

## POLICY BRIEF

# FINANCING CLIMATE ADAPTATION IN FRAGILE STATES

### A case of Somalia

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#### Key findings

Somalia is highly vulnerable to climate hazards, including those exacerbated by climate change, yet the country receives little climate finance. The drought that began in Somalia in 2021 (which continues at the time of writing in May 2023) and the resulting famine are affecting 6.6 million people or more (IPC, 2023). People are facing extreme personal hardships: from loss of livelihoods to hunger, misery, illness and death. All of this is difficult to monetise. However, the increase in humanitarian appeals – from USD 1.09 billion in 2021 to USD 2.27 billion in 2022 (OCHA, 2022) – reflects the need for greater financial support to provide critical resources to these vulnerable people.

The Federal Government of Somalia, development and humanitarian partners recognise that both slow-onset climate stresses and rapid-onset climate shocks impact Somalia's fragile polity, economy and society. Thus far, bilateral and multilateral funding has been fundamental to financing climate-related activities in Somalia, but there are missed opportunities in acquiring funding and using the scarce finance effectively. Emerging entry points of action for development and humanitarian actors and the Federal Government can enable and accelerate access to resources. This includes:

- **strengthening the role and capacity of Somalia's National Designated Agency (NDA – the Ministry of Environment and Climate Change or MoECC) and relevant government ministries:** Support the newly established institutional architecture of the MoECC, especially its vision and staff. This requires strengthening leadership and advocacy across government entities involved in climate action. A strengthened NDA can help incorporate short- to long-

term adaptation needs into other policies, and unite the government's position to meet Somalia's climate ambitions. Development and humanitarian partners, and existing accredited entities (AEs) to vertical climate funds (VCFs), can then respond to the needs articulated by the NDA and fund capacity gaps.

- **improving climate data acquisition and analysis, and establishing knowledge-sharing platforms:** Somalia needs to expand the number and spatial coverage of automated weather stations, groundwater stations and river gages under the Somali Water and Land Information Management (SWALIM) system to collect weather data and be able to monitor climate change trends. Better climate and hydrology data supports more robust climate risk assessments, which are needed to inform government policy, and humanitarian and development programmes. This can assist Somalia in moving beyond short-term responses to current climate shocks to incorporating adaptation into policies, strategies and projects across all sectors.
- **enhancing coordination, collaboration and coherence of project and programme proposals to address the adverse impacts of climate change:** Establish a multi-stakeholder coordination group to address climate adaptation that includes all actors in the development sector and the humanitarian sector (or build upon the 'Friends of the Environment' network). Currently these actors – and the government – work in silo, at a time when effective financial support and resource allocation is needed on the ground. Key stakeholders must reach a common understanding of the country's needs to avoid duplication of efforts, to combine expertise and knowledge, to access more finance and to improve project implementation.



A mother and daughter stand with their herd of goats in El Baraf, Somalia. Photo: AMISOM/Tobin Jones

## 1. Background

Somalia is amongst a group of countries designated as fragile and conflict-affected situations (FCAS) by the World Bank. Despite this group being amongst the most climate vulnerable and least able to adapt to climate change they have no specific representation under the Least Developed Countries (LDC) Group in the United Nations Framework Convention on Climate Change (UNFCCC) processes. Climate hazards and conflicts pose additional socioeconomic risks to FCAS countries; operational risks to climate investments are also complex. There is a need to better understand what barriers and enablers exist in Somalia to access international support to address the adverse effects of climate change through climate resilient development, and to improve understanding of trade-offs in implementing various climate-related activities.

This policy brief outlines key evidence from the Supporting Pastoralism and Agriculture in Recurrent and Protracted Crises (SPARC) studies conducted in 2022 and early 2023 (until May 2023) to understand Somalia's experience in accessing climate adaptation finance. The studies draw on desk-based research, independent analysis from authors with expertise in climate change risk assessment and adaptation, and extensive stakeholder consultations with key actors from the Federal Government of Somalia, and bilateral and multilateral financial providers. The recommendations are designed to guide policy-makers in unlocking opportunities to access climate finance in Somalia.

