



# ESRES

ENERGY SECURITY AND RESOURCE  
EFFICIENCY IN SOMALILAND



## Policy and Regulatory Framework: Roadmap and Technical Assistance Plan

February 2016



## Issue and revision record

| <b>Revision</b> | <b>Date</b> | <b>Originator</b> | <b>Checker</b>                                    | <b>Approver</b>        | <b>Description</b> |
|-----------------|-------------|-------------------|---|------------------------|--------------------|
| 1.              | 01/12/2015  | Martin de Graaf   | Marc Sellies                                      | Michiel<br>Bourgondien | First draft        |
| 2.              | 11/12/2015  | Martin de Graaf   | Fabian Ebbes,<br>Marc Sellies,<br>Mustafe Miigane | Michiel<br>Bourgondien | Final draft        |
| 3.              | 26/01/2016  | Marc Sellies      | Marc Sellies,<br>Michiel<br>Bourgondien           | Michiel<br>Bourgondien | Final draft-MS     |
| 4.              | 09/02/2016  | -                 | Fabian Ebbes                                      | Michiel<br>Bourgondien | Final draft        |

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# List of abbreviations

|        |   |
|--------|---|
| AfDB   | African Development Bank  |
| CSC    | Civil Service Commission  |
| CSI    | Civil Service Institute   |
| CSR    | Civil Service Reform  |
| DG     | Director General  |
| DoM    | Directorate of Mining   |
| DoF&A  | Directorate of Finance and Administration                       |
| DoP    | Directorate of Petroleum  |
| DP     | Development Partner   |
| ESRES  | Energy Security and Resource Efficiency Programme in Somaliland |
| ERC    | Electricity Regulatory Commission                               |
| ESP    | Energy Stability Pact   |
| EU     | European Union  |
| FR     | Functional Review   |
| GoSL   | Government of Somaliland  |
| HRD    | Human Resources Development                                     |
| HRM    | Human Resources Management                                      |
| ICT    | Information and Communication Technology                        |
| IPP    | Independent Power Producer                                      |
| JSC    | Joint Steering Committee  |
| LASER  | Legal Assistance for Legal Reform                               |
| M&E    | Monitoring & Evaluation   |
| MoEM   | Ministry of Energy and Minerals                                 |
| MoPW   | Ministry of Public Works, Housing and Transport                 |
| MoTI   | Ministry of Trade and Investment                                |
| MoU    | Memorandum of Understanding                                     |
| NDP    | National Development Plan                                       |
| NGO    | Non-Governmental Organisation                                   |
| PPD    | Public Private Dialogue   |
| PSRSC  | Public Service Reform Steering Committee                        |
| RE     | Renewable Energy  |
| RC     | Regional Coordinator  |
| RM     | Roadmap   |
| SE4All | Sustainable Energy for All                                      |
| STE    | Short Term Expert   |
| SEC    | Somaliland Energy Commission                                    |
| TA     | Technical Assistance  |
| TF     | Task Force  |
| TL     | Team Leader   |
| TNA    | Training Needs Assessment                                       |
| TO     | Technical Officer   |
| ToR    | Terms of References   |
| TVET   | Technical Vocational Education and Training                     |
| UNDP   | United Nations Development Programme                            |
| WB     | World Bank  |

## Executive summary

The DFID-funded Energy Security and Resource Efficiency in Somaliland Programme (ESRES) supports the Government of Somaliland (GoSL) through the Ministry of Energy and Minerals (MoEM) to improve access to affordable electricity for vulnerable communities through the promotion of renewable energies. Component 1 of ESRES seeks to provide technical assistance to the MoEM for the introduction of an appropriate policy and regulatory framework for the development and operation of rural electricity including hybrid mini-grids, and capacity building to implement this.

In preparation for its implementation phase (February 2016 to March 2018), four studies were conducted during its Inception Phase:

- 1) Policy Inventory and Gap Analysis;
- 2) Functional Review of MoEM;
- 3) Political Economy Analysis.
- 4) Stakeholders Mapping;

Based on these studies and on extensive discussions between ESRES and MoEM, a **Roadmap (RM)** for strengthening the regulatory framework and capacity of the MoEM, and a **Technical Assistance (TA) Plan** outlining the proposed assistance were prepared.

The Ministry of Energy and Minerals (MoEM) is a young, struggling Ministry with very limited human and financial resources, poorly defined mandates and strategies, and a structure that does not adequately matches its tasks. While it is delivering on a number of tasks, there is an urgent need to enhance its performance in guiding, supporting and monitoring the energy sector, in particular the rapidly changing electricity sector and the growing Renewable Energy (RE) sector.

The overall object of the Roadmap is to provide the MoEM with a clear strategy for the development and implementation of a policy and regulatory framework for the electricity sector, and enhancement of its capacity to be able to manage this. The Roadmap also identifies key activities required. It is to be 'owned', elaborated and implemented by MoEM, where appropriate with support by ESRES, other projects or programmes, and Development Partners.

More specifically, the Roadmap should allow that:

- 1) The GoSL has and effectively applies relevant policies and a sound regulatory framework for the electricity sector, meeting international standards;
- 2) MoEM effectively guides, supports and monitors development of electricity and RE in Somaliland;
- 3) MoEM has and efficiently uses its structure, human, organisational and ICT resources, and processes to fulfil its mandate with regard to electricity and RE;
- 4) MoEM is capable to identify, mobilise, align and utilise domestic and international resources for further development of electricity and RE.

The proposed Roadmap consists of four pillars (strategically determined clusters of activities) each with a number of key activities. The table below summarises the four pillars of the Roadmap and its related Work Packages (WPs). The related Technical Assistance Plan provides the MoEM with a clear implementation mechanism for the Roadmap. It also identifies the support from ESRES.

| Pillar 1:<br>Policy and Regulatory Framework Development |  | Pillar 2:<br>Organisational and Human Resources Development |   | Pillar 3:<br>Domestic and External Resources Mobilisation |   | Pillar 4:<br>Information Management and Monitoring |  |
|--|--|---|---|---|---|--|--|
| WP 1.1.  | Developing the Energy or Electrical Energy Act                         | WP 2.1  | Redefining organisational functions                               | WP 3.1  | Identifying potential external support          | WP 4.1   | Strengthening ICT use & support                      |
| WP 1.2   | Establishing the Energy Regulatory Commission                          | WP 2.2  | Restructuring of (parts of) MoEM to match the work with resources | WP 3.2  | Mobilising support from Development Partners    | WP 4.2   | Establishing digital archive and sharing             |
| WP 1.3   | Developing the Regulatory Framework for Licenses and Tariffs           | WP 2.3  | Strengthening management, planning and accountability             | WP 3.3  | Strengthening Inter-ministerial Coordination    | WP 4.3   | Establishing databases on electricity and RE sectors |
| WP 1.4   | Developing the Regulatory Framework for Technical and Safety Standards | WP 2.4  | Adjusting or establishing positions and equipping appointees      | WP 3.4  | Strengthening cooperation with Local Government | WP 4.4   | Strengthening Public Relations and transparency      |
| WP 1.5   | Updating the Energy Policy   | WP 2.5  | Activating & strengthening regional level                         | WP 3.5  | Reviving Public Private Dialogue                | WP 4.5   | Establishing resource centre(s)                      |
| WP 1.6   | Developing the Renewable Energy Strategy                               | WP 2.6  | Strengthening Human Resources Management systems and procedures   | WP 3.6  | Strengthening Technical and Vocational Training |  |  |
| WP 1.7   | Developing Medium Term strategy and NDP                                | WP 2.7  | Introducing Human Resources Development                           |   |   |  |  |
|  |  | WP 2.8  | Improving internal procedures                                     |   |   |  |  |

# 1. Introduction

## 1.1 Background to ESRES

Somaliland proclaimed independence from Somalia in 1991. Though not recognised internationally, Somaliland has maintained a stable existence with a working political system, government institutions, a police force and its own currency. Despite the progress that has been made, the Somaliland government currently lacks the skills, systems and resources to ensure effective service delivery to its citizens, including the provision of energy.

Energy consumption per capita in Somaliland is among the lowest in Sub-Saharan Africa. In overall terms, charcoal, kerosene and electricity constitute important energy sources for households in urban and peri-urban areas, while fuel wood constitutes an important source for rural areas. There is only a limited capacity for generating electricity through diesel-powered generators by Independent Power Providers (IPPs) and the Somaliland Electricity Agency. Although Somaliland has substantial energy resources - especially wind, solar, and fossil fuels, this potential is largely under-utilised.

The Memorandum of Understanding (MoU) governing the implementation of the Energy Security and Resource Efficiency in Somaliland Programme (ESRES) was signed in July 2015 between the Government of Somaliland (GoSL) and the UK's Department for International Development (DFID).

ESRES supports the GoSL through the Ministry of Energy and Minerals (MoEM) to improve access to affordable electricity for vulnerable communities through the promotion of renewable energies. The choice for renewable energies is based on the premise that green infrastructure investments in fragile states have potentially positive poverty reduction benefits while at the same time reducing the country's vulnerability to the negative effects of climate change. Currently the legal and regulatory framework is incomplete and there is a very low adoption rate of RE technologies by the private sector in Somaliland.

