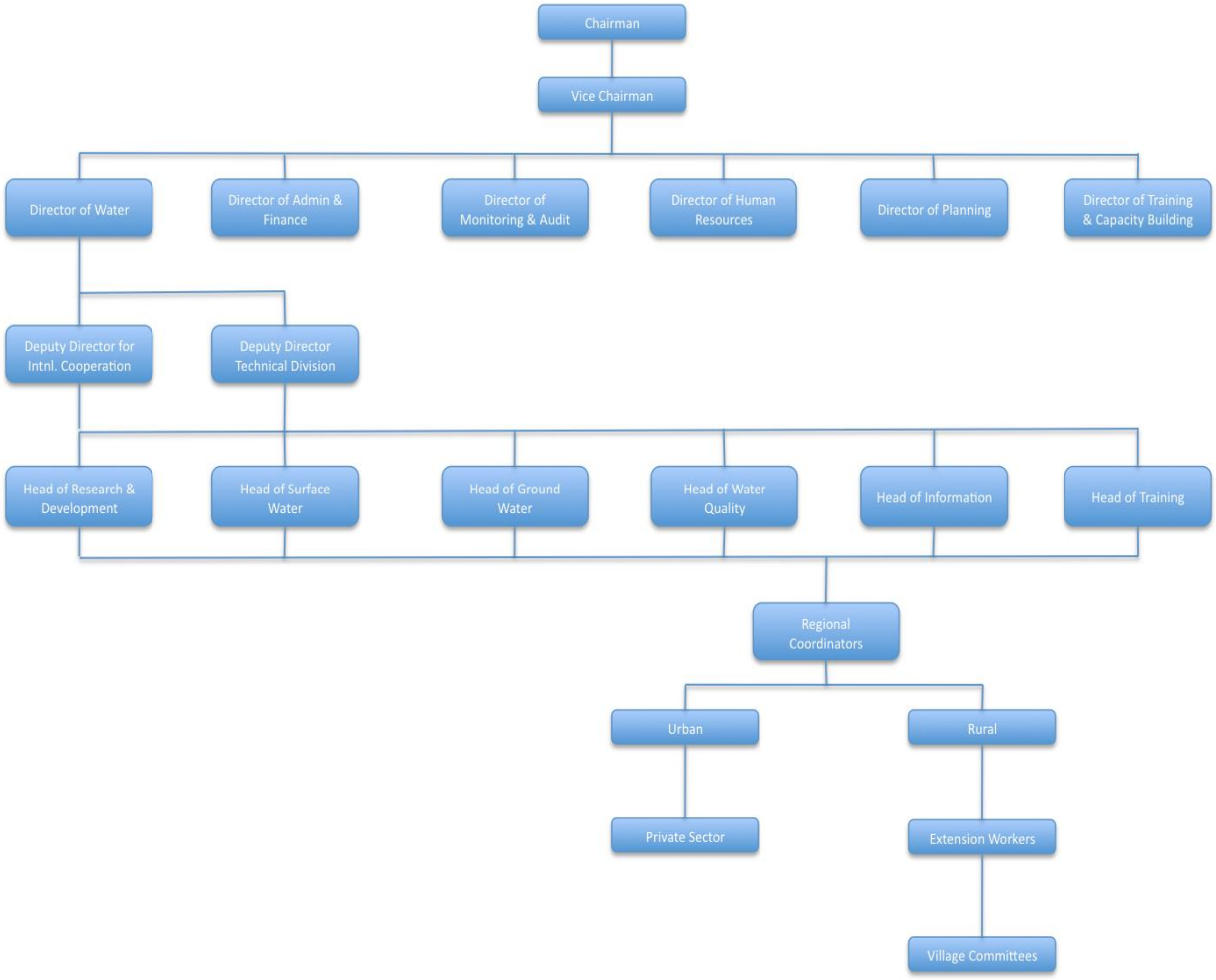
role alongside the contracting authority[36]. The village communities would have a role in performance monitoring alongside the district authorities and would commit to ensure a feasible bill collection rate. ***The viability of this model needs to be substantiated with further research and to be implemented on a pilot-basis.***