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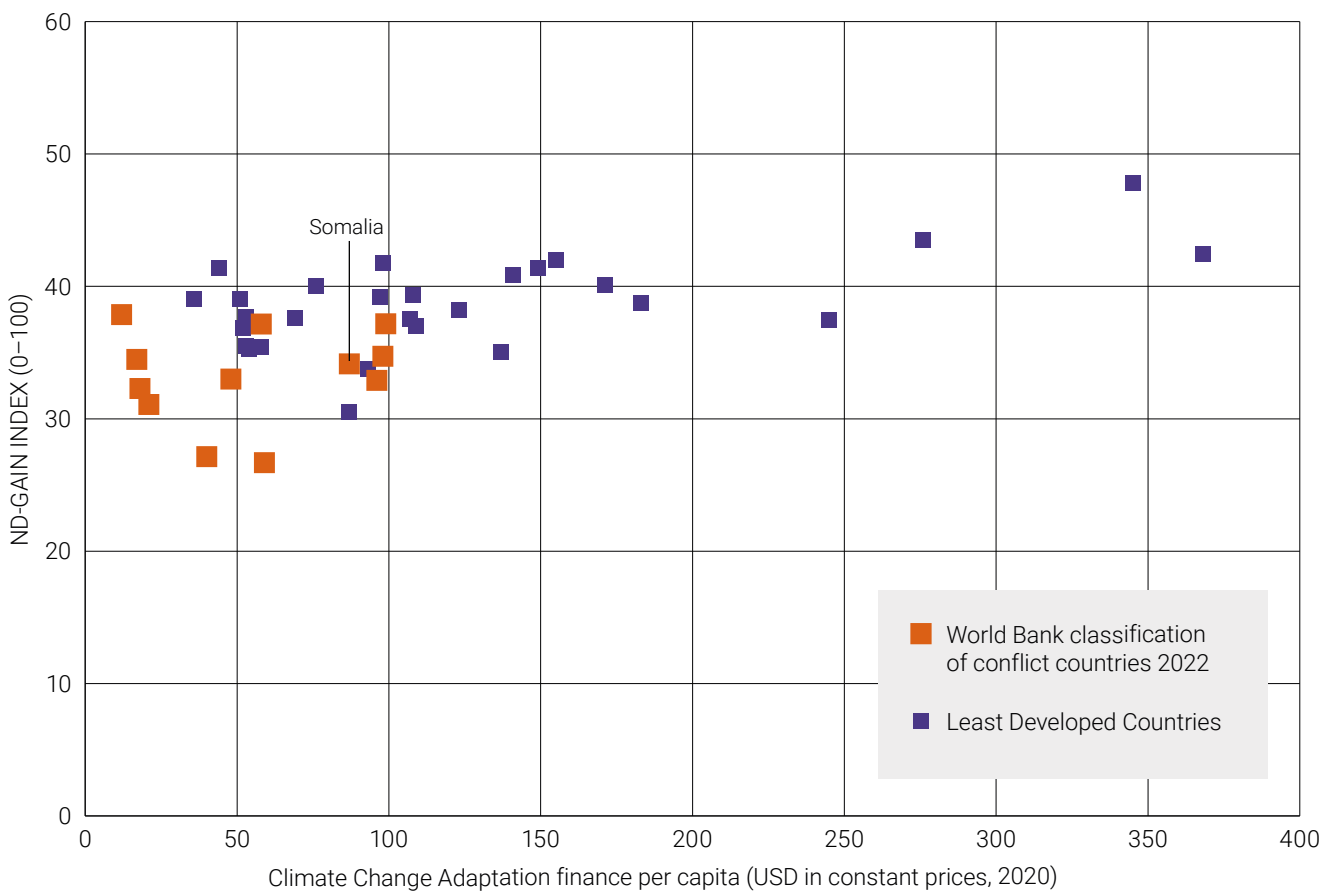
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## 2. The problem

As Somalia tries to overcome crises arising from decades of conflict, political fragmentation and instability, and economic and social underdevelopment, the government has set poverty reduction, inclusive growth and socioeconomic development at the core of its future vision through Somalia's National Development Plan for 2020 to 2024 (NDP9) (FGS, 2019). Embedding climate adaptation and disaster risk management within socioeconomic development and land-use planning can lessen vulnerabilities and exposure to climate change, thereby reducing climate change risks. Emissions mitigation through a green energy transition and sustainable land and water use can reduce the severity and extent of climate-related hazards; while adaptation to a changing climate and emissions mitigation will both reduce climate change risks. Not everyone will benefit equally, however.

FIGURE 1: CLIMATE ADAPTATION FINANCE PER CAPITA OF LDCS AND ND-GAIN INDEX



Source: Compiled by the authors using the ND-GAIN Index, World Bank population data (World Bank, 2022a) and data from the Organisation for Economic Co-operation and Development’s Development Assistance Committee (OECD-DAC) on climate adaptation finance (total 2010–2020).

According to the ND-Gain Index, which measures countries’ vulnerability to climate change and readiness to improve their resilience to climate change, Somalia ranks amongst the most vulnerable countries, yet it is amongst a group of countries that receive the least climate finance (Figure 1). Other FCAS countries also consistently lag behind in accessing and receiving climate finance.

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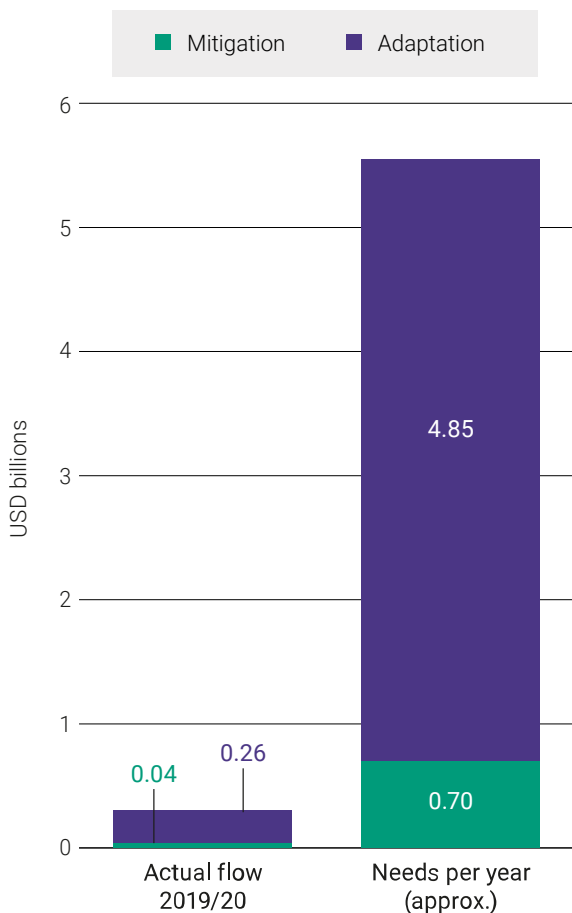
Furthermore, climate finance for both adaptation and climate resilient development is limited in Somalia. Even though the country’s 2021 Nationally Determined Contribution (NDC) to the UNFCCC states climate finance needs of USD 5.5 billion a year (equivalent to USD 55.5 billion between 2021 and 2030), current inflow stands at just over USD 300 million a year: representing

just 6% of need (Figure 2). However, it is important to understand that this figure for climate finance needs is unrealistic, especially given Somalia’s size. Similar to Somalia’s gross domestic product (GDP) of USD 7.6 billion (World Bank, 2022b), an annual investment of USD 5.5 billion could crash local markets, destroy the Somali shilling and exacerbate inequalities across the country. Needless to say, vast amounts of resources are needed to help Somalia adapt to climate change and address the famine that the country has faced since 2021. This means that access to, and the effectiveness of, finance for climate-related activities is fundamental.