ESRES will be implemented in two phases:

- Phase I (30 months): pilot-phase (September 2015 – February 2018)
- Phase II (24 months): expansion-phase (March 2018 – March 2020)

Phase I of the Programme exists of three components:

- Component 1: Technical assistance to the MoEM for the development of an appropriate policy and regulatory framework for the sector;
- Component 2: Pilot the development and implementation of hybrid mini-grids;
- Component 3: Create a Renewable Energy Fund towards the end of Phase I.

ESRES activities are overseen by a Joint Steering Committee (JSC). The day-to-day implementation of ESRES is entrusted to an external Programme Manager. The Programme Manager also acts as the Secretariat of the JSC.



## 1.2 Objectives of Roadmap and Technical Assistance Plan

Component 1 of ESRES seeks to provide Technical Assistance to the MoEM for the introduction of an appropriate Policy and Regulatory Framework for the development and operation of rural electricity including hybrid mini-grids, and capacity building to implement this. During the Inception Phase, a Technical Assistance Plan is to be developed that will provide the outline for the support to be provided during the Implementation Phase.

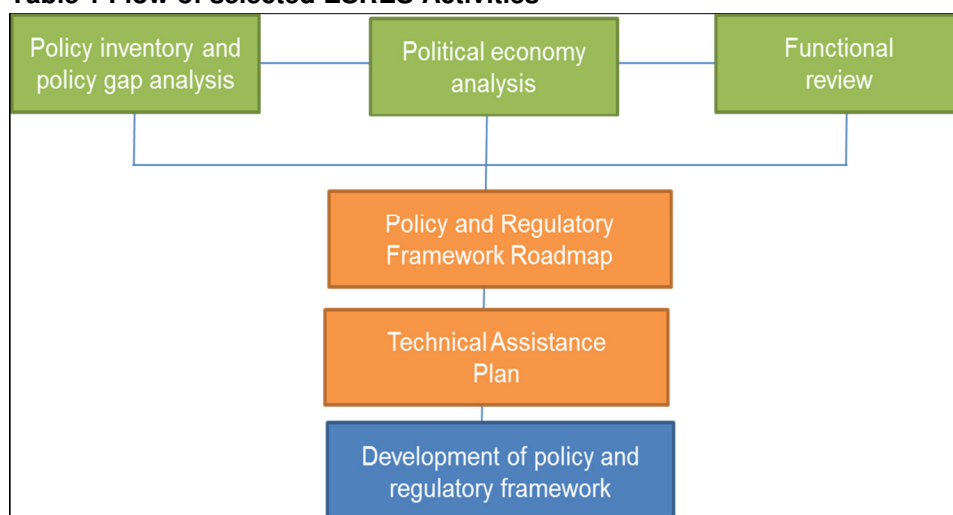
In order to be able to develop a Roadmap and TA Plan for the Ministry of Energy and Minerals, the ESRES Secretariat conducted four studies between September and November 2015:

- **Policy Inventory and Policy Gap Analysis:** What do we need to focus on, in terms of the Policy and Regulatory Framework?
- **Political Economy Analysis:** What is feasible, in view of the political and economic context, and what are the risks?
- **Functional Review:** What are current strengths and weaknesses of MoEM and what additional capacity would be required?
- **Stakeholder Mapping:** what national and international organisations are or will support the energy sector in Somaliland and what lessons and resources can be derived from this with regard to a possible RE Fund? This was targeted as a separate and major outcome of the ESRES Programme.

These studies were completed and reported in December 2015 and the four documents provide detailed findings, in-depth analysis and recommendations on the respective topics. Their findings will only be summarised in this report, to the extent these relate to the key subjects of this Report, and the detailed analyses and recommendations of these studies will not be repeated, in order to keep this document as concise and practical as possible.

The results of the first three studies were expected to feed into a Roadmap for a Policy and Regulatory Framework for Electricity in Somaliland and a supporting Technical Assistance Plan, as shown below.

**Table 1 Flow of selected ESRES Activities**



While these studies were conducted and reported it was noted that:

- 1) It would be neither practical nor appropriate to limit the focus of the proposed Roadmap to the Policy and Regulatory Framework for (rural) Electricity. While substantial work is urgently required on the policy and regulatory framework, this is as much needed in relation to the capacities of



MoEM to act on such a policy and to apply the regulatory framework in the complex political, economic and institutional context of Somaliland.

- 2) The same applies to the need to substantially enhance MoEM's capabilities to mobilise, coordinate and channel domestic and international resources for the electricity sector. While the above mentioned Stakeholder Mapping was primarily triggered by the need to conceive and establish a RE Fund, it raised many wider issues related to actual, planned and potential financial and technical support for the development of the electricity sector in Somaliland.

For these reasons the Roadmap proposed in this document goes beyond the policy and regulatory framework and so do the identified requirements for assistance and the actual proposal for Technical Assistance in this document.

This also means that the Roadmap proposed in this document goes beyond the current parameters of and resources of ESRES. In our view this may be helpful, as there are other projects or programmes, in various stages of development and planning, which may want to deal with (aspects of) the above issues. Whereas ESRES is mandated and equipped to deal with a limited set of issues, additional support by various Development Partners may respond to other, though related issues. This document may help to identify and conceive assistance from such other sources. Suggestions for non-ESRES support are given.

### **1.3 Structure of the Report**

The next chapter summarises key findings from the various studies.

Chapter 3 presents the goal, objectives and key components of a proposed Roadmap;

Chapter 4 elaborates components of the Roadmap and discusses implementation issues;

Chapter 5 discusses the support ESRES may provide for implementation of the proposed Roadmap.

## 2. Contextual analysis

### 2.1 Policy and Regulatory Framework<sup>1</sup>

- There is a need for a revision and update of the Energy Policy. The current Policy is due for revision in 2016. It needs to be considered whether, beyond updating the current Energy Policy, any significant amendments of the Policy will have to be undertaken. If so, due to MoEM's limited resources, it is likely that assistance for this task will be necessary.
- Apart from the general policy, a medium-term strategy is required, with clearly defined targets, required resources, implementation arrangements and milestones. The current strategy is outlined in the National Development Plan (NDP), which is due for revision in 2016. The work on a revision needs to be carried out in 2016, within the framework of the country's overall development goals and strategy, but providing clarity on sector goals, priorities and resources and providing the context in which subsequent Annual Plans will need to be developed.
- While a number of initiatives with regard to RE have been undertaken in recent years, there are no clear policies and strategies on this. A coherent policy is required and five-year strategy is needed when taking into account lessons learned from experience in Somaliland and elsewhere and technological developments
- Stakeholders in Somaliland indicate that finalisation and adoption of the Electrical Energy Act are urgently required, taking into account the fact that the work on its development has been going on for five years. Identification of existing gaps shows that there is ambiguity regarding the validity and importance of different versions of the draft Electrical Energy Act for future development of a regulatory framework. This ambiguity will have to be cleared during the Implementation phase.
- It is assumed that the Electrical Energy Act (draft February 2013) is prevalent and will constitute the basis for amendments. It presents a good starting point, while corrections and elaborations will be necessary. These encompass, among others, the following areas:
  - Establishing a clear division between duties and responsibilities of different actors of policy and regulatory process, such as different Ministries and the ERC;
  - Providing greater incentives for the potential investors in energy sector, especially by way of creating stable framework for licensing and tariff setting;
  - Establishing a suitable framework for the creation of the ERC and;
  - Improving the regulatory framework for technical standards related to electricity provision.
- Following the adoption of the Act by GoSL, the next milestone in the process of improving regulatory framework would encompass the appointment of the ERC and its establishment. The necessity of addressing this area of work is contingent upon the speediness of adoption of the Act itself;
- Following the ERC's establishment, a considerable effort in terms of development of the secondary legislative and regulatory framework to the Act will have to be undertaken by the Commission in close consultation with MoEM. A realistic assessment is that this area is likely to be addressed in the latter part of the Implementation Phase of ESRES;
- In parallel to establishing the Regulator's functions, a wide range of issues pertaining to technical standards and regulation, including Inspectorate functions, will have to be addressed.

### 2.2 Institutional and organisational aspects<sup>2</sup>

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<sup>1</sup> In-depth analysis and extensive information can be found in Policy Inventory and Gap Analysis (draft version), ESRES, Hargeisa, November 2015. The text below has been largely derived from this report.