5.7 OTHER MEASURES IN SUPPORT OF SECTOR MODELS

258. ***PSAWEN is currently planning to extend existing sector provision functions to the district levels. This further de-concentration of service delivery functions, can only be is seen as an interim step until local government has acquired the necessary capacities to deliver services, in line with the overall recommendation made in this report to ensure division of functions and have PSAWEN eventually cease engaging in service delivery as it is doing currently.*** After that, its service delivery structures would merge into the same type structures of the local governments – thus adding value to these, requires new staff and resources. In addition, PSAWEN would continue to discharge its regulatory role and the extension of its structures to the district level would help better performance in this aspect. Therefore, in line with its continued regulatory and oversight rile and responding to the need to strengthen it, the recommended new structure for the Water Resource Department in the short to middle term envisions the creation of a stand alone WATSAN Regulation & Oversight Department as presented in the Figure 20 below:

[36] Over a longer time period, and with the evolvement of the local governments, it maybe possible that the village elders assign authority to the district council where the villages adhere to, to represent them in such side agreements, meaning that one performance agreement is signed between the district and the operator-more rational and efficient for both sides.

FIGURE 20: RECOMMENDED STRUCTURE FOR PSAWEN



259. ***In support of the above, and i***n line with the recommended strengthening of PSAWEN in its regulatory role and in support of the service delivery models, further capacities are needed within the PSAWEN, as presented in ***Table 19***.

TABLE 19: RECOMMENDED SKILLS & STAFFING LEVELS FOR PSAWEN

Staffing Skills/Levels	Central level	Regional level
Economists (regulator)	4	2
Legal expert	3	2
Chemist/biologist	1	3
Water quality Laboratory Technicians	1	8
Geologist	3	1
Civil Engineer	4	4
GIS expert	2	2

260. ***According to the cost estimates given by PSAWEN staff, all costs including fixed costs and other recurrent cost of the proposed staffing would be on average, circa US$ 153,000/year after year three.*** Of these, US$ 143,000 is salaries, US$ 10,000 for renting offices and equipment, and US$ 61,000 for 3 cars and furniture and office equipment. The required cost for the first year is US$ 215,000 and

153,000 US$/year after the first year. This does not include the cost for capacity building for the new staff. It is estimated will take 3 to 5 years to build the capacity of the staff. ***Further research is needed to detail and provide more accurate estimates.***

5.8 WASH SECTOR – PROPOSED NEXT STEPS

261. ***The findings of this research suggest that the present overall management approach system to the WASH sector - in particular with regard to water supply, which is an indispensable condition for the human existence and comprises the bulk of service delivery activities - is characterized by an obvious incoherence between intent and action.*** On the one hand, decentralization is largely emerging from experience and public desire, and driven by the Constitution push for a factual decentralization of services. On the other hand, the center (through PSAWEN) controls water supply activities in the major urban areas - through the PPP mechanism (which generates revenue) - and less so in other areas. In the meantime, local government capacity to discharge its functions remains low, because it is not potentiated to do so. Local governments at all levels, are not backed by a structured funding scheme that would enable them to gradually acquire the capacity to function; their authority is also undermined as they are left with little space to act. Law No. 7, which constitutes the basis for local government administration, is not well aligned with the Constitution, in that it is not sufficiently elaborate to confirm the exclusivity of service provision functions to the local government level. While this may stem from the relative weakness of local structures, it should be noted that this situation is simply unsustainable in the long run – either the system is centralized *de jure* and *de facto*, or decentralized.

262. ***Within the centralized management approach, through PSAWEN, it can be stated that the current PPP arrangement - while having achieved commendable results and relative success in delivering the services in parts of urban areas - operates in contradiction with social values***. Water is a basic human right and while it is a good and needs to be priced, some boundaries as to the degree of commercialization need to be observed. Private interests are overwhelmingly suppressing public interest and this is not in line with the commitment of the Government of Puntland to achieve MDGs with regard to WASH and other parameters. It is the responsibility of the public institutions to (i) bring in institutional mechanisms, (ii) transform a valuable business expertise in service delivery into a public good, and (iii) use it to the benefit of the whole community, yet ensuring sufficient interest and latitude for the private sector. In this context, extension of the PPP initiatives towards other areas should be attempted, only if the public authorities ensure a fair and realistic balance between the public interest and the private interest.