What, then, has deterred financial flows to Somalia? Three things stand out:

1. The obstacles that organisations face to access finance for climate activities.
2. Current climate adaptation priorities.
3. Institutional structures that affect decision-making.

**FIGURE 2: CLIMATE FINANCE NEEDS VERSUS CURRENT CLIMATE FINANCE FLOWS IN SOMALIA (USD BILLIONS)**



Source: Somalia NDC and OECD DAC data on climate mitigation and adaptation finance to Somalia, calculation by authors.

## 2.1 Accessing finance for climate adaptation-related activities

**Finance from VCFs represents a small flow to Somalia compared to bilateral finance and finance from multilateral development banks (MDBs).** VCFs – the Green Climate Fund (GCF), the Adaptation Fund (AF) and the Global Environmental Fund (GEF) – account for only 1% of the total finance going towards climate-related activities in Somalia (based on 2019 and 2020 data from OECD DAC database). Could this be higher? There have been various attempts to access such finance, but many obstacles have been faced. These include the access requirements of VCFs and the limited capacity of Somalia’s NDA (the MoECC) to facilitate access to these funds and, indeed, to mobilise finance in general. Access requirements of VCFs are complex and are designed for more stable countries, not FCAS such as Somalia. Agencies have to be accredited (AEs) and each VCF has its own accreditation process: this means following different detailed procedures to meet stringent fiduciary and safeguarding standards – procedures that are

expensive and time consuming. Securing accreditation is a significant barrier for the Somali government.

**As a result, Somalia depends on multilateral agencies and international non-governmental organisations (INGOS) already accredited to the VCFs. However, this presents additional challenges.** These agencies compete against one another: they neither coordinate nor collaborate to acquire climate funds more effectively. Such agencies are often overstretched in terms of capacity and resources, and they often engage in climate activities based on their own institutional priorities and programming cycles, and which are not necessarily aligned with Somalia’s development needs or policy objectives. This has resulted in a duplication of efforts just when Somalia is in urgent need of support. It also means there are missed opportunities in meeting some of the co-financing requirements of VCFs, where the agencies could work together and use combined financial resources.

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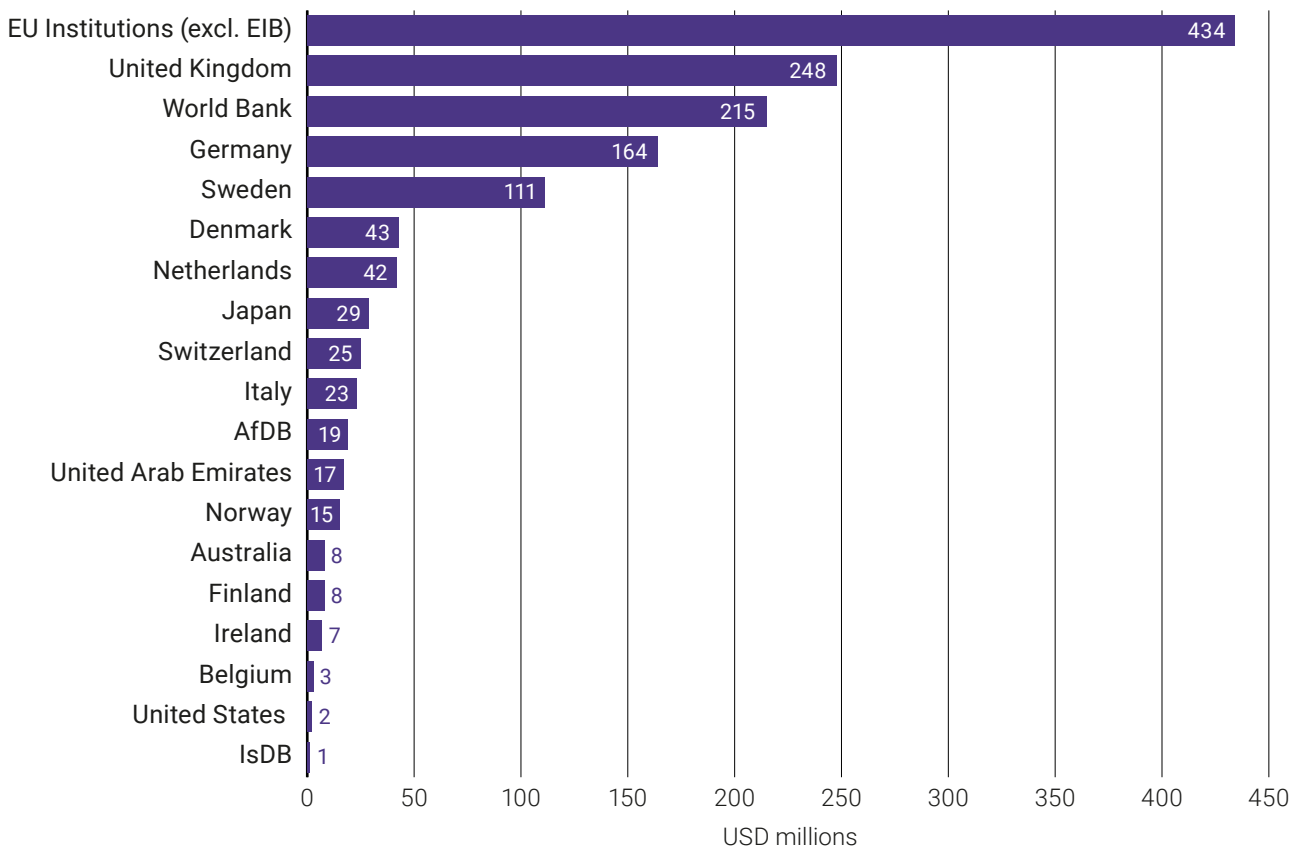
**Continued focus on short-term needs without understanding the implications of various interventions for medium- and long-term climate change risk management can perpetuate a dependence on humanitarian finance and deter efforts to promote climate-resilient and risk-informed development.**