The MoEM is a young, struggling Ministry with very limited human and financial resources and poorly defined mandates, but nevertheless delivering on a number of tasks. Key problems are:

- **Huge challenges in policy making**, with a need to update and re-focus the 2010 Energy Policy, finalise the proposed Petroleum Policy and develop a Minerals Policy by 2016.
- **Weak or absent strategic planning**, not going beyond what was put in the NDP in 2011 and elaboration of strategic plans into plans and operational priorities.
- **Absent or missing Annual Plans**, without well-defined targets, without monitoring arrangements or well-defined accountability for achieving against targets.
- **Reasonably well-defined functions**, but expansion and adjustments are needed, as are operationalising of many functions and monitoring of their realisation.
- **Weak strategic leadership** by the top (Minister, State Minister and Director General) and Directors, tending to monopolise tasks, while neglecting active, dynamic leadership to their staff.
- **Limited donor coordination** and poor use of their potential resources. As more international agencies get involved in the energy sector, the need for guiding an aligning their support increases.
- **No legal and regulatory framework for the energy sector**, as the drafting of the Electrical Energy Act is dragging on for years and may have reached a stalemate.
- **Limited contribution to shaping and monitoring the electricity sector**, with incomplete data, poor access to and by IPPs, no clear standards, nor enforcement, for safety, technical aspects, environmental impact, no control over pricing and no technical training
- **The current organisational structure** does not fully match the demands of the work and some staff has no place in the structure.
- **Major under-utilisation of Human Resources**, resulting in demotivated and absent staff and poor productivity on terms of quantity and quality.
- **Knowledge and skills of many staff are limited** and their desire for training is not met, so far (though recent initiative with CSI may result in some training).
- **No staff in place for some key functions:** Information and Communication Technology (ICT), HRM and HRD, work on Policies and Regulations and on Electricity.
- **Virtual absence of active HRM:** no incentives, rewards, performance assessment, promotion or dismissal or action on ghost workers and poor performers.
- **Poor supervision of staff**, with very little delegation of tasks, lack of \*(sharing of) plans and policies and virtual absence of binding targets.
- **Substantial under-utilisation of staff at regional and (some) district levels**, missing opportunities for decentralising work on RE, electricity and minerals development.
- **Very poor data collection, storage, analysis and re-use**, and no arrangements for sharing data and documents
- **Weak contacts with other stakeholders**, including other Ministries, private sector agencies, NGOs and Development Partners.
- **Extremely tight resources** in terms of space (until new building ready), any type of ICT, transport, training, budget.

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<sup>2</sup> In-depth analysis and extensive information can be found in Functional Review (draft version), ESRES, Hargeisa, November 2015. The text below has been largely derived from this report.

### 2.3 Political and economic context<sup>3</sup>

The political and economic context is shaped by structural factors, institutions and actors:

- Structural factors are defined as long term factors that are not easily influenced.
- Institutions are defined in a two-fold: formal institutions in the sense of constitutional rules and codified laws, and informal institution in the sense of political, social and cultural norms.
- Agents are defined as actors that have an interest and/or incentive in the electricity sector in Somaliland

#### Structural Factors

The structural factors that surround the electricity sector in Somaliland are geography and climate, demography, economic structure, social structure, and political structure (as divined by its international status). What can be concluded is that:

- The geography and climate in Somaliland is favourable for RE generation, but underutilised;
- Relative peace and security have allowed for a vibrant private sector to develop in Somaliland, but this the private sector is unregulated;
- The success of the private sector gives it a central role in political economic structure of Somaliland, but the influence of culture and religion should not be underestimated;
- An important factor in the political structure of Somaliland is its unrecognised status, which affects the capabilities of the government to generate wealth.

#### Institutions

Institutions are defined in a two-fold: formal and informal institutions. Thereby, the informal institutions in Somaliland are often more important or even overrule the formal institutions. This creates strong relations between political institutions and the private sector. What can be concluded is that:

- The formal government institutions in Somaliland exist of three branches (Executive, Legislative and Judiciary), of which the Executive is the strongest, while the formal institution representing the interests of the private sector is the Somaliland Chamber of Commerce, Industry and Agriculture;
- The political institutions and private sector have strong informal relations originating from the times of proclaimed independence;
- The private sectors' position vis-à-vis the GoSL makes it very difficult for government to regulate businesses;
- As a result, private sector pays nominal taxes, possess monopolistic tendencies and hardly issue information on shareholding, accounting, annual reports and dividends.

#### Agents

The actors that are involved in the electricity sector and have clear interest and incentives in the ESRES Programme are: the GoSL (MoEM and MoPW), the IPPs, consumers, diesel suppliers and RE sector suppliers. These actors have interest in different fields:

- **Licensing mandate.** The MoEM and the MoPW were involved in a mandate dispute about the licensing of IPPs that is to be determined by the Electrical Energy Act. As such it blocked the Act from being passed. The dispute was resolved in December 2015 providing a new opportunity for the development and implementation of the Electrical Energy Act.
- **Merging IPPs.** Slowly and progressively many of these IPPs merged to form bigger companies. Telesom (mostly rural areas) and Dahabshill (mostly urban areas) became the main players, by owning shares in many different IPPs. These actors are also influential politically. This could lead to monopolisation of the electricity market.

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<sup>3</sup> In-depth analysis and extensive information can be found in **Political Economy and Analysis Report (draft version)**, ESRES, Hargeisa, December 2015. The text below has been largely derived from this report.

- **Consumer incentives.** The demand for electricity in Somaliland varies among consumers groups, which can be divided into rural and urban consumers. Electricity is also correlated with income. The market for the rural and low income consumers is low, as the demand for electricity is limited to lightening and phone charging, while investment costs are high.
- **Supplier incentives.** Diesel suppliers have an interest to consolidate the current market for diesel generators, while RE sector suppliers will benefit from the ESRES Programme. Important to note here is that most IPPs are linked to diesel suppliers and there might be a communal interest for them to not diversify the electricity generation.
- **Ethiopia Hydroelectric Generation Project.** There is potential for creating a power transmission line from the Ethiopian border towards Hargeisa, which could drop electricity prices. In this development all key actors mentioned above have an interest. The development is important for ESRES as it might steer the attention away from RE. Secondly, the MoEM might use the Electrical Energy Act to positioning itself for the Hydroelectric Power Project.

### Implications and recommendations

Following the conclusions from the structural factors, institution and actors, the Political Economy Analysis gives the following implications and recommendations for the ESRES programme Component 1 and Component 2.

- **Component 1:** *“Development of legislation for the electricity sector has been a major challenge in the last years and the issue of muddled mandates is not yet solved, ESRES could start with what is feasible in the shorter-run based on consensus building through Public Private Dialogue fitting traditional mechanisms, but ESRES should be cautious of incentives of all stakeholders pushing for legislation.”* Thereby:
  - ESRES should take into account Public Private Dialogues (PDDs) for developing the Electrical Energy Act, as it is a possible mechanism for transparent consultations and consensus building around policy development in the Somaliland context;
  - ESRES should take into that the Electrical Energy Act could block competition;
  - ESRES should take into account that the Electrical Energy Act might not be passed during the lifetime of the Programme;
  - ESRES should look at alternative ways of supporting the development of a policy and regulatory framework.
- **Component 2:** *“The Call for Proposals provides for a mechanism to select viable projects and partners, but ESRES should be aware of the poverty and urban-rural bias and the enhancement of further monopolisation.”* Thereby:
  - ESRES should take into account that IPPs might struggle to make the projects economically viable in rural and low income areas;
  - ESRES should take into account that selecting certain IPPs could enhance monopolisation of the electricity market;
  - ESRES should take into account that smaller and/or independent IPPS do not have the technical capacity to actually implement the projects.

## 2.4 Domestic and international Stakeholders<sup>4</sup>

There are a number of investments from the World Bank, and the African Development Bank (AfDB) in the pipeline such as the Energy and Stabilisation Project (ESP) of the World Bank. Trade

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<sup>4</sup> In-depth analysis and extensive information on international stakeholders can be found in **Stakeholder Mapping for ESRES draft version**), ESRES, Hargeisa, November 2015. The text on DPs. below has been largely derived from this report

negotiations with Ethiopia, which include hydropower connections in three stages to Somaliland, are also on going.

ESRES potentially has a role to play in these processes by leveraging and piloting hybrid mini grids, providing technical advice on legal and regulatory frameworks, as well as strengthening the MoEM and the private sector.

There are a considerable number of other current or potential interventions by Development Partners with regard to electricity and RE. ESRES will not be able to provide all of the technical or financial resources needed to meet the needs of the sector. However, by supporting the MoEM with donor coordination, activities can be scaled up through investments in the pipeline. As this Stakeholder Mapping demonstrates, there are a number of regional programmes such as the Sustainable Energy for Africa, SE4All, Power Africa and the World Bank's Africa Renewable Energy Access Programme that can be drawn upon to scale up both technical as well as financial resources.

Key at this point is getting the legal and regulatory framework right, as well as developing a transaction model for any RE Fund and the sector at large that is appropriate for the Somaliland context. ESRES can play a key role in supporting the MoEM to develop a sector strategy, coordinate donors effectively and develop a division of labour between the different actors to ensure scarce resources are used effectively in a collaborative and coordinated manner.

The window of opportunity is there, particularly as the NDP 2012-2016 is to be reviewed in 2016. A targeted approach for donor coordination at this critical juncture will assist GoSL to know what type of assistance is coming from where, and for what. This will assist the government to plan energy infrastructure projects based on need, rather than efforts being supply-driven.

ESRES can also play a key role in horizontal coordination as a number of renewable projects are being piloted in different service-delivery ministries such as health, water and sanitation and education, as well as vertical coordination as the decentralisation process moves forward.

## 3. Policy and Regulatory Roadmap

### 3.1 Strategic Objective

The overall object of the Roadmap is to provide the MoEM with a clear strategy for the development and implementation of a policy and regulatory framework for the electricity sector, and enhancement of its capacity to be able to manage this. The Roadmap also identifies key activities required. It is to be 'owned', elaborated and implemented by MoEM, where appropriate with support by ESRES, other projects or programmes, and Development Partners.