263. ***It can be stated that the inherent public mistrust towards the central institutions derives from the inefficient and biased handling of the WASH sector and the relative efficiency of the management of privately owned water sources (at the village level)***. In a rural, semi-nomadic and generally under-developed setting, this naturally leads the population to revert to old traditions, and reject the institutions of a modern, democratic state, which the Government of Puntland is seeking to establish and consolidate. In other words, ineffective and inefficient delivery of the public services discussed in this report - which constitute an essential, primary and basic functions of a government - undermines any attempt and process to consolidate the institutions of a modern state.

264. ***The international community as a whole needs to be more present in Puntland and target its assistance in a more structured way to ensure sustainability of aid.*** While it is common knowledge that the fiscal system is not working and Government revenue to support WASH is virtually non-existent, the international community continues to provide substantial financial aid. Therefore, it would appear that financial means are not necessarily the main problem, but rather the mechanisms in place to channel it,

in order to build a sustainable WASH governance system in the country including: creation of efficient and sustainable delivery mechanisms, ensuring sustainability of capital investments, and increasing human capacity, also through motivating skilled local professionals to work for their country and in their country. It is clear that Puntland needs to build capital infrastructure in WASH. At the same time, if aid were associated with parallel efforts to create employment, the consolidation and improvement of the institutional framework around WASH would have good chances of success. The donor efforts towards employment and economic growth should be coordinated, targeted, phased and conditional on the pursuit of the necessary economic and legal reforms by the Government of Puntland, in order to adequately address the complex problems of WASH sector and beyond.

265. ***Strengthening existing service delivery models, or piloting proposed models, requires considerable investment.*** Unless the service delivery models for the sector are clearly defined it will be impossible to allocate functional assignments to central, regional, district and private sector stakeholders. Given the limitations of the existing PPP arrangements, and the need for financial viability to be widened - to include social cost-benefit analysis - new models are undoubtedly required. Key activities to be conducted over the coming 2-5 years include, but are not limited to:

- Identify the preferred Service Delivery Model (SDM) for Water Supply PPPs, and agree this model with government and the main donors. This would bring new standards of governance, accountability and transparency;
- Identify varying models for urban and rural areas and by district grading;
- Strengthen the contractual framework for PPPs, undertaking cross-project comparators to set pricing and determine economic viability, and clarify the role of central authorities and local government;
- Leverage external funding for new projects to build better delivery standards, including maximizing impact of investments on long-term service extensions;
- Identify independent (oversight) of the sector to enforce good PPP practice; and,
- Provide support for core technical skills (hydro-geological surveys, design options, maintenance standards and regulatory compliance).

- 6 -

RECOMMENDATIONS FOR STRENGTHENING SERVICE DELIVERY

6. RECOMMENDATIONS FOR STRENGTHENING SERVICE DELIVERY

266. ***There are striking difference between the service delivery models discussed in detail here.*** This is why the unbundling of production and provision functions must (i) be sector based, (ii) reflect the existing service delivery models and arrangements, (iii) seek to clarify the complex interplay between sector vertical, local government, not-for profit and for-profit stakeholders, and (iv) maintain a central focus on resolving fiscal and human resource constraints. Moreover, there is an urgent need to strengthen state provision functions through continuing investments in policy development, planning, budgeting and financing, regulatory oversight, and enforcement and coordination, given that the majority of spending within the sectors is production not provision focused.

267. ***Recent macro-fiscal performance has been relatively impressive, with the state budget increasing from US$2.5 million in 1999 to over US$30 million in 2011***. A strong GDP-growth-to-revenue trajectory is required to increase sector budget allocations, to attract, retain and motivate staff. Donors need to work with government to maximize revenues generation - not just focus on increasing the expenditure side, and in de-projectizing support, either through trust funds or deepening the current sector-wide approach. Deeping the SWAP will, however, require greater alignment and harmonization of external assistance around an agreed service delivery model; which needs to be elaborated.

268. ***Lack of state fiscal resources for the sector is the main driver of weak state production capacities, followed by lack of human resources and a massive under-investment in public goods and infrastructure***. Financing, cost recovery, co-financing and working through trust funds to defragment off-budget support (which is heavily projectized) will be vital to resolving the resource scarcity problems, as will be addressing the need to include the more efficient targeting of external support around clearly defined delivery models. Aid is also poorly managed and coordinated by Government, necessitating significant investments in simplifying (pooling) aid-financing mechanisms within costed sector strategies, ideally managed through trust funds.

