

Concept Note on Day One of the Second Istanbul Conference on Somalia**31 May 2012****Istanbul Congress Centre***Draft as of 17 May 2012***Objective**

The overall objective of the first day of the Istanbul Conference, on 31 May 2012 is to bring about a step change in infrastructure investment and an agreement to build the resilience of Somali households, communities and formal and informal institutions in the medium and longer-term. The private sector can play a key part in putting Somalia back on to a development trajectory. Appropriate investment instruments complemented by an appropriate regulatory framework will assist in securing the longer term investments in energy, water supply and roads that are essential for Somalia's development and long term stability. Agreement on a comprehensive approach to resilience through re-establishing and strengthening livelihoods and basic services and reinforcing social safety nets is critical to Somalia's recovery from drought and famine. By the end of the first day of the conference, participants will have reached agreement on the need for a sequenced comprehensive multi-year investment plan that is guided by deprivation levels and tailored to the local context.

Day One of the Istanbul Conference will build consensus amongst member states, Somali counterparts and international organisations on how to stimulate pro-poor, resilient, long-term economic development in Somalia. Participants will discuss and agree strategies and programmatic priorities within the following themes: 1) resilience, 2) energy, 3) water and 4) roads. Consensus in the critical linked areas of resilience, energy, water and roads will help stakeholders to adopt coherent and effective approaches to economic development in Somalia. Day One will also agree the priority actions required to improve the investment climate and development environment in Somalia. It will consider the benefits of improving the regulatory environment and the steps towards establishing an investment guarantee fund, intended to foster investment in Somalia.

Organization

Day One will be co-chaired by Turkey, the UN and Somalia

9.30-10.30 - Morning Plenary

The morning plenary will initiate the discussion amongst the participants on which interventions should catalyse and deepen private sector engagement in Somalia. By introducing the participants to the concept of resilience it will also facilitate agreement upon a multi-year joint investment strategy to build resilience.

The plenary will be structured as follows:

- Turkish Deputy Prime Minister to give a Key Note Speech primarily on building resilience across Somali society, including the importance of initially prioritising the needs of the worst off populations. Request the partnership forum on resilience to consider the proposal in the conference paper to agree to a flexible multi-year joint investment strategy to build resilience.
- World Bank speech introducing the concepts from the World Development Report and the importance of long term investment in Somalia. Introduce the proposals for an investment guarantee fund. Request partnership forums to look at options to improve the investment environment, including the possibility of establishing some kind of fund.
- UN to speak on the outcomes of Istanbul I, Dubai and preparatory meetings in Mogadishu and London. Introduce the importance of creating a conducive business environment, of developing a suitable regulatory framework and of linking investment to Somali systems and structures. Request the partnership forum to consider the next steps in dialogue towards creating more stable regulatory environment.

10.30 – 15.30 (with buffet lunch) – Partnership Forums on Energy, Water, Roads, Resilience

Each partnership forum will be co-chaired by the Turkish government, a UN or World Bank representative and a Somali Minister. Partnership forums will be composed of representatives of member states, the Turkish government, Somali government, international and Somali private sector, UN and development banks, civil society and NGOs and other critical partners of Somalia.

The partnership forums will review the conference papers with the objective of endorsing strategies for each respective theme. They will also initiate dialogue on the key programmatic priorities to be achieved per theme. The involvement of civil society will be essential for ensuring that the strategies put forth in the conference papers are in line with the priorities of the Somali people.

The conference papers will set out:

- 1) Background and context of the theme
- 2) The proposed approach or strategy for the theme
- 3) General programmatic priorities

(Please see a summary of key objectives of the conference papers in Annex I)

23-MAY-2012 13:08 Gend:

K1:02124540413

SvT: 477

18/05 2012 10:38 FAX

0006/0008

The agenda for each of the the four Partnership Forums will be structured as follows:

Session 1 (10.30 – 12.30): Review and discussion of the conference papers

- o Presentation of the Conference Paper by the UN or World Bank
- o Discussion of the strategy for the theme, including the role of civil society and the private sector
- o Review of the proposed programmatic priorities
- o Discussion on investment guarantees and regulatory priorities

Lunch Break (12.30 – 13.30)

Session 2 (13.30 – 15.30): Agreement on recommendations

- o Endorsement of the thematic strategy together with any necessary revisions
- o Endorsement of the programmatic priorities and required investment incentives
- o Agree recommendations related to regulatory priorities to feed into the afternoon's plenary session

15.30 – 16.30: Preparation of the contributions of the Partnership Forums to the Day One Conclusions and Recommendations (one hour)

16.30 – 17.00: Closing Plenary Session of Day One (30 minutes)

The closing plenary will be chaired by Turkish Deputy Under-Secretary, Binnur Feridekligil. During the closing plenary each of the partnership forums will set forth priorities for regulatory reform, ideas for investment incentives, confirm their agreement on the thematic strategies, including the need to sequence investment and provide recommendations for key deliverables to be included within the communiqué. (Please see possible deliverables for Istanbul II under economic development attached).