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Bilateral financial providers and MDBs currently provide 51% and 35%, respectively, of the climate finance to Somalia (see Figure 3 for USD contributions for 2006–2020). However, most bilateral finance is – understandably, given recurrent shocks and stresses – allocated to meet short-term (humanitarian) needs related to the ongoing famine crisis, such as food security. Humanitarian actions do not necessarily address medium- (5–10 years) or longer-term (20+ years) climate risks, that will arise due to climate change interacting with demographic and economic shifts. This continued focus on short-term needs without understanding the implications of various interventions for medium- and long-term climate change risk management can perpetuate a dependence on humanitarian finance and deter efforts to promote climate-resilient and risk-informed development.

Bilateral funding is also uncertain and volatile. Even though it involves greater discretion on the part of donors as compared to VCF funding, bilateral funding depends on the thematic and political priorities of the donor countries, which often change. Furthermore, bilateral donors may prefer to allocate finance to countries with a stable investment climate, where the returns may be higher. Funding for climate change adaptation in Somalia is not always a priority for bilateral donors.

FIGURE 3: MAIN CLIMATE FINANCE CONTRIBUTORS TO SOMALIA (USD MILLIONS, 2006–2020)



Note: A limitation to interpreting the above figure is how bilateral donors define and tag climate finance, where some may include their climate-related humanitarian spend within these figures. EIB = European Investment Bank; AfDB = African Development Bank; IsDB = Islamic Development Bank. Source: OECD DAC database climate adaptation finance.

Multilateral financial providers, on the other hand – mainly the World Bank, the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the Food and Agriculture Organization (FAO) – have been actively guiding and building the capacity of the Somali government to meet international requirements for funding and to drive the national climate agenda. However, their efficiency can also be questioned as these institutions, which are also VCF AEs, compete with one another and are influenced by international agendas.

**Access to VCFs necessitates country ownership of proposals and efforts to ensure that proposals align with country priorities (developmental, climate and environmental).** Yet Somalia's MoECC has limited capacity to take ownership of proposals and to ensure alignment amongst the various AEs – especially because MoECC was only created in 2022. This is affecting the creation of a project pipeline by AEs looking to access funding for Somalia from the VCFs, and it is an important issue to resolve to ensure country-driven climate interventions that reflect national priorities.

Finally, **funding from the Federal Government of Somalia to address climate change is scarce.**

Adaptation to climate change, although a recognised concern, is not high on the list of government priorities given the multitude of immediate threats the country faces. Limited government revenues further restrict funding for adaptation; when funds are available, these often go towards short-term measures to deal with shocks, such as the current drought. For example, the government has supported the creation of ad-hoc committees, comprised of Somali-led entrepreneurs, diaspora, religious scholars and the general public, which work to mobilise and coordinate funding to help communities affected by the disaster. While critical and necessary, these measures don't help the country prepare for and build risk-informed, climate-resilient development for the future. The National Climate Change Policy (NCCP) (FRS, 2020) identifies priorities to enhance access to and to mobilise finance, and a financing strategy was developed in support of the 2021 NDC to the Paris Agreement. However, there is little evidence to suggest that these strategies are being pursued.

## 2.2 Current and future priorities for climate risk management in Somalia

### 2.2.1 Address climate risks through socioeconomic development by reducing vulnerabilities and exposure

**Climate change will make Somalia hotter in all seasons, with more frequent heat waves and less predictable rainfall.** Projections for rainfall are less certain over the short term (2021–2040), but rains are likely to become more variable with increased frequency of both droughts and flooding. Rainfall may increase during the Deyr season (~mid-September to December) in the medium (2041–2060) and long term (2070–2099) (Gulati et al., 2023). Climate risks for the country relate not only to climate change, however, but also to socioeconomic development and governance. And while development creates vulnerability and exposure, it also creates opportunities to enhance capacities. Understanding on where and how hazards, exposure and vulnerability intersect is critical to identify mitigation and adaptation measures attuned to Somalia's current development vision, while not reducing the country's long-term adaptation and mitigation options in the decades to come (ibid.).

Collecting water at the UNDP-funded dam in Baligubadle, Somaliland, northwest Somalia. Photo: UNDP Somalia



**Water is critical to Somalia's socioeconomic development.** How water is managed in this semi-arid to arid country that is largely dependent on aquifers for supply will determine not only the success and sustainability of development, but it will also create or reduce vulnerabilities to climate change. Water risks for Somalia over the short to long term will be heavily mediated by changes in demand related to urbanisation and economic diversification, land-use planning and change, construction and maintenance of water infrastructure for irrigation, livestock watering points

and urban use. Drilling of borewells without understanding and monitoring groundwater tables or without expanding irrigation networks along the Jubba and Shabelle rivers using an integrated water management approach could exacerbate depletions (Gulati et al., 2023). This could create a situation in which supplies seem robust over the short term, but by the medium term could create water insecurity when coupled with climate change.