269. <u>General sector observations include:</u>

- The private sector, non-governmental organizations and private financiers (Diaspora, community groups) are the main drivers of production assignments for all three sectors and as a result, services are decentralized by default, not design;
- New Education and Water Acts do not assist in removing ambiguities at the district level, where sector Ministries and local government are jointly involved in delivery. Either Law No. 7 needs to be revised to be more explicit about sector management arrangements, or the existing Acts need to be revised with a clear description of functional assignments across the entire system;
- The EPHS is the new policy cornerstone of the health care system and expanding coverage is vital to meeting community health needs and establishing a viable model for the entire system. In the case of health care delivery, pilots are most logically focused on strengthening the existing EPHS approach and building core sub-sector capacities within the new organizational stricture;
- Various models for the WASH sector need to be developed, but include strengthening the existing PPP arrangement, piloting rural-based community models, and, perhaps, considering the establishment of public structures based on an analysis of social cost-benefit analysis, not just financial rates of return; and,
- Social exclusion, due to insecurity, weak capacities, nomadic traditions and weak infrastructure that projects the state institutions remain the biggest challenges to the system in the long-term.

270. ***In conclusion, the assessment provides evidence for strengthening: (i) local government; (ii) vertical sector Ministry; and, (iii) sector coordination between both structures.*** Critical to the

recommendations outlined here, is an understanding that unless regional, district and local government offices are staffed with a minimum staffing compliment, setting functional assignments risks being a solution on paper, and not in practice. Findings show that even if (i) Law No. 7 is re-revised (which it needs to be), (ii) the draft sector laws outline the functional assignments between the vertical sectors and local government, and (iii) service delivery models are identified and costed, significant investments are required to build the minimum state provision capacities to regulate and coordinate off-budget support. The following recommendations are made:

- ***A Survey of Sector and Local Government Civil Servants (numbers, pay, qualifications, mandates) is Urgently Required***: There is a need to undertake a 'Survey of the Civil Service' within the three sectors, at central regional and district levels, and across all District Councils, to identify existing staffing competencies. This information is unavailable but is critical to setting functions and to determining the staffing competency required at different levels;

- ***Law No. 7 and Draft Sector Laws Require Revision to Clarify Vertical and Horizontal Mandates:*** Revising the Law, to be clear on the exact functional assignments of the Social Affairs Department at the District Level is critically important, as is strengthening draft sector laws, which are similarly unclear on the relationship between deconcentrated vertical structures and local government;

- ***Service Delivery Models Need to be Identified, Agreed and Developed***: With government functions largely limited to provision and not production, and with the majority of assistance channeled outside of government systems, Government (supported by donors) must establish clearly defined service delivery models and an aid management protocol that supports better oversight of decentralized delivery, to defragment current service delivery approaches;

- ***Efforts to Ramp Up Sector Financing and Improve Efficiency are Vital to Improved Delivery***: Given the fiscal constraints impeding the sectors and local government, Government needs to consider: (i) revising the current local government block grant formula to remove fiscal imbalances; (ii) developing (piloting) sector categorical grants for local government; (iii) costing the sectors and including increasing sector budget allocations; and (iv) improve coordination of external assistance through development of national programs and trust fund arrangements to ring-fence finance;

- ***Discuss the 2-Year Sector Priorities Identified in the Sector Assessments***: The various activities proposed under each sector, which need to be completed within the coming 2 years or more, must be discussed and agreed, then supported by Government and donors; and,

- ***The private Sector and Diaspora are Critical Drivers of Services***: Whilst the private sector and NGOs are poorly regulated, they are also core providers of services and consultation between the sectors and private sector is vital, to maximize compliance with standards once established.

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Public Sector Management Terms Used

Capital Budget: A plan for finance outlays such as fixed assets like equipment and facilities.
Chair of the Local Council: the head of the leadership of the Local Council.

Council Resolutions: A decision made by the Local Council.

Decentralization is the transfer of powers from central government to lower levels in a political-administrative and territorial hierarchy. Decentralization covers a broad range of transfers of decision making from central government to regional, municipal or local governments. Legislative and policy decision making remains at the centre while implementation is delegated to either national civil servants stationed in the regions or locally established councils.