During the closing plenary the Co-Chairs of each of the partnership forums will present the "Conclusions"

Annex I: Summary Objectives of the Conference Papers

1) Resilience

Context:

More than other societies, given inadequacies in formal and informal systems for support, Somalis must rely on their own resilience to protect their lives and livelihoods. A new approach is needed to work on building the resilience of Somali households, communities and formal and informal institutions in the medium- and longer-term, including through multi-year engagements.

Draft Outcomes:

- a. All partners will prioritize building the resilience of at risk Somali populations
- b. The conference will agree the 'three building blocks' of resilience:
 - Strengthen productive sectors to increase the resources available for resilience
 - Improve the availability and quality of basic services; and
- Develop a safety net system to ensure consistent access to resources by those most in need.
- c. The conference will agree on the guiding principles for the resilience strategy namely:
 - It should be aligned with the existing priorities and build on existing strategies
 - It should be supported by a multi-year investment and help align multiple stakeholders
 - It should be based on evidence and assessments and supported by monitoring of the resilience of households and communities
 - Implementation should be tailored to local context and needs including people's livelihoods and partners' capacities
- d. The conference will endorse the resilience strategy as an appropriate strategy for Somalia.
- e. The conference will promote networks of partners who will support resilience (amongst Diaspora, UN, NGOs, resource partners, faith communities, etc.)

2) Water

Context:

The Partnership Forum on Water will deliberate and agree on actions regarding the Strategic Framework for the development of the Water Sector in Somalia (2012-2020) to the community

of stakeholders concerned with the wellbeing and economic development of the Somali population. With water so much at the core of Somali society and its economy, reconciliation, recovery and economic growth will be impossible without investment in the water sector. A Strategy for the sector can be summarised as investment in systems and people, with systems investment in hardware, software, and regulatory frameworks, and in people in vocational, management, and governance capacity.

Draft Outcomes:

- a. All participants on behalf of their constituencies commit to a common strategic framework for sector development, and agree to the following guiding principles for the water strategy:
 - Sector development guided by the common strategic framework
 - Decentralised management and service delivery
 - Investment in infrastructure to be accompanied by investment in governance systems and capacity building to ensure sustainability of water supplies
- b. All participants, under the agreed framework, commit to support proposed investment projects and participate in fundraising and the securing of private sector investment
- c. All participants on behalf of their constituencies commit to re-instating, maintaining, and actively supporting government-led sector coordination in addition to, but in harmony with, the humanitarian coordination for water and sanitation
- d. The conference identifies and secures initial agreement to institutional "champions" for sector development in the 4 key areas: urban water supply, rural water supply, water resource management and water governance.

3) Roads

Context:

Fundamental to any internal mobility, the inadequacy of Somalia's road network constrains access to basic services, humanitarian operations, domestic and international trade - imposing a ceiling on employment-led economic growth. Investment in the road sector provides an indispensable means of accelerating economic development and strengthening livelihoods, resilience and regional stability.

Draft Outcomes:

- a. An understanding of the priorities and objectives for different stakeholders, governments (inclusive of roads authorities), private sector investors, local

contractors, investors and international actors in the development of the roads sector

- b. Agreement of a way to build upon common principles, instill road design standards and guarantee the oversight to uphold these credentials.
- c. Agreement on how to develop the road sector against a time-bound strategy of improved implementation, management and governance.
- d.

4) Energy

Context:

Somalia's energy sector has suffered from over two decades of neglect and lack of investment. The resultant huge deficit in universal access to affordable modern sources of energy inhibits the achievement of social indicators and limits sustainable economic growth. The systemic inefficiencies and lack of planned investments in Somalia's energy sector is reflected in the exorbitantly high tariff of US\$ 1.0 per kilowatt hour. This creates gross inequalities with only a small segment of population able to afford grid connectivity. The Partnership Forum on Energy will recommend a set of priority interventions that can improve access to sustainable sources of energy critical for taking the country towards a development trajectory.

Draft Outcomes:

- a. Participants agree on a set of recommendations to improve access to energy with the objectives of maintaining peace, bringing social equity, creating employment, ensuring affordability, triggering economic growth and building resilience.
- b. Participants agree to look in the options to diversify the energy mix with the gradual reduction on reliance on the charcoal and firewood. This will include setting the targets for the introduction of alternative sources of energy, including, wind, solar, LPG, biogas, hydro and high efficiency thermal generation and distribution systems.
- c. A framework of partnerships for the energy sector among: a) Governments in Somalia; b) non-government partners (private sector, CSOs, academia); and, c) development partners (UN, WB, AfDB, EU and bi-laterals) for undertaking priority interventions with clearly defined roles.