**The country's economy is at a crossroads: livelihoods are still predominantly based on crops and livestock, but the country is rapidly urbanising.** Some 45%–60% of the population already live in towns or cities with populations greater than 10,000 (Papachristodoulou et al., 2019); those displaced by drought or conflict increasingly stay in urban areas and look to diversify away from agropastoralism. City governments are challenged to provide adequate housing, sanitation, and water and electricity supplies.

How cities develop – from the preservation of open space for flood control and the reduction of urban heat islands, to the construction of critical infrastructure for electricity, water, sanitation, sewage and roads – can create and lock in climate risks. Furthermore, once built, infrastructure – from expanding irrigation and flood control systems, to watering points along livestock routes and laying electricity networks – is costly to retrofit or relocate.

Somalia is dynamic, as households and firms, the diaspora, civil society and government plan and act for a better and different future. While many of the Sustainable Development Goals may not be fully met by 2030, Somalia is committed to improving living standards, livelihoods and its economy and to managing environmental and climate risk. Somalia's vulnerability profiles – individual, regional and national – will not remain static. As the country urbanises and builds, exposure to climate hazards will also shift. Therefore, both climate and disaster risk assessments, and government, humanitarian and development interventions, need to take a forward-looking approach and consider how vulnerabilities, capacities and exposures will likely shift too.

### 2.2.2 Coherence and coordination of actions on the government side

**Advances are evident in developing national climate policies to stimulate climate action in Somalia, but this is not enough.** Even though national climate policies (see Table 1) recognise the need to build climate resilience through adaptation, they do not advocate sufficiently for actual, contextualised needs and they are backed by weak political will (Gulati et al., 2023). Furthermore, coherence is lacking between national climate policies and sectoral policies, such as water.

TABLE 1: KEY NATIONAL POLICIES FOR CLIMATE ACTION IN SOMALIA

Key policies	Overview and objectives related to climate adaptation
<b>National Environment Policy 2020 (FRS, 2019)</b>	Policy to promote sustainable development through sound management of the natural resources of the country. Objectives include: (i) to address Somalia’s vulnerability to climate variability and risks to achieving long-term development goals, and (ii) to mainstream climate change into policy and planning processes at all levels, establish an institutional framework for federal- and state-level institutions to support climate resilience, and develop a strategy to manage natural disasters.
<b>National Climate Change Policy (NCCP) (FRS, 2020)</b>	Overarching national policy to guide responses to address the impacts of climate change. Objectives include: (i) to attain a climate-resilient economy while supporting the achievement of the national development agenda and sustainable development goals of Somalia; (ii) to promote and strengthen the implementation of adaptation and disaster risk reduction measures to reduce vulnerability to climate change, and (iii) to minimise susceptibility to the impacts of climate change by establishing adaptive capacity, strengthen capacities for disaster risk reduction and promote resilience of populations to climate change.
<b>NDC 2021 (FRS, 2021)</b>	Updated NDCs. Objectives include: (i) to enhance adaptive capacity, and (ii) to strengthen resilience and reduce vulnerability of Somalia’s economy and population to climate shocks through mainstreaming climate adaptation into sustainable development.
<b>National Environment Strategy and Action Plan for 2021–2025 (FGS and UNEP, 2020)</b>	Policy to put in place mechanisms and measures to ensure sustainable management and use of Somalia’s rich natural and environmental resources. Objectives include: (i) to respond to urgent environmental and climate change issues, (ii) to improve environmental governance, and (iii) to enhance resource mobilisation for the effective management of natural resources and the environment.
<b>First Adaptation Communication to the UNFCCC 2022 (FGS, 2022)</b>	Reflects Somalia’s adaptation progress, priorities and needs for the future. Objectives include: (i) to adapt to climate change to reduce vulnerability and (ii) to support resilient economic growth in the face of extreme climate events such as droughts and floods.

**Adaptation priorities identified in national climate policies and sectoral policies do not yet adequately address the range of climate change risks to Somalia’s economic and social development over the short (2021–2040) to medium term (2041–2060).**

This is reflected in the limited understanding of the interconnectedness between different threats and trends (such as climate change, rapid urbanisation and conflict) and proposed adaptation options. Added to this, trade-offs of actions and policies are not well considered: policies risk embedding maladaptation.

**Climate risks are currently being addressed in an ad-hoc manner, prioritising today’s climate-related disasters, rather than preparing for future shifts and impacts.** This includes shifts in water supplies, demand, temperatures and extreme weather events, and their possible impacts on infrastructure, urbanisation and land-use planning. Moreover, adaptation priorities are not always coherent with other policies, even if new policies do refer to previous ones. Policies tend to lack depth in interventions, contain mismatched priorities and lack alignment with national and state approaches.

**These challenges are understandable in Somalia as the crafting of climate and disaster risk management policies takes place in a fractured political context marked by a nascent federal system of governance and transitional federal institutions, during the rebuilding of core state capabilities while dealing with multiple crises and fragility.** Frequent leadership changes and loss of institutional memory during transition have weakened policy-making in Somalia. The crafting of climate policies has too often been a ‘tick box’ exercise enforced by donors or driven by compliance with international agreements; often, plans are written by external consultants who know too little about Somalia and who do not consult government sufficiently.

**Added to this, limited capacities of the FGS to champion policies has led to weak implementation.** Somalia’s economic and political instability has made owning policies within government difficult. In turn, not only does there appear to be little awareness of and limited access to these policies, but many climate policies lack concrete implementation plans, budget and mandates.

### 2.2.3 Coherence and coordination of actions on the part of development partners

**The fragmented policy landscape for climate adaptation has resulted in development partners implementing largely ad-hoc ‘adaptation and resilience’ programmes** that do not work in synergy to achieve higher-level goals. Instead, they are more an expression of development partners’ own strengths and organisational mandates.

**Development and humanitarian actors have been implementing aid projects to support Somalia to build resilience to current climate shocks and to a much lesser degree adaptation to future climate risks.** This is evident, through SPARC analysis, in almost all projects of the 1,326 aid programmes (worth USD 11.7 billion) recorded in the Somalia Aid Information Management System (AIMS) database, where projects do not consider evolving vulnerabilities created by the interaction of present and projected climate hazards, socioeconomic development, changing land use, population growth and urbanisation (Gulati et al., 2023). Interventions themselves, therefore, may contribute to existing climate and environmental risks. Only 14% of the total aid programmes aim to reduce present vulnerability to climate shocks and stresses, while largely neglecting future climate risks (ibid.). Overwhelmingly, projects favour restoring existing rural livelihoods (such as farming or livestock rearing and trade) or rehabilitating systems that support them (such as small-scale irrigation), rather than considering potential opportunities for economic diversification and jobs, and fulfilling people’s (e.g., that of youth and internally displaced people) desire to transition out of agriculture. Nor are the suitability and resilience of such projects in the face of climate change considered.

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### Many humanitarian projects in the water sector risk locking in climate risks.

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**In particular, both current and future climate risks are being overlooked in the water sector.** Many humanitarian projects in the water sector risk locking in climate risks. This will lead to potential maladaptation owing to building and rehabilitating infrastructure without proper hydrogeological surveys. At the sector level, water resilience programmes have targeted Federal Member States (FMS) unevenly, despite increasing temperatures and greater evaporation expected across the country (Gulati et al., 2023). They are also failing to account for the transboundary nature – both between FMS and

between neighbouring Ethiopia and Kenya – of some aquifers and the Jubba and Shebelle rivers.

**Development partners have also not helped address policy fragmentation.** They compete for funds for climate adaptation, including for VCFs. This has led to poor coordination and an opaque pipeline of adaptation projects in Somalia amongst development actors, delays to project approvals and implementation, redundancies, and gaps in geographic and thematic coverage of projects that leave populations and communities underserved.

### 2.3 Climate finance institutional arrangements within the Federal Government of Somalia<sup>1</sup>

**Leveraging climate finance is highly dependent on the recipient country’s institutional structures that make up the enabling environment for adaptation investments.** Given the recent (August 2022) establishment of MoECC in Somalia, which builds on the former Directorate of Environment and Climate Change (DoECC), it is key to understand the complex governance structures in addressing climate change to date, and how this context will change as MoECC strengthens. Effective leveraging and mobilisation of climate finance depends on these structures.

**While climate policies exist, they lack implementation plans and funding. Ownership within government is weak and political will to drive the climate agenda can be volatile.** This raises questions on what drives the climate agenda and policy process in Somalia and the extent to which policy-makers consider the skills and knowledge of those who are expected to lead and implement policy. That said, the existence of these policies provides a platform to start from: the country is not starting from scratch. There is, however, a need to ensure the feasibility of these policies through implementation plans, including achieving clarity on who is doing what and who is consulting with which stakeholders.

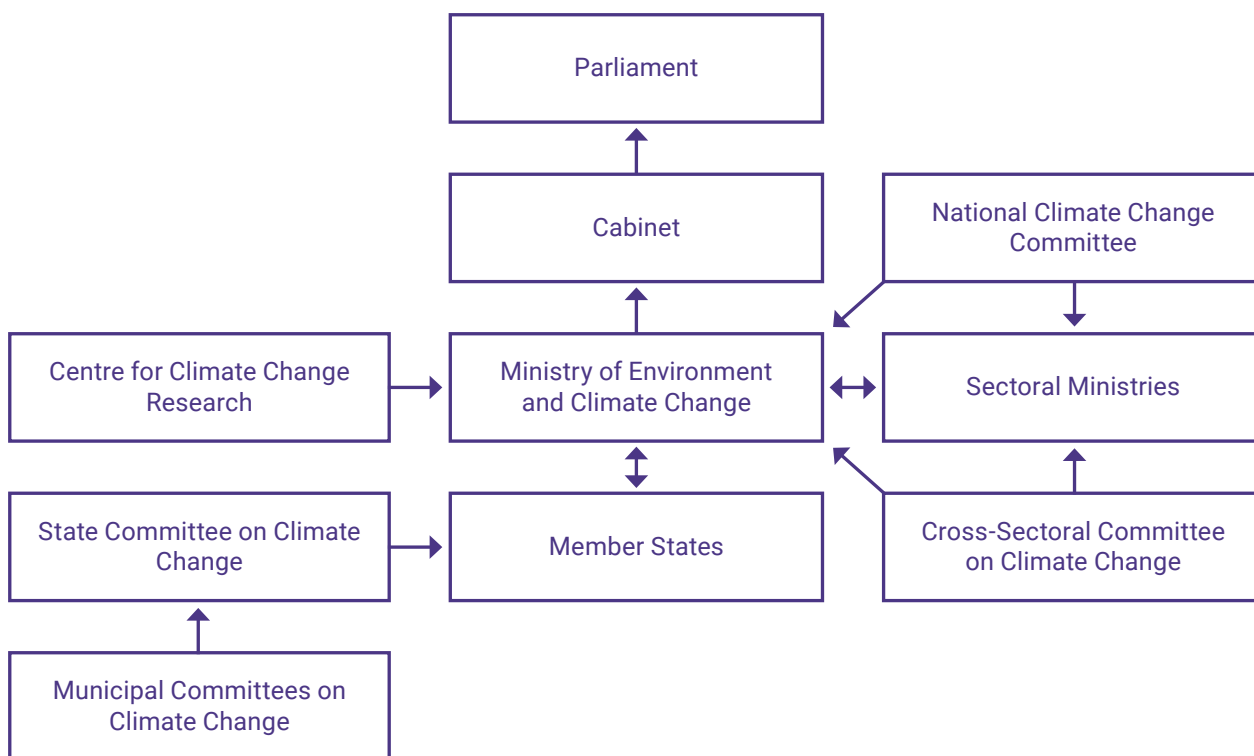
**The NCCP of Somalia, developed and ratified in 2020, drives the climate agenda. It proposes an institutional structure to coordinate climate action, with further clarity needed to understand what this means for collaborative efforts and for mobilising climate finance** (see Figure 4). The institutional structure involves a number of committees that are intended to serve as coordination and decision-making institutions. However, these have either not been established or have not been working regularly. As a result, coordination between ministries for project development and implementation remains undefined.

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<sup>1</sup> At the time of publication, it was learnt that the institutional arrangements described here were undergoing changes. It is possible that some institutions mentioned here no longer exist.



FIGURE 4: INSTITUTIONAL ARRANGEMENTS FOR CLIMATE CHANGE AS PROPOSED UNDER THE NCCP



Source: NCCP of Somalia (FRS, 2020).

**Multiple and parallel structures for the coordination of climate finance and planned climate change activities only add to the complexity**, especially as institutional plans lack functioning structures. Besides the MoECC, other governmental agencies and levels of government have pushed the climate agenda but with varying capacities. The plan is for MoECC to tie in all efforts. The actors and agencies MoECC needs to coordinate include:

1. the unit within the **Office of the Prime Minister** that is responsible for coordinating responses to prolonged droughts
2. the **Ministry of Planning, Investment and Economic Development (MoPIED)**, which is responsible for coordinating development aid to Somalia at the national level and a key entity to inform donors on how best to coordinate and implement the climate strategy
3. the **Ministry of Finance (MoF)**, which is involved in negotiations, sign-off and reporting against financial agreements with donors. The MoF needs to incorporate climate considerations into budgeting
4. the **Somali Disaster Management Agency (SoDMA)**, which leads responses to climate crises and coordinates with humanitarian organisations and donors
5. **Federal Member States (FMS) governments**

6. the proposed **National Climate Change Committee (NCCC)**
7. the proposed **Cross-Sectoral Committee on Climate Change (CSCC)**, which is chaired by the Minister of MoECC, to bring together officials from across government for information exchange, consultation, agreement and support for the response to climate change.

There are many overlapping initiatives across these governmental institutions that affect the efficiency of operationalising climate action. These make it even more complex for MoECC to contribute to and lead Somalia's climate ambitions.

**Key political considerations of national and sub-national governments will affect how climate action can be realised in Somalia.** This includes:

- understanding that the dual governance system between federal and state levels in Somalia is key to appraising the structures, strategies and performance of corresponding institutions. State-level institutional structures mirror those at the federal level, where there are different leadership frameworks and capacities across the six states, including that of Al-Shabaab control, which receive humanitarian and emergency assistance

- understanding that the federal institutions represent and legitimise the power of Somali clans, which are organised using the formula of 4.5 clans. All institutions of government and the states must use this formula to hire staff, which affects the distribution of power, privileges and resources. When leadership changes, institutional knowledge may be lost. The success of implementing federal policies relies heavily on the support of clans.

Overall, the Federal Government of Somalia is making genuine efforts to build, operationalise and strengthen the institutional infrastructure to respond to the impacts of climate change. It has ambitions to set up state-level Committees on Climate Change to coordinate climate action. However, with the federal system of governance still developing, with institutions in transition, with the absence of a civil service cadre and with institutional instability, efforts towards climate change adaptation are likely to lack momentum.

### 3. Emerging entry points to increase access to climate finance

Despite the various obstacles described in the previous section, multiple efforts are already underway to access climate finance and embed adaptation and climate risk management in policy and programming. These efforts can be leveraged to improve access. Current strengths include: the range of national policies to provide strategic direction for climate action; institutional frameworks that prioritise climate; and the appetite of the Federal Government and international financial providers to build climate resilience in Somalia.

Efforts have been made by the government to build an 'enabling environment' and to stimulate momentum to increase finance for climate adaptation in Somalia. This includes accessing technical and financial support to increase institutional capacities, mainly through collaborations with the NDC Partnership and the acquisition of the GCF Readiness Programme. The World Bank has climate programmes, including that linked to the new World Bank Country Climate and Development Report (CCDR), while FAO supports the mainstreaming of climate adaptation into agriculture programmes.

Further potential entry points and recommendations have emerged from the SPARC studies, which fall under three themes: (i) strengthening government capacity; (ii) sharpening the focus of climate adaptation; and (iii) improving coordination, coherence and collaboration across multiple stakeholders.

#### 3.1 Strengthen government capacity: the role of MoECC and government leadership of Somalia's climate agenda

NDA must ensure proposals align with national climate priorities and local needs. In Somalia, MoECC leads Somalia's climate agenda but, given the agency is new and only just acquiring operational budgets (for financial year 2023/2024), it is not clear if it will have the capacity to fulfil its remit. This includes coordinating with other agencies already working in the climate space, and decentralising guidance to the FMS. Many of the FMS are more powerful than the central government and their differing levels of capacity will affect implementation of climate policies. The planned state-level Climate Change Coordination Committees will play a key role here.

Strengthening the capacity of MoECC presents opportunities to drive Somalia's climate agenda forward. First, by establishing and championing policies (including Somalia's NDC), strategies (including sectoral strategies and an NDC implementation strategy) and regulations (including environmental and social standards and safeguards, plus mandates to conduct Environmental Impact Assessments or EIAs), MoECC can create a unified vision for government and for donors. Second, having processes to support decision-making on climate activities should allow MoECC to respond promptly to internal and external requests, including proposals for vertical funds that need NDA approval. And third, increasing staff expertise on Somalia's climate risks and needs will improve coherence and ownership of climate action. Staff should then be able to influence other (internal and external) agencies to address and align with Somalia's needs. Furthermore, addressing current capacity limits of MoECC can empower not only that ministry but also the whole Federal Government of Somalia to acquire further finance for climate activities.

That said, challenges exist due to the political realities in Somalia. This includes needing to capitalise on the authority of traditional institutions, on dual governance and on clan-based distribution of power, resources and privileges. Respecting these structures is key to building trust and, if ignored, can exacerbate existing political risks.

Overall, federal or state governments are unlikely, in the short term, to become accredited to the VCFs. In the meantime, government will continue to depend on international agencies to leverage adequate finance.

TABLE 2: RECOMMENDATIONS AND ENTRY POINTS FOR ACTION – STRENGTHENING GOVERNMENT CAPACITY

Audience	Recommendations/entry points
Federal Government of Somalia	<ul style="list-style-type: none"> <li>▪ <b>Provide clarity to external non-governmental partners on government structures</b>, especially that of the newly established MoECC and the respective focal point of the NDA (for VCFs). Provide institutional mapping and set out MoECC’s role and goals; develop an NDC investment and implementing strategy; and provide guidance on future proposals that need NDA approval.</li> <li>▪ <b>Champion recommendations from the upcoming MoECC capacity needs assessment</b> (which is being conducted by UNEP and the World Bank) and ask for external support to address capacity gaps.</li> </ul>
Development and humanitarian partners financing climate-related activities, and existing AEs	<ul style="list-style-type: none"> <li>▪ <b>Build the capacity of MoECC through technical assistance</b>, especially on the global climate finance architecture and on how to meet their funding requirements. This includes ongoing work with the NDC Partnership to address capacity gaps. Learnings from successful Technical Assistance Facilities (TAF) established within governments can potentially be useful here. Partners can pull from various technical resources (at the national and international level) to provide ad-hoc support to the government.</li> <li>▪ <b>Address financial providers’ risk tolerances for financing climate adaptation and understand that no action is free of risk in Somalia.</b> Working with officials in the fragmented government may add to existing power struggles. External organisations need to take care to do no harm and should accept that fiduciary risks will persist: they need to accept greater risk when funding climate adaptation in Somalia.</li> </ul>

### 3.2 Sharpen the focus: the relevance and quality of Somalia’s climate adaptation priorities

Addressing climate change hazards in Somalia cannot be done in isolation from other threats such as continued political instability, widespread conflict and rapid urbanisation. Vulnerability and exposure to climate change depends on these and many other socioeconomic factors. Climate risks need to be understood in their context to be able to identify adaptation priorities, to understand trade-offs and thereby to shape risk-informed, climate-resilient development.

**Vulnerability and exposure to climate change depends on many socioeconomic and governance factors. Climate risks need to be understood in their context.**

However, the connections between multiple threats are not reflected in existing government decision-making and policies. Adaptation priorities identified in national

climate and sectoral policies do not yet adequately address the range of climate risks to Somalia’s economic and social development. Climate risks are being addressed in an ad-hoc manner, prioritising immediate and short-term impacts and needs, rather than preparing for future shifts in temperature, extreme weather, rainfall and water supply; as well as preparing for changes to livelihoods, water demand and urbanisation. Limited government leadership and ownership of the climate agenda has deterred effective implementation of climate policies. This is a huge, missed opportunity that impedes efforts to obtain sufficient funds for climate adaptation in Somalia.

Understanding and framing adaptation priorities in accordance with Somalia’s development needs is fundamental to present a unified vision at federal, state and municipal level. A unified vision would enable government agencies to champion their needs and enable development and humanitarian actors to invest in climate adaptation based on demand and science. Furthermore, it could reduce political opportunism and short-term thinking, and instead increase focus on adaptation in support of climate resilient and risk-informed development.

TABLE 3: RECOMMENDATIONS AND ENTRY POINTS FOR ACTION – IMPROVE RELEVANCE AND QUALITY OF CLIMATE ADAPTATION

Audience	Recommendations/entry points
Federal Government of Somalia	<ul style="list-style-type: none"> <li>▪ <b>Enhance data and analysis.</b> Access local climate data (rainfall and temperature) and global data to analyse and model climate impacts and responses.</li> <li>▪ <b>Establish a government knowledge repository.</b> Establish and maintain a repository within government to store key climate documents, including policies, strategies, climate risks assessments, evaluations and studies. This will help government entities that undertake climate activities account for meeting the climate agenda.</li> <li>▪ <b>Establish an institutional knowledge feedback loop aligned to policy and strategy development cycles and decision-making.</b> As MoECC becomes stronger as an agency, it will need to ensure all climate interventions are relevant, of high quality, coherent and readily used. This includes improving data and analysis and establishing a government knowledge repository. An example to build on is the existing AIMS database, championed by the Ministry of Planning. To this MoECC should add the prerequisites of a relevant climate adaptation intervention. MoECC should push for such characteristics to be met across all climate interventions, whether within government or by external funders. Project proposals should address not only short-term responses to climate change but also long-term needs.</li> </ul>
Development and humanitarian partners financing climate-related activities, and existing AEs	<ul style="list-style-type: none"> <li>▪ <b>Build local capacities</b> and include local leaders, communities and committees, and NGOs throughout project cycles. <b>Provide capacity-building and