More specifically, the Roadmap should allow that:

- 5) The GoSL has and effectively applies relevant policies and a sound regulatory framework for the electricity sector, meeting international standards;
- 6) MoEM effectively guides, supports and monitors development of electricity and RE in Somaliland;
- 7) MoEM has and efficiently uses its structure, human, organisational and ICT resources and processes to fulfil its mandate with regard to electricity and RE;
- 8) MoEM is capable to identify, mobilise, align and utilise domestic and international resources for further development of electricity and RE.

### 3.2 Expected results

Specific intended outcomes or results of the proposed Roadmap are proposed below.

#### Strategic Direction

- Updated policy and medium term strategies for the electricity and RE sector approved, acted upon and monitored;
- Coherent regulatory framework for the electricity sector, meeting international standards, established and enforced;
- Comprehensive Strategic and Annual Plans developed, applied and monitored for MoEM's work with regard to electricity and RE;
- MoEM's leadership actively guides and supervises staff and ensures full accountability for the use of resources.

#### Organisation and human resources

- MoEM's structure and staffing match the requirements of the work concerning electricity and RE
- MoEM' staff equipped, motivated, and actively guided to meet the requirements of the work and to find professional satisfaction and growth;
- MoEM purposefully and increasingly active at regional level, decentralising responsibilities and working with Local Authorities wherever possible;
- MoEM has the information systems and processes in place to efficiently collect, process and share information and optimise work processes;

#### External and domestic resources and partners

- MoEM fully informed about actual and potential resources of Development Partners and capable to mobilise, align and monitor such resources;
- MoEM capable to coordinate, communicate and cooperate with relevant GoSL institutions at national and sub-national levels with regard to electricity and RE;
- MoEM capable to inform, guide and coordinate with private sector and civil society institutions active with regard to electricity and RE, including training.

#### Information and monitoring



- MoEM staff use modern Information and Communication Technology effectively and efficiently;
- MoEM has efficient systems to store, process and share documents and data among its national and sub-national staff;
- MoEM capable to monitor and evaluate outputs, results and impact in the electricity and RE sector;
- MoEM shares comprehensive information on its work with all stakeholders.

It is proposed to pursue these results and outcomes by way of four so-called **pillars**, each of these containing specific **Wok Packages**. These are shown in the table below and are discussed in the next sections of this chapter.

### 3.3 Pillars and Work Packages

**Table 2 Roadmap: Pillars and Work Packages**

| Pillar 1:<br>Policy and Regulatory Framework Development |  | Pillar 2:<br>Organisational and Human Resources Development |   | Pillar 3:<br>Domestic and External Resources Mobilisation |   | Pillar 4:<br>Information Management and Monitoring |  |
|--|--|---|---|---|---|--|--|
| WP 1.1.  | Developing the Energy or Electrical Energy Act                         | WP 2.1  | Redefining organisational functions                               | WP 3.1  | Identifying potential external support          | WP 4.1   | Strengthening ICT use & support                      |
| WP 1.2   | Establishing the Energy Regulatory Commission                          | WP 2.2  | Restructuring of (parts of) MoEM to match the work with resources | WP 3.2  | Mobilising support from Development Partners    | WP 4.2   | Establishing digital archive and sharing             |
| WP 1.3   | Developing the Regulatory Framework for Licenses and Tariffs           | WP 2.3  | Strengthening management, planning and accountability             | WP 3.3  | Strengthening Inter-ministerial Coordination    | WP 4.3   | Establishing databases on electricity and RE sectors |
| WP 1.4   | Developing the Regulatory Framework for Technical and Safety Standards | WP 2.4  | Adjusting or establishing positions and equipping appointees      | WP 3.4  | Strengthening cooperation with Local Government | WP 4.4   | Strengthening Public Relations and transparency      |
| WP 1.5   | Updating the Energy Policy   | WP 2.5  | Activating & strengthening regional level                         | WP 3.5  | Reviving Public Private Dialogue                | WP 4.5   | Establishing resource centre(s)                      |
| WP 1.6   | Developing the Renewable Energy Strategy                               | WP 2.6  | Strengthening Human Resources Management systems and procedures   | WP 3.6  | Strengthening Technical and Vocational Training |  |  |
| WP 1.7   | Developing Medium Term strategy and NDP                                | WP 2.7  | Introducing Human Resources Development                           |   |   |  |  |
|  |  | WP 2.8  | Improving internal procedures                                     |   |   |  |  |

### **3.4 Pillar 1: Establishing Policy and Regulatory Framework**

#### **3.4.1 Developing the Energy or Electrical Energy Act**

There are some key challenges which need to be addressed while developing the final draft Electrical Energy Act including scope of the proposed Act, functions, duties and responsibilities of the Energy Regulatory Commission and other actors, and consulting them on proposals; regulatory and policy mandates of different actors in the electricity sector; and scope and criteria for licensing and tariff setting duties.

For example, does the Government wish to have a solely Electricity Act or a comprehensive Energy Act, encompassing possibly other kinds of energies, too? The benefit of one-for-all piece of primary legislation from the Government's perspective may be obvious: having a comprehensive Energy Act will save time and effort in future for developing the necessary legislation at the time when potential operators in other types of energies (such as gas for instance) emerge.

On the other hand, development of an all-in-one Act is likely to cost much more in terms of the effort and time of all parties to the process, whereas it is likely that in the foreseeable future no considerable developments regarding other types of energies will take place in Somaliland and, there is a risk that by the time the need for such a comprehensive Act emerges, restructuring and other changes in the energy sector environment will have taken place, which will make the comprehensive Act developed under current circumstances obsolete, in which case the time and effort spent on developing a comprehensive Energy Act may prove to be ineffective.

In addition, the current various drafts of the Electrical Energy Act are inconsistent in terms of identifying particular policy and regulatory actions necessary to be undertaken by various parts of the national administration (Parliament, Government, MoEM, other ministries, Regulatory Commission, etc.) at different stages of implementation of Energy Policies. Apart from clear identification of such milestones, sequencing of activities is necessary so that both milestones and time frame for their achievement can be transformed into updated an Energy Policy and later on implemented through the Electricity or Energy Act.

Key activities are:

- Defining scope of the Act
- Revision of the draft Act
- Consultations with stakeholders
- Finalise draft Act
- Prepare Memorandum for submission to Council of Ministers

#### **3.4.2 Establishing the Energy Regulatory Commission**

Discussions with the main stakeholders in Somaliland indicate that there is a common view that creation of Energy Regulatory Commission, which would be the economic regulator of the electricity industry, constitutes an important national energy policy goal. There is a need for clarity and agreement concerning the creation of a body responsible for regulating the technical aspects of the sector and for developing the necessary standards pertaining for electricity industry. Whether such body (unit) would constitute part of MoEM, of the ERC, or an Inspectorate somehow independent of these two, requires further study and thorough consultation.

When the Act is successfully adopted, the next milestone in the process of developing the regulatory framework would be the appointment of the ERC, and its establishment in physical and personnel terms. If all preceding steps and high level decisions proceed smoothly, this may happen towards the end of 2016 and if so, MoEM will need drafting policy, procedures and plan for implementation of ERC's core functions. It is expected that, apart from completion of appointments, a range of internal organisational policies and procedures will need to be established (e.g.: internal organisation, staffing, rules on salaries, accounting, procurement, etc.) to enable proper functioning of ERC. Important for the sustainability of the ERC and its

work will be the creation of an appropriate framework for financing the Commission's operations, through producing rules on annual license fees.

Key activities are:

- Define status of ERC, and possible intermediate arrangement
- Establishment of the ERC
- Define internal book of rules

### **3.4.3 Developing the regulatory framework for licenses and tariffs**

The secondary legislative and regulatory framework to the Act will need to be undertaken by the Commission, in close consultation with the MoEM. However, due to possible delays in approval of the Act and establishment of the ERC, initial work on this could already start in parallel.

Within these tasks, challenges pertaining to licensing and tariff regulations or dispute resolution will have to be addressed, especially policies and procedures for the following elements of regulation of the electricity sector.

Key activities are:

- Define guidelines for licensing rules and procedures for electricity sector;
- Define guidelines for tariff setting in electricity sector;

### **3.4.4 Developing the regulatory framework for technical and safety standards**

Discussions with main stakeholders indicate is that current levels are very low with regard to:

- Health and safety;
- Technical quality standards;
- Provision of electricity;
- Provision of related services (such as lining, wiring, construction);
- Electrical equipment;
- Workmanship by the appropriately skilled technicians.

The lack of any enforceable standards in the country frequently leads to hazards – from health and safety, to a loss of equipment and financial waste. There is considerable inconsistency and ambiguity between the different versions of the draft Electrical Energy Act regarding positioning of any organisation to be charged with Technical Inspectorate functions, in particular whether this will belong to the area of responsibility of MoEM, or to a specialised Inspectorate or the ERC. Regardless where these functions will be placed, there is a need to determine and elaborate these functions.

Key activities are:

- Organisation and staffing of inspectorate functions by developing the internal organisational books of rules;
- Developing recommendations and a plan for a training programme for prospective engineers and/or technicians dealing with electrical equipment;
- Developing concepts and tools for settling and enforcing appropriate standards.

### **3.4.5 Reviewing the Energy Policy**

In 2016 the current Energy Policy, developed between 2006 and 2010 may reach the end of its lifetime, as many changes have taken place in the energy sector and its sub sectors. Therefore, sometime during 2016, the MoEM needs to update and revise the Energy Policy for the forthcoming years.