Deconcentration is the process by which the agents of central government control are relocated and geographically dispersed. Deconcentration is the transfer of administrative responsibility for specific functions to lower-level central government authorities or other local authorities who are upwardly accountable to the central government.

Delegation: Delegation (or deputation) is the assignment of authority and responsibility to another person (normally from a manager to a subordinate) to carry out specific activities.

Devolution is the transfer of government responsibility for specific functions to sub-national levels that are largely outside the direct control of central government. The purpose is to create pluralism of policy and administration. The process in which sub-government units and/or national or regional parliaments are created by a central government is known as devolution.

District: Part of a region with a concentrated population and with a demarcated/specific borders

Federalism is the system of government in which sovereignty is constitutionally split between at least two territorial levels (e.g. centre and governorates) so that units at each level have final authority and can act independently of the others in some area.

Fiscal Policy: In economics, fiscal policy is the use of government spending and revenue collection to influence the economy. Changes in the level and composition of taxation and government spending can impact (i) aggregate demand and the level of economic activity (ii) the pattern of resource allocation (iii) and the distribution of income.

Fiscal sustainability: Maintaining spending within limits that are affordable in terms of the ability to raise revenue and maintain debt.

Functional Review is an analytical and diagnostic process that provides the foundation for restructuring of public administration bodies to perform all necessary functions in the most efficient, effective and sustainable manner.

Governance is about maintaining public-sector resources under some degree of political control and developing strategies to sustain government's capacity to act in transparent and accountable way.

Local Councils: A council with elected members by the local population, which administers the local Authority.

Local Government: An entity in a district or town with legal personality, and with objective stipulated in this law.

Permanent Committee: A committees whose members come from the local council and with responsibilities as stipulated in this law.

Public Administration Reform (PAR) is the process to increase the capacity and effectiveness of the public administration, to create citizen-centered, open and flexible governance model.

Public Finance Management (PFM) is the management of revenue, expenditures and debt of the state. It includes all phases of the budget cycle, including the preparation of the budget, internal control and audit, procurement, monitoring and reporting arrangements, and external audit.

Recurrent Budget: Spending on wages and salaries, operations and maintenance, not of an investment nature.

Region: Part of the Puntland State of Somalia composed of one or more districts.

Revenue Mobilization: Tax and non-tax income collected by Government.

Service Delivery Model: A model - usually at the sectoral or sub-sectoral level - that identifies how services are to be delivered, by whom (government, private sector, communities), when, where and at what cost. Models look to maximize effectiveness and efficiency.

Service Delivery: Services delivered to consumers by the government or private sector.

The Mayor: The head of the District Local Authority

Unbundling: The unbundling of sector production and provision (management) functions and sub-functions across the tiers of government and between state and non-state actors.

Unitary State is a country whose organs of state are ruled as a single unit. Political power may be transferred to lower levels (e.g. regional assemblies, governor councils, etc.) and functions can be devolved to sub-national levels of government but the central government retains the power to modify or recall such devolved power.

ANNEXES

ANNEX I LIST OF KEY INFORMANTS

Name	Designation
Nairobi	
Sikander Khan	UNICEF
Hannan Suleiman	UNICEF
Joanne Morrison	UNDP
Debra Bowers	UNICEF
Maureen Njoki	UNICEF
Nancy Balfour	UNICEF
Lisa Doherty	UNICEF
John Agbor	UNICEF
James Brown	UNICEF
Osamu Kunii	UNICEF
Imran Mirza	UNICEF
Dr. Marina Madeo	WHO/UNOPS
Paul Crook	ILO
Angela Karibu	ILO
Dr. Humayoun Rizwan	WHO
Dr. Marthe Everard	WHO
Trisha Bebbington	DFID
Fran McConville	DFID
Dr. Alberto Leone	MdM
Liibam Dahir	UNICEF
Michael Croft	UNESCO
Bosaso	
H.E. Abdi Ahmed	Vice Minister MoI
H.E. Ali Warsame	Minister MoH
H.E. Abdi Galan	Governor Bari Region
Mohamed Yussuf	Regional Coordinator
Abdizarak Hersi	MoH
Mohamed Omar	MdM
Dimitri Papathanassiou	UNICEF
Mohamed Rahman	UNICEF
Awil Bashir	UNICEF
Ahmed Aden	UNICEF
Abdizrak Haga	UNICEF
Fatima Handulle	UNICEF
Garowe	
H.E. Gen. Abdishamad Ali Shire	Vice President
H.E. Gen. Abdullahi Ahmed Jama	Minister MoI
H.E. Da'ud Mohamed Omar	Minister MoPIC
H.E. Abdi Farah Saeed	Minister MoE
H.E. Ms. Zeinab Yasin	Vice Minister MoH
H.E. Abdi Abdille	Minister MoLYS
H.E. Ali Hussein	Vice Minister MoPIC

H.E. Mohamed Dualle	Vice Minister MoH
Abdizarak Hassan	UNDP
Abdelmalik Jama	UNHABITAT
Nasra Islan	UNCDF
Abdirahman Said	WFP
Dr. Abdizarak Muse	Acct. General MoF
Marcelino Benet	EU
Barry Reeves	EU
Abdirahman Abdulle	MoE
Ali Hassan	MoE
Farah Jama	MoE
Osmam Mohamed	SWALIM
Abdizarak Hassan	MoH
Dr Nasir Dadgar	UNICEF
Naima Muse	PSAWEN
Abdi Muse	PSAWEN
Ali Said	PSAWEN
Ali Farah	PSAWEN
Abdullahi Gurhan	PSAWEN
Mohamed Elmy	PSAWEN
Mohamed Kadar	PSAWEN
Ms Khadra Gamei	PSAWEN
Mohamed Muse	PSAWEN
Ms Asli Mahmood	CARE
Abdulahi Kulmir	PSAWEN
Abdulnasser Ibrahim	PSAWEN
Dr Mohamed Arush	NRC
Mohamet Waberi	MoE
Amina Osman	MoE
Hussein Adam	MoE
Sharmake Hassan	MoH
Mohamed Shire	MoH
Abdizarak Abshir	MoH
Anisa Mohamed	MoH
Dr Artan Abdi	Garowe Private Hospital
Salad Aden	UNICEF
Abdel Mohamed	Nugal Water Co.
Fisal Nour	PSAWEN
Abdullahi Jama	MoE
Mohamed Tinin	MoE
Abshi Farah	MoE
Safiya Mxamud	MoE
Ahmed Saahid	MoE
Hashim Mousa	MCH Gambal
Asha Ahmed	Garowe General Hospital
Iman Ali	Garowe General Hospital

Sara Ndegwa	Help a Child Face Tomorrow
Ali Said	MoH
Naima Muse	MoH
Hussein Adam	NRC
Jorge Fuentes	UNDP
Abdihakim Ali	MoE
Mohamed Farah	MoE
Sahro Ahmed	MoE
Ali Hassan	MoH
Ahmed Sanage	MoH
Hussein Abdulle	Garowe VTC
Mohamed Lala	Garowe VTC
Abdi Ali	Garowe TTC
Mohamed Hamid	PSU
Burhan Omar	PSU
Abdulkadir Omar	PSU
Ali Hussein	Gambool Secondary
Ahmed Farah	PSAWEN
Abdel Elmy	PSAWEN
Mohamed Samanter	MoPIC
Ali Mohamed	CARE
Mohamed Hasan	PSAWEN
Mohamed Karaf	PSAWEN
Abdel Gamei	PSAWEN
Ali Farah	PSAWEN
Ali Mohamed	SRCS
Mohamed Qader	SRCS
Saida Egal	DIAKONIA
Mohamed Hersi	Mercy Corps
Pushparaj Mohanty	Save The Children
Abdulkadir Said	Mayor Dan Gorayo
Mohamed Para	Deputy Mayor
Abdulla Issa	MoE
Mohamed Ali	MoH
Asha Rashid	MoH
Fatima Abdurahman	MoH
Abdul Said	Pharmacist Dan Gorayo
Said Hersi	Pharmacist Dan Gorayo
Saredo Hersi	Pharmacist Dan Gorayo
Abdullah Issa	MoE
Abdul Aziz	MoE
Mohamed Said	MoE
Ahmed Jama	MoE
Mohamed Yonis	WASH Committee
Mahdi Muse	WASH Committee
Merq Gelly	WASH Committee

Abdel Yoseef	Nomad
Faiza Ali	CARE
Hashim Mohamed	UNICEF
Mohamed Abdi	OCHA
Khassar Hassan	HADMI
Mohamed Yusuf	CARE
Jamad Issa	IR
Hussein Abda	IAS
Hassan Azar	PSAWEN
Ifrah Farah	KAALO
Abdul Farah	Mercy Corps
Abdulfara Moheid	OTP
Shiva Singh	UNICEF
Fadumo Alishir	DRC
Ahmed Mohid	NCA
Mohamed Ismal	SRCS
Mohamed Abdul	SRCS
Mohamed Farah	TASS
Bashir Balal	OCHA
Farah Omar	SPDS
Abdi Assan	SPDS
Abdirahman Hersi	IVS
Mohamed Ali	SVO
Abdo Omar	SVO
Hassan Shireh	MoH
Abdul Abdurahman	MoH
Faaduma Nur	MoE
Ahmed Mohamed	PSAWEN
Hersi Hassan	PSAWEN
Abdullahi Jama	MoE
Ali Mohamed	SRCS
Howa Yassim	KAALO
Faduma Ahmed	FECNET
Amina Abdakil	PDRC
Hassan Mohamed	SYSA
Abdiraman Akadir	Mudan Youth Umbrella
Abdi Farah	DIAKONIA
Mohamed Hashim	CARE
Abdi Hussein	Mercy Corps
Ifraax Farah	KAALO
Abdulkadir Hassan	Puntland Youth Peer
Abdirazak Hassan	MoH
Dr Yassin Abdi	MoHMoH
Osman Muhammood	
Ms Sagal Farah	MoH
Noor Mohamed	MoH

Abdirazak Yusuf	Regional Pharmacist
Nadiifo Ahmed	MoH
Abshiro Hpika	MoH
Hawe Adam	MoH
Mohamoud Ahmed	MoH
Sharif Mohamed	Gardo water Co.
Ahmed mahmoud	PSAWEN
Hawo Dualle	MoH
Mahmoud Ahmed	Save the Children
Bashir Eri	MoE
Bashir Dhere	MoE

ANNEX II DUTIES OF THE DISTRICT COUNCILS [37]

Duties

The Local Council has full powers to perform every task list in this article and they are expected to perform within their areas of jurisdiction; these are:

- Enforcing and encouraging peace, stability, order and improvement of the rule of law.
- Promotion of economic growth and development.
- Promotion and care of the social welfare, such as education, health, water, electricity, sanitation, etc.
- Care and welfare for the environment, forestation, and animals and economic infrastructure.
- Setting up markets for the sale of goods, livestock and fish.
- Inspection of new buildings, and those that are being renovated or require demolition.
- Prevention and combating the problems posed by famine, storms, serious fires and any other matters which cause harm to the public.
- Evacuation of the public in the event of a disaster.
- Initiation and implementation of development programs and projects.
- Promotion of the arts, sport and culture.
- Construction of water reservoirs in towns and villages.
- Construction, improvement and care of roads inside the towns of the district.
- Propose and request of improvement of the plans of towns in the district.
- Registration of the population of the district.
- Registration of the immovable property (fixed assets) of the residents of the district and that of the government.
- Establishment and improvement of commercial and manufacturing centres for use by the public.
- Encouragement of Islamic, national and international values.
- Preparation, approval and amendments of the budget of the local council.
- Initiation of rural development and promotion of local production.
- Promotion of self-help projects.
- Proposes the restoration of public property in the sake of public interest and compensating to the victims as constituted in Article 90 of the Puntland charter.
- Improvement of burial activities and allocation and demarcation of cemetery.
- Preparation of places for resting, reading and viewing.
- Balancing the levels of required work and the planning and allocation of staffing for the departments of the local government while giving due regard to the level of employment and the grading of each District.
- Protection and care of the historic sites.
- Promotion of privatization and investment in joint venture between the government and private firms in the area of social services such as water, electricity, etc.
- Dismissing the Mayor and the Deputy Mayor when they fail to carry out their mandated duties.

[37] Source: Induction Module For Councillors and Technical Staff, Garowe, Puntland, 2009.