



# Promoting ECONOMIC RECOVERY AND INSTITUTIONAL DEVELOPMENT in Somalia

Somalia remains one of the world's least developed countries, with a GDP of \$4.9 billion (2020), heavily reliant on agriculture and livestock. Aid is a major financing source, with Somalia receiving US\$2 billion in ODA in 2020—split between humanitarian and development assistance. Despite facing compounding shocks—including drought, locust infestations, COVID-19, insecurity, and political volatility—Somalia's economy began recovering in 2021 with 2% GDP growth, driven by private consumption and livestock exports.

Reforms have enabled Somalia to reach the HIPC Decision Point and clear arrears to international financial institutions, restoring access to development finance and debt relief.

To reach the HIPC Completion Point and secure full debt relief—projected to reduce the debt-to-GDP ratio from 41% (2022) to 6%—Somalia must maintain macroeconomic stability, improve governance, and implement its Ninth National Development Plan.

With 3.9 million internally displaced people, Somalia adopted a National Durable Solutions Strategy (2020–2024) to support rights, access to services, and livelihoods for displacement-affected communities. Progress under HIPC and recovery efforts face major risks from political instability, insecurity, climate shocks, and corruption, all of which threaten reform momentum and economic resilience. With 3.9 million internally displaced people, Somalia adopted a National Durable Solutions Strategy (2020–2024) to support rights, access to services, and livelihoods for displacement-affected communities. Progress under HIPC and recovery efforts face major risks from political instability, insecurity, climate shocks, and corruption, all of which threaten reform momentum and economic resilience.

## Somalia: Key Facts

- **Total population:** 19+ million
- **Economic Growth:** 4% (IMF, 2024)
- **External debt:** 6% of GDP
- **Per Capita Income (PPP):** \$1,554 (WB, 2024)
- **Unemployment rate:** 21.4% (SNBS, 2024)
- **HDI Ranking:** 192 with 0.404 HDI value (UNDP, 2025)
- **Internal displacement:** Nearly 3.5million (OCHA, 2025)
- **People below national poverty line:** 67% (SNBS, 2024)
- **Women's participation in labor force:** 31%
- **Corruption Perception Index:** 180 out of 180 countries



## OUR RESPONSE

To help address these challenges effectively, UNDP is collaborating closely with both national and international partners, focusing on three main thematic areas:

1



### Institutional and Capacity Development for Core Government Functions:

These functions include national and sub-national planning, data management, anti-corruption measures, statistics compilation, reporting mechanisms, aid coordination, and management, among others.

2



### Economic Development and Livelihoods Recovery for Vulnerable Populations:

We prioritize building resilience of vulnerable groups like women, youth, and displaced communities against natural disasters, insecurity, limited service delivery, and poverty. Nationally, we're boosting local and international investment and improving employment opportunities through digital transformation and other initiatives.

3



### Decentralization Initiatives:

Our interventions aim to facilitate the localization of policies and development support, starting from the Federal Member States (FMSs) and cascading down to the district levels.

Gender mainstreaming is an integral part of all our projects and activities. We ensure that gender principles are incorporated into planning, service delivery, innovation, financial inclusion, and other areas by allocating resources and integrating gender perspectives throughout our initiatives.



## KEY INITIATIVES

- Addressing policy and legal frameworks gaps for institutionalized interventions
- Institution building for service delivery and legitimacy
- Use of digital technologies and transformation
- Investment promotion

- Institutional support to core of government institutions at the FGS and FMS in strategic areas such as planning; durable solutions, anti-corruption
- Sustainability initiatives with a focus on youth inclusion, women's empowerment and job creation.



## KEY ACHIEVEMENTS

### Local Governance

- Improved city and state-level governance in all five Member States, focusing on economic development and community resilience.
- Built roads, clinics, markets, and schools while creating a comprehensive local government ecosystem with strong laws, systems, and citizen involvement.

- Developed 32 5-Year District Development Frameworks with inclusive community involvement.

### Women Media Project

- Established "Bilan," Somalia's first all-women media unit, putting women in charge of the news agenda for the first time and providing a platform for long-ignored stories and voices.

### Data and Development

- Somalia National Bureau of Statistics (SNBS), in partnership with UNDP and the Oxford Poverty and Human Development Initiative (OPHI), published the country's first National Multidimensional Poverty Index (MPI) report.

### Local Economic Development

- Supported IDPs and host communities in Baidoa, Beledweyne, and Bosasso through the Saameynta Joint UN Programme.
- In collaboration with banks, rolled out credit facilities, creating jobs and boosting economic development through joint Saameynta programme.
- Introduced the digital citizen engagement platform "Fariin-Maal" in Baidoa for active community involvement in local development.

### Women's Participation

- Conducted pre-election and advocacy training for women, increasing women's participation to 17 percent in local elections.
- Developed the Local Government Institute Act and Local Government Gender Advocacy Strategy, validated by federal and state governments.

### Capacity Building

- Strengthened links between federal and state governments with focal points for project line ministries.
- Supported the Somali National Bureau of Statistics in data collection and development of the Goal Tracker 2.0 for national statistics and SDG tracking.

### Strategic Planning

- Assisted in drafting national and state development plans and establishing the Aid Information Management System (AIMS) for enhanced aid effectiveness and coordination.



## ONGOING PROJECTS

Project Name	Focus Areas	Project Duration	Partners	Donors	Total Budget
Dowlad Kaab - Joint Programme for Local Governance & Decentralized Service Delivery	SDGs 1, 3, 5, 16, 17	2024-2029	Ministry of Interior Federal Affairs and Reconciliation (MoIFAR)	Via SJF: Norway, Switzerland, Netherlands	US\$ 5,000,000
SDG Tracker andvStatistics (SDGT)	SDGs 1, 2, 5, 7, 8	2023-2024	Somali National Bureau of Statistics (SNBS)	Switzerland and UNDP	US\$1,300,000
Somali Women Media Project (SWoMP) project – Bllan	SDGs 5, 10, 8, 9, 16, 17	2023-2024	Ministry of Planning, Investment and Economic Development (MoPIED)	European Union	US\$2,900,000
Localization of SDGs in Somalia (LSDG)	SDGs 1, 2, 5, 7, 8	2023-2024	Ministry of Planning, Investment and economic development MoPIED)	UNDP	US\$1,134,560
Saameynta- Scaling up solution to Displacement in Somalia	SDGs 1, 2, 5, 16	2020-2025	MoPIED	Via SJF: Norway, Switzerland, Netherlands	US\$5,400,000
Somalia Transformational Governance Program (STGP)	SDGs 1, 5, 16	2025-2026	Office of the Prime Minister of Somalia, Federal Government of Somalia	Sweden	US\$600,000.00



## OUR PARTNERS

- Ministry of Planning, Investment and Economic Development
- National Economic council (NEC) – Office of the president.
- Ministry of Labor and social affairs.
- Oxford Poverty and Human Development Initiative.
- Ministry of Interior and Ministry of Public Work and their counterparts at State levels (Puntland, Southwest, & Hirshabeele)
- Ministry of Interior at FGS, FMS and Local Level
- Target districts
- Somali National Bureau of Statistics (SNBS)
- VISA Inc, USA



## OUR DONORS



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Norway



European Union



Switzerland

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