In specific terms, MoEM will need to revise and update the policy framework, ensuring compatibility with the regulatory framework evolving at that time, the Electricity Master Plan, opportunities for investment in the sector, possible international arrangements for importing electricity, scope and role of IPPs and GoSL in

power generation, transmission and distribution networks. This should include data collection (for reviews and statistics) and extensive consultation with key stakeholders.

Key activities are:

- Review of existing policy and implementation
- Consultation with sector stakeholders
- Preparing the updated energy policy

### **3.4.6 Developing the Renewable Energy Strategy**

Somaliland faces huge challenges with regards to climate change, resource scarcity and the impact of the energy sector on the environment. This encompasses pollution from largely inefficient diesel-based generation, or massive deforestation due to extensive use of charcoal. While Somaliland disposes of abundant RE resources in terms of the wind or solar energy, this remains largely unutilised due to lack of GoSL guidance and resources, lack of strategy, education and consultation, proven technology and lack of incentives for investing into RE sources.

The MoEM will need to develop a sound and comprehensive strategy for the development of Renewable Energy. It should address goals, objectives, proposed strategies and intended results, domestic and external resources, GoSL's roles in guiding and monitoring the sector (including the role of the ERC, MoEM, MoERD and other institutions), framework for regulating the RE sector, roles of Local Authorities, Civil Society and Private Sector agencies). This will require substantial support including consultations with stakeholder, studies, review of past and current RE initiatives, elaboration of regulatory aspects and other elements.

Key activities are:

- Assessment of Renewable Energy Sector
- Consultation with sector stakeholders
- Preparing the Renewable Energy Strategy

### **3.4.7 Developing the Medium Term Strategy and NDP**

In 2016 the next five-year National Development Plan will need to be prepared for all sectors. With respect to the energy sector, the NDP will summarise the medium term strategy for MoEM for the years to come. Inputs into the NDP will require assessments of overall status of the energy sector, status of the policy and regulatory framework, scope and nature of possible international and domestic investment, and likelihood of Development Partner (DP) support for work on electricity and RE.

Key activities are:

- Review of existing strategies
- Review GoSL guidance and parameters for next NDP
- Consultation with sector stakeholders
- Develop 5-year strategy and NDP inputs
- Develop implementation plans

## **3.5 Pillar 2: Organisational and Human Resources Development**

### **3.5.1 Redefining organisational functions**

Currently defined functions of the Directorate of Energy, Directorate of Finance and Administration, and Department of Minerals (DoM), need to be updated and clarified. For DoE this relates in particular to electricity. Functions of DoFA need to be substantially expanded to include active support to Human Resources Management and Human Resources Development and purposeful utilisation of ICT. Functions of

the leadership of the MoEM may be more clearly determined and expanded. This also applies to the Data Centre and Public Relations functions, proposed to be combined and activated.

All of this not merely to refine statements on paper, but to provide a framework for planning, staffing and monitoring. The re-defined or expanded functions will provide the basis for structuring the MoEM, drafting strategies and undertaking annual planning, and shall help to formulate verifiable targets for the concerned Department, Section or Unit.

Key activities are:

- Review of current function statements of Directorates and Sections
- Redefine functions

### **3.5.2 Restructuring of (parts of) MoEM to match work with resources**

The structure of the MoEM in general and of DoE and DoFA in particular, needs to better match the current requirements of the work. The same may apply to the DoM and the Department of Petroleum (DoP, to be established as soon as possible). Proposed are:

- Merge Public Relations and Database Centre into one high level Information Section;
- Establish Section for ICT systems development and management under DoFA;
- Establish a proper HRM and HRD Section under DoFA;
- Establish Section on Policy, Planning and Monitoring within DoE (and possibly also DoM);
- Merge the various units on RE into one Section;
- Establish a new Electricity Section, focusing on power generation, transmission and distribution. The Section will conduct work on policy, regulation and monitoring as long as the envisaged ERC is not yet in place. This will include extensive work on licensing, standards, pricing, environmental impact and on active promotion of training for electricians, starting with lower level. The section will prepare the ground for the ERC and will, eventually hand over a number of responsibilities to this ERC.
- Establish a distinct Inspectorate Section, either as a separate section or as a unit in the electricity section. Its focus will be on the application and enforcement of technical standards, for traditional electricity generation transmission and distribution, and for RE generation (if of sufficient scale and complexity), safety and health standards, environmental impact criteria, customer protection, disputes, control of rates and conditions.

The proposed restructuring should be led by the leadership of MoEM, in close consultation with the Directors of Directorates.

Key activities are:

- Review recommendation of the Functional Review
- Decide on new organisational structure
- Implementation of new organisational structure

### **3.5.3 Strengthening management, planning and accountability**

A strong effort to strengthen planning and management throughout the MoEM is proposed, as the Functional Review indicates substantial weaknesses in these areas. The Ministry's top and mid-level leadership may develop systems, skills and a supportive culture for:

- Setting targets at MoEM level, to be monitored as time goes on. These are derived from the medium term strategies, laid down in the (new) NDP and similar documents;
- Agreeing on plans and targets for the Management, which will indicate what each of them, is expected to achieve, be it by the Minister or with/by MoEM staff. The Minister shall hold himself, the State Minister and the DG accountable for monitoring and meeting targets and, in case of non-achievement for justifying and addressing this.

- Setting targets for and by each Directorate and Section, derived from strategies and plans and linked to allocated resources, provided with clear indicators for measuring progress against targets and binding the leadership;
- Developing Annual Plans for each Directorate and Section (by Directors and Heads of Units), to be reviewed regularly at top level;
- Setting targets by Directors and Heads of Sections, for all professional staff, derived from Annual Plans and Job Descriptions, providing clear direction to staff and serving as the basis for regular (suggested quarterly) progress reviews and annual Performance Assessments. Key elements for this are provided in the Functional Review report.
- Introducing systems and skills for regular progress review within Directorates, and for recording and sharing the outcomes of such reviews;
- Introducing a more regular and rigorous system of meetings, at top and Directorate levels, with formal agenda, records, action lists and reducing the fluidity and inefficiency of current arrangements.

Key activities are:

- Detailed review current planning and management systems
- Establish overall plans and targets
- Establish individual plans and targets

#### **3.5.4 Adjusting or establishing positions and equipping appointees**

The proposed restructuring of MoEM (or parts thereof), will result in a number of positions to be modified and a number of positions to be newly established. The following positions are in need of redefinition and elaboration of (existing and new) tasks), with details provided in the FR Report:

- Minister, State Minister and Director General
- Director of Energy (and Director of Minerals, if so decided)
- Specific Heads of Sections
- Regional Coordinators
- Data Centre
- Public Relations
- Secretaries

The following positions are to be newly established. Proposed roles and responsibilities are outlined in the FR and will need to be elaborated, with the concerned senior staff, down to Job Descriptions and (annual) targets. Approval and support from the Civil Service Commission will be required.

- Head (and staff) of Planning & Monitoring Sections (in DoE, optionally also in DoM);
- Head (and staff) of Electricity Section;
- Head (and staff) of Inspectorate Section;
- Head (and staff) of HRM and HRD Section;
- Head (and staff) of ICT Support Section.

The adjustment or establishment of new positions will be the responsibility of top and mid-level leadership. This shall include, but not be limited to developing job descriptions, ensuring approval by the CSC, and selecting suitable staff (be it from within but often from outside of the Ministry).

It shall also include the induction, coaching and training of staff that are new to their position, or are faced with new roles in their position. Induction into the Ministry, (sub) sector, plans, systems, procedures and responsibilities is a regular task of DoFA, for which it needs to get better prepared and much more active, and the concerned Director. But in addition, tailor-made training will be required, especially where tasks are new.

Key activities are:

- Establishment of new positions including funding
- Recruitment



- Develop training and mentoring programme
- Implement training and mentoring programme

### **3.5.5 Activating and strengthening regional level**

The Regional Coordinators need to be used much more strategically and actively, and for this they need to be trained, supported and monitored in a much more strategic way including the following:

- Developing and monitoring electricity generation, transmission and distribution: the Regional Coordinators (RCs) may be given clear roles in monitoring the companies and their operations and, once MoEM has elaborated standards, be actively involved in enforcement and compliance control.
- Promoting and supporting RE initiatives, be it by MoEM itself and by projects.
- Working closely with Local Authorities (in particular Governor, Mayors and Councils) to support and guide these with regard to service delivery for electricity and initiatives for RE installation.
- In the structure suggested in the FR, there will continue up to seven RCs, no District Officers (unless a special and strong justification is developed), and possibly some geologists at the regional level. There will be direct and frequent contacts between the RCs and the two technical Directorates who will work directly with them and will provide tools, training and back-stopping. They will also feed data to the proposed Data Centre and PR Section and, if technically feasible, have access to MoEM digital resources.

Key activities are:

- Review functioning of Regional Coordinators
- Develop training and mentoring programme
- Implement training and mentoring programme

### **3.5.6 Strengthening Human Resources Management systems and procedures**

The outcomes of the FR strongly suggest that, for staff to become much more productive and motivated, solid and well-equipped HRM and HRD arrangements and processes need to be put in place. These may include:

- Establishing a strong HRM and HRD Section, with suitable staff (suggested two) and a solid and ambitious mandate.
- Direct support and guidance by the top leadership by way of linking this Section to the DG or State Minister, as one of his strategic responsibilities.
- The proposed HRM Section to develop format and procedures for regular performance reviews and roll these out for all Directorates, providing hands-on support and coaching for this. It is proposed to start this in the DoE, and then, adjusting against experience, to all Directorates and positions.
- Stronger and transparent HRM by strengthening hiring and firing policies, in line with CSC requirements, but reinforcing selection against detailed job descriptions and specified requirements in terms of skills, knowledge and attitudes and basing careers on merit only.
- Introduction of regular monitoring and management of staff, by way of making visible how staff actually perform against their duties and targets and by providing incentives and sanctions in response to such performance.
- Introducing incentives: The HRM Section may develop a range of practical sanctions and incentives (financial and otherwise) and MoEM may consider setting a small budget to financial rewards, allowances and training.

Key activities are:

- Establishment of HRM section
- Development of HRM policy and plan
- Implementation of HRM policy and plan

### 3.5.7 Introducing Human Resources Development

As discussed in the FR Report, there is a very urgent need to enhance skills and knowledge of staff at all levels, for them to become capable to take on the many new or expanding roles of the MoEM. Activities may include:

- Reviewing or, if needed, expanding of the Training Needs Assessment (TNA) conducted by CSI, together with suggestions for training offered in the FR report and suggested by others.
- Developing a realistic training programme for prioritised skills and selected knowledge areas and mobilising resources for this. T
- Professional staff and their superiors to identify areas in which self-study could be a practical and appropriate tool. There are an increasing number of distant or e-learning courses available, often (but not always) for free, and of great potential interest for a number of MoEM staff.<sup>5</sup> Staff and their superiors can formally agree that staff claims time for pursuing such distant learning and self-study, superiors can arrange for modest financial support, if needed at all, and both commit to time-bound results.

This will require hands-on support and guidance on the above issues, while the DoFA will lead these, mobilise resources and monitor progress.

Key activities are:

- Develop HRD plan
- Implement HRD plan
- Develop training and mentoring programme
- Implement training and mentoring programme

### 3.5.8 Improving internal procedures

The internal procedures and systems, for planning, decision making, reporting, meetings, record keeping, information storage and sharing, filing, use of hardware and software and other aspects, are poorly defined and very poorly adhered to. Effectiveness, efficiency and transparency can be greatly improved by fine-tuning or introducing properly defined procedures and by their subsequent enforcement. Preferably this is done throughout the Ministry, but piloting may be done within DoE. Priority may be given to procedures and systems for non-financial matters (as financial procedures are quite clearly laid out already).

Steps may be:

- Reviewing the Financial, Procurement and Accounting Manual for MoEM, developed early 2013 but never applied. This may be updated and expanded.
- Reviewing the Administrative Regulations for the GoSL, developed with support of UNDP and endorsed by the CSC. Their status needs to be determined and inconsistencies and overlaps between the regulations and the above Manual need to be identified and resolved.
- Prioritising processes in need of definition or tightening. The FR suggests that this may apply to planning, decision making, conduct of and follow-up to meetings, reporting, use of ICT, job descriptions and performance assessments.
- Developing or fine-tuning of prioritised procedures, consolidating the (revised) Manual, endorsement by MoEM leadership, where needed coordination with CSC and stepwise introduction in MoEM. MoEM's leadership shall actively support this.
- Introducing time-management and time-recording for all staff (which will make visible how each of them spends her/his time against approved time-budgets and tasks).

Key activities are:

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<sup>5</sup> For example: e-learning offered by the World Bank, including one on '*Energy Sector Strategies to Support Green Growth*'. See; <http://einstitution.worldbank.org/ei/CourseTheme> . Or the series of publications and events in the Energy and Climate Programme of ODI, see: <http://www.odi.org/programmes/climate-environment>

- Review administrative and financial procedures
- Implementation of reviewed administrative and financial procedures

### **3.6 Pillar 3: Mobilising Domestic and External Resources**

#### **3.6.1 Identifying potential external support**

MoEM and the electricity and RE sectors at large will need substantial financial and technical support in order to address the huge challenges and demands in these fields. As detailed in the Stakeholder Mapping report, a growing number of Development Partners are interested in considering and mobilising such support. However, the MoEM currently lacks the capacity to identify actual and potential sources for support, and has no section or staff charged with this. Gaining a realistic perspective on the need for and likelihood of external support is especially urgent, as MoEM needs to update and develop its policies, plans and budgets for the next five years.

This will require the assignment of one or more staff. They should be motivated and capable to acquire knowledge and skills in this context, while receiving modest on-the-job training and coaching. Together they can build a database or other form of systematic record on relevant DPs, to be maintained by MoEM itself in the longer term. This may also include reports, end-of-project reports, evaluations and studies from past projects. They can also prepare a set of documents that could be used in contacts with DPs and in exploring possible support. Such reports can extract data, ideas and figures from the many reports on MoEM, electricity and RE.

Key activities are:

- Appointment of Focal Point
- Develop and maintain overview of all ongoing and planned intervention in the sector

#### **3.6.2 Mobilising support from Development Partners**

As the number of (potential) DPs increases and as MoEM may attract more Financial and Technical Assistance, there will be an increasingly urgent need for coordination with and alignment of the various actual and potential initiatives. The GoSL and key DPs have agreed on country-led development planning and management, but this easily becomes an empty phrase as separate and fragmented talks with many DPs take place, all with their own timing, conditions and priorities. While there may be some informal contacts among DP staff and experts associated with them, there is no platform for coordination for electricity and RE. This may include initiatives, such as sharing reports on a regular basis and informing each other on project identification, formulation or review missions; organisation of a round table with DP or an even more ambitious donor-GoSL conference for the sector; developing a concept paper on issues and possible contributions of DPs (building on the work reported in the Stakeholder Mapping Report).

Once scope and possible nature of DP support become clear, there are many more steps before this can be brought to its conclusion: the actual mobilisation and absorption of technical and financial assistance. Currently, the MoEM is not equipped to go through these steps: articulating its needs, conceiving and reviewing plans, exploring conditions, ensuring absorption capacity, negotiating agreements, etc. The results in such processes taking longer than necessary, being largely controlled by the concerned DP and often is being less transparent, predictable and efficient than required.

Key activities are:

- Development of communication strategy for engagement with Development Partners
- Active participation during High Level Aid Coordination Forum
- Training and mentoring of staff
- Development of project concept notes

### 3.6.3 Strengthening inter-ministerial coordination

As detailed in the Stakeholder Mapping report and reviewed from a policy and regulation point of view in the Policy Inventory and Gap Analysis Report, there are a number of Ministries and Agencies with roles and responsibilities in connection with electricity and/or RE. Communication and coordination with many of these Ministries needs strengthening, both to ensure better mutual understanding and support, and to ensure alignment of the respective roles. There are sensitivities among some of the stakeholders within the GoSL structure and very little joint planning.

These issues can only be addressed by MoEM leadership and senior staff, and it is proposed that they will take active initiatives to improve relationships, exchange information and, where appropriate, develop joint work. This should be initiated by MoEM's leadership, but senior staff should be brought into the process as soon as possible. Joint reviews and field visits can be very helpful to strengthen relationships, as can be MoEM taking initiatives in sharing information and documents.

Key activities are:

- Reviving the Inter-Ministerial Sector Working Group on Infrastructure (supposed to be put in place for the sector) in close cooperation with the MoNPD.
- Consider the set-up of a Sub-sector Working Group for Electricity (or, more widely, Energy).

### 3.6.4 Strengthening cooperation with Local Government

Local Authorities have a stake in the provision of energy to their citizens and can play important roles in identifying needs and opportunities, mobilising resources, lobbying for and monitoring of service delivery in electricity. They increasingly play a role in RE initiatives and are essential channels to and for local communities in need of support. There is a need for MoEM to strengthen its communication, coordination and collaboration with the various levels of local government beyond the current contacts with the Regional Governors and incidental contacts with Mayors.

Key activities are:

- Defining engagement with Local Governments
- Training

### 3.6.5 Reviving Public Private Dialogue

It is obvious that private sector agents are central in generating, transmitting and delivering electricity, be it from traditional or RE sources. In the various reports the very imperfect market of electricity provision by IPPs and the potential interest of domestic and foreign investors in new investments (including the Berbera corridor) has been reviewed and the need for the MoEM to become much more active in regulating, guiding, supporting and monitoring private sector institutions has been identified.

Due to the importance of the private sector, there is a continued need for structured dialogue with the private sector at national level. As MoEM becomes increasingly active in policy making and regulation for the sector, the need for regular, constructive and high-quality dialogue with key private sector institutions is only growing, to ensure MoEM's initiatives are based on good mutual understanding, take into account private sector views and priorities and are understood and accepted. The earlier initiative for such dialogue seems to have run out of steam and the so-called Electricity Secretariat appears to be dormant. It is proposed that MoEM revives the Dialogue, in consultation with relevant stakeholders, such as the LASER Project, Energy Secretariat, World Bank (planning to support the preparation of an Electricity Master Plan in 2016), and others.

Key activities are:

- Participate in PPD in partnership with MoTI
- Participate in Energy Sector Working Group

### 3.6.6 Strengthening Technical and Vocational Training

Finally, there is a very urgent need to mobilise training and education services for low and mid-level technicians, as discussed above and in various reports. There have been incidental initiatives and scattered thoughts on this, but no structured, well-informed initiatives. It is proposed that MoEM takes on this task, defines initial needs and potential resources (i.e. Somaliland institutions) and seeks assistance in pursuing this. There are materials on international (in particular regional) best practices, examples of curricula for various types of technicians, manuals and course materials, and Somaliland can benefit from these. There also are initiatives by NGOs and projects to provide skills training in this field, including on RE. However, these are not sufficient, nor structured into a coherent framework, funding and quality control.

Meanwhile, GoSL has realised the need to strengthen resources for TVET and assigned responsibilities for this to the Ministry of Education. It is proposed that MoEM takes up the role for the electricity and RE sectors and assigns one or more professional staff to this. Such staff may have to be recruited from outside the Ministry and that a position is established within the Electricity Section of DoE, as proposed in the FR Report.

Key activities are:

- Agree on responsibilities with Ministry of Education
- Conduct assessment and existing training and education facilities
- Liaise with Ministry of Education and facilities on curriculum development

## 3.7 Pillar 4: Enhancing Information Management and Monitoring

### 3.7.1 Strengthening ICT use & support

The FR has shown that ICT is greatly underutilised or even wrongly used, resulting in poor efficiency, loss of documents and data, and waste of time, hardware and software. There is an urgent need to address this, in a structured manner and by a properly equipped and mandated ICT Unit. At least one ICT staff (but better two during 2016 to catch up with the immense backlog) needs to be posted in the MoEM (rather than in Borama), review available hard- and software, internet and (the absent) intranet, and available databases. They shall establish minimum standards for purchasing and using equipment, software, utilisation of internet and intranet, and they shall train and advise all staff using ICT.

They may also establish templates for MoEM communication and reports, and standards for storing special data, such as maps and statistics. Initially they may have to solve acute problems, as no ICT support has been available in MoEM for quite some time, but eventually their focus should be on improving and expanding the use of ICT.

Key activities are:

- Conduct ICT Assessment
- Enhance existing physical infrastructure
- Provide ICT-training to staff

### 3.7.2 Establishing digital archive and sharing

Once ICT systems, processes and skills are somewhat improved, the MoEM shall take steps towards digital filing and sharing of documents, data, maps, mails, agendas. As noted in the FR, documents, maps and other data, currently either exist in personal PCs and laptops, or are lost forever. The MoEM needs to make the transition to digital storing, sharing and communication as a matter of priority. The move to the new building may be a good moment for this. This should start with capturing existing hard and soft copies of project documents, studies, photo- and video materials, maps and so on, before these are lost with the departure of staff.

Key activities are:

- Develop policy of digital archiving
- Enhance existing physical infrastructure (see also previous item)
- Provide training to staff

### **3.7.3 Establishing databases on electricity and Renewable Energy**

As noted in many documents, data on the generation transmission, distribution and installation of electricity by IPPs and others are extremely sketchy and mostly limited to reports produced by projects and Development Partners (including ADRA, WB, USAID, ESRES and many others). The same for any past, current and planned work on RE. This is a wasteful situation and a special effort is strongly recommended for establishing databases, minimally on electricity production and distribution by companies and on RE projects.

The first step can be a review and validation of historical and current data on IPPs both in Hargeisa and in the regions. The same is required for RE projects at national and sub-national levels. The RCs can contribute to this, provided they are guided, assisted and mandated to do so. As proposed, they may assume such data collection tasks, after training and against agreed checklists. ICT staff in Hargeisa shall develop the suggested databases and train selected staff in the DoE, in maintaining and using these and in how to share such data.

Key activities are:

- Define scope and requirements
- Develop and implement database
- Train staff

### **3.7.4 Strengthening Public Relations and Transparency**

The FR report discussed the current status of the MoEM's website and the lack of readily available information about the MoEM, its work, achievements, plans, studies and resources. As the work of the Ministry is rapidly expanding and as resources devoted to electricity and RE are increasing, so does the need to ensure full transparency. As argued in the FR Report, it is recommended to merge the Public Relations function and the dormant Data Centre and to greatly expand the use and sharing of information about the MoEM's work in the various sectors. This will be made easier if, as suggested above, digital archiving and sharing, (sub) sectoral databases and monitoring tools are put in place.

Key activities include:

- Review use of MoEM website
- Review PR function and Data Centre

### **3.7.5 Establishing Resource Centre(s)**

Both the Department of Energy and the Department of Minerals have been planning to establish a Resource Centre in their respective domains. These would make reports, studies and data with regard to (Renewable) Energy, and Minerals available to the general public, so more people benefit than the inner circle of consultants and senior MoEM staff. This may especially apply to RE, a subject, on which many valuable studies, reports, manuals, guidelines, handbooks, conference proceedings, articles, etc. exist but, for practical reasons, not easily accessible to professionals and the general public in Somaliland.

It is proposed to delegate one or more of the staff of the proposed RE Section to enrich the collection of hard and soft copy materials now with the Director of DoE with other documents, preferably digital, that will be readily available from projects, programmes, DPs, NGOs, Universities, etc.

Key activities include:

- Review need and stakeholders for Center
- Establish collection



## 4. Technical Assistance Plan

### 4.1 Leadership

The overall objective of the Technical Assistance Plan (TA Plan) is to provide the MoEM with a clear implementation mechanism for the Roadmap. It also identifies the support from ESRES.

The leadership for elaborating and applying the suggested Roadmap should be squarely with MoEM. While Development Partners and projects can and shall assist, overall guidance and final responsibility needs to be firmly with MoEM. Whereas political and overall leadership will be with the Minister, he may decide to assign specific roles for coordination, planning and monitoring to the State Minister and/or DG.

He may also decide to assign substantial responsibilities for specific issues to Directors and/or key staff, such as work on:

- Overall liaison on and guidance of ESRES to the State Minister;
- Electricity and RE to Director and key staff (including new ones) of DoE;
- Strengthening Planning and Management to the State Minister;
- HRM and HRD to Director and (new) key staff of DoFA;
- Strengthening regional involvement to DG;
- Donor coordination to named (new?) senior staff;
- Information and Communication Technology issues to the (possibly newly appointed) senior ICT Officer;
- Restructuring may fall under the Minister's responsibility, with substantial involvement of the DG and the Director of DoFA.

While the Roadmap and TA Plan are being finalised and agreed between ESRES and MoEM, such arrangements shall be elaborated and decided.

At that time, it may also be discussed and agreed how and where dedicated secretarial support will be placed within MoEM for handling documents, meetings and information on ESRES related matters in the Ministry. It is strongly recommended to appoint a competent secretary for this, whose roles (and competence) shall be much closer to those of an Executive Assistant than to those of a traditional Secretary.<sup>6</sup>

The ESRES Secretariat TL and Deputy TL will provide regular inputs, in particular for planning, managing and monitoring the work and inputs. They will brief, monitor and debrief STEs, provide backstopping and ensure for quality assurance. They may also be actively involved in donor coordination. Support by them and by the various STEs shall be available at short notice, as soon as agreement has been reached with MoEM and DFID, the Inception Report approved and agreed pre-conditions on the side of MoEM will have been met.

ESRES Project Director will provide general oversight, review and discuss overall progress, resolve key issues with the MoEM's leadership and the ESRES TL and arrange for timely selection and mobilisation of ESRES TA.

### 4.2 MoEM Resources

The execution of the Roadmap will require very substantial resources. First and foremost: dedicated and effective involvement of the MoEM leadership and staff. MoEM shall make arrangements for this, in terms of staffing, budget and decision-making.

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<sup>6</sup> If conditions and profile of the traditional secretary do not allow for sufficient competence, it may be considered to assign one of the junior professional staff with strong skills in ICT and affinity with the subject matters.



The Directors of the DoE and DoFA shall spend significant time on Roadmap related work and shall assume active roles, leading, managing and monitoring work in their domains, as per agreement with ESRES. Their progress will be monitored by the Ministry's leadership against agreed targets, while these Directors will, in turn, monitor progress of their staff against such targets.

The Functional Review showed that many of the staff members are grossly under-utilised, and that many of them are keen to have well-defined and challenging tasks. It also showed a lack of (suitable) staff for a considerable number of tasks and MoEM will need to arrange for such staff to be (re-) assigned or to be recruited in the next few months.

MoEM will cover or arrange for:

1. Appropriate working space for the Experts and their counterparts;
2. Costs incurred by its staff working on Roadmap issues, including travel, office costs, communication;
3. Costs incurred by Regional Coordinators, as they increasingly assume new roles;

### **4.3 ESRES Resources**

ESRES has a ring-fenced budget available for mobilising Technical Assistance for the MEM to develop the framework and capacity development support.

#### Roles and responsibilities of experts

The implementation of the TA Plan requires substantial input from short-term experts. These experts should not replace government capacities, but should reinforce existing capacities instead. Therefore all short-term experts will have an explicit mention in their respective terms of reference to devote part of their time in-country on strengthening the local resource base in their field of expertise through training, mentoring, etc. Also, the MoEM will ensure that these experts will always have a local senior MoEM staff as counterpart.

#### Work Packages

In order to unlock funding from the ring-fenced budget, the ESRES Secretariat and the MoEM will prepare a Work Package for each individual assignment to be funded from the TA-Budget. Each Work Package will be composed of a (1) Terms of References including clearly defined deliverables and (2) Budget.

#### Eligible costs

The TA-Budget will cover costs for the following costs:

- Fees for Experts and related costs (travel, DSA, local transport)
- Training
- Workshops
- Equipment

All costs will be directly managed by the ESRES Secretariat as part of its contractual arrangements with DFID.

#### Priorities

Due to the limited amount of funding available and the potential to mobilise additional resources from other Development Partners, ESRES support will have a limited focus on the Work Packages (WPs). The WPs highlighted in green are reflected in the TA-Budget:

**Table 3 Roadmap: Pillars and Work Packages highlighting ESRES support**

| Pillar 1:<br>Policy and Regulatory Framework Development |  | Pillar 2:<br>Organisational and Human Resources Development |   | Pillar 3:<br>Domestic and External Resources Mobilisation |   | Pillar 4:<br>Information Management and Monitoring |  |
|--|--|---|---|---|---|--|--|
| WP 1.1.  | Developing the Energy or Electrical Energy Act                         | WP 2.1  | Redefining organisational functions                               | WP 3.1  | Identifying potential external support          | WP 4.1   | Strengthening ICT use & support                      |
| WP 1.2   | Establishing the Energy Regulatory Commission                          | WP 2.2  | Restructuring of (parts of) MoEM to match the work with resources | WP 3.2  | Mobilising support from Development Partners    | WP 4.2   | Establishing digital archive and sharing             |
| WP 1.3   | Developing the Regulatory Framework for Licenses and Tariffs           | WP 2.3  | Strengthening management, planning and accountability             | WP 3.3  | Strengthening Inter-ministerial Coordination    | WP 4.3   | Establishing databases on electricity and RE sectors |
| WP 1.4   | Developing the Regulatory Framework for Technical and Safety Standards | WP 2.4  | Adjusting or establishing positions and equipping appointees      | WP 3.4  | Strengthening cooperation with Local Government | WP 4.4   | Strengthening Public Relations and transparency      |
| WP 1.5   | Updating the Energy Policy   | WP 2.5  | Activating & strengthening regional level                         | WP 3.5  | Reviving Public Private Dialogue                | WP 4.5   | Establishing resource centre(s)                      |
| WP 1.6   | Developing the Renewable Energy Strategy                               | WP 2.6  | Strengthening Human Resources Management systems and procedures   | WP 3.6  | Strengthening Technical and Vocational Training |  |  |
| WP 1.7   | Developing Medium Term strategy and NDP                                | WP 2.7  | Introducing Human Resources Development                           |   |   |  |  |
|  |  | WP 2.8  | Improving internal procedures                                     |   |   |  |  |

#### 4.4 Support by other projects and DPs

There clearly are Work Packages under the proposed Roadmap for which ESRES cannot provide (sufficient) support, due to the constraints of mandate and resources.

Support from other DP sources will be identified, mobilised and coordinated wherever possible, as discussed under Pillar 3. It is proposed that MoEM and/or ESRES will share this Roadmap and TA Plan, once final, formally as well as informally with DPs, explore areas where DP support is needed and review, with individual DPs and projects, what technical and financial support can be provided, by whom and when.

This Roadmap document provides a number of suggestions for intervention areas for other DPs. For example, the WPs that are not supported financially by ESRES. However, these suggestions may be elaborated and modified, depending on opportunities and needs, either before or after this Roadmap is finalised. These can be spelled out more clearly and in such a manner that these can be used directly in identifying potential DP support. The suggested STEs' Technical Assistance for donor mobilisation may assist in pursuing support options as soon as possible.

#### 4.5 Issues to be addressed

At this stage some issues or bottlenecks can be identified. These need frank discussions and active and timely resolution, as many of these constitute pre-conditions for the Roadmap and TA Plan to be implemented. It is proposed that the MoEM's leadership considers these in the following months, addressing some before implementation starts (i.e. by 1/2/2016) and others by the middle of 2016

##### Pre conditions, to be addressed before February 2016

**High-level decisions:** Timely decisions by GoSL on key policy issues, esp. on mandate of MoEM with regard to energy, and on regulatory framework;

1. **Active top leadership:** Substantial availability, initiative, dynamic leadership and strategic involvement of top MoEM leadership, with clear responsibilities for liaison and monitoring;
2. **Active Directors:** Substantial availability, managerial and operational involvement of Director of Energy and the Director of Finance and Administration;
3. **Counterpart staff:** availability, competence and motivation of counterparts, with sufficient time and skills for working with ESRES TA and for taking on new tasks;
4. **Physical inputs:** timely availability of office space and equipment, hardware and software;

##### To be addressed by July 2016

5. **Restructuring of MoEM:** Fast submission by MoEM to CSC of proposals and fast decisions by the CSC with regard to restructuring of MoEM and establishing new positions;
6. **New staff:** Timely recruitment and placement of a considerable number of new staff, so MoEM can take on its expanded responsibilities and absorb ESRES support;
7. **Linkage to sub-national level:** good access to and hands-on involvement of Regional Coordinators and active MoEM support for expanding their roles;
8. **Running costs:** modest but flexible budgets available for agreed joint activities, including workshops, travel, translation, production of manuals, expansion of website, etc.
9. **Training resources:** MoEM will arrange, through CSI or otherwise, skills training for a considerable number of staff, including ICT, office management, reporting, project management.

#### 4.6 Risks

It may be clear that there are considerable risks with regard to successful implementation of the proposed Roadmap. While this is the case for all ambitious and complex development efforts, it may be even more the case in the context of Somaliland.

The following risks can be identified at regarding the implementation of the Roadmap and TA Plan:

**In the wider Somaliland Context:**

1. Indecisiveness or inconsistent decision making on policy issues;
2. Instability of leadership, in particular as the 2017 elections get closer – and after these elections.
3. Slow cooperation with and support by the CSC, leading to non-approval for restructuring and for creating new posts;
4. IPPs have particular incentives in working with this Roadmap;
5. Local government institutions not willing or able to cooperate with regard to electricity and RE;
6. Unavailability of suitable candidates for the adjusted and new positions.

**Among Development Partners:**

7. Lack of interest or budgets among DPs to provide TA or funds to elements of this Roadmap;
8. Unwillingness or inability of DPs to move towards alignment and coordination;
9. Burdening MoEM with too many competing demands in terms of programming, planning, monitoring and staffing different programmes and projects.

**Within MoEM:**

10. Slow or inconsistent decision making or lack of timely action when conflicts arise;
11. Lack of motivation and/or capability among key staff to contribute to the Roadmap realisation;
12. Lack of funds for additional staff, equipment, transport;
13. Resistance to activating the Regional Coordinators and to expanding their roles;
14. Lack of availability, motivation and/or minimal competence of the counterpart staff, required for the TA to work with.

**Within the Roadmap and TA Plan:**

15. Lack of funds for running costs related to Roadmap activities, e.g. costs of workshops, travel, ICT;
16. Indecisiveness of JSC or DFID on sensitive or complex programme issues;
17. Slow or ineffective mobilisation of national and international STEs by the Contractor;
18. Weak management and monitoring of the many national and international STEs by the Contractor;
19. Fragmentation among disparate initiatives for the various pillars, resulting in confusion and waste.

Many of these risks cannot be easily addressed and elaboration and execution of the work under the Roadmap will have to deal with these in a flexible and astute manner when the time comes.

However, some of these risks can and should be addressed by MoEM in the coming three months, as the Roadmap takes further shape, agreements between ESRES, MoEM and DFID are established and as MoEM prepares meeting the pre-conditions on its side.

**4.7 Regular Review**

Work on specific activities will always involve both ESRES Experts and MoEM staff, and together they will plan and review their work. However, overall planning and monitoring needs to take place between MoEM and ESRES. It should involve leadership of MoEM and the ESRES Secretariat TL and/or Project Director. They shall formally meet for this at least quarterly, better monthly, and a record of their discussions and decisions will be prepared, including overall progress on Action Plans, issues to be resolved, decisions, and plans for next Quarter.

In addition, a formal annual review will be undertaken, involving (representation of) DFID, the Real Time Learning Team, TL and/or Project Director of ESRES, MoEM Leadership and key Directors, and representatives of other programmes and DPs (when appropriate). An Aide Memoire will summarise findings, recommendations, decisions and action points.

#### **4.8 Indicative timing of Roadmap**

A two years' time frame is proposed: from 1/2/2016 to 31/2/2018<sup>7</sup>. This is the two-year period set out under ESRES for developing policy and regulatory framework and for strengthening MoEM. This should be long enough to allow significant steps, and short enough to plan with some confidence and precision.

Substantial steps can be made within these two years, provided the MoEM's leadership actively drives the process, motivated and competent staff is in place, policy decisions are made swiftly and coherently and external support is effectively mobilised and absorbed.

A number of the suggested outcomes will require significant resources from other external and domestic and some outcomes may not be fully achieved within these two years. It is suggested to review progress and develop new plans by the end of 2017.

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<sup>7</sup> In view of time needed for decisions about the Inception Report and for mobilising experts, and for formal completion of this component by 1/3/2018, there are, effectively, 22 months for TA and other ESRES support during the first phase of the programme. Timing of components can, of course, be adjusted if this phase would be reduced or extended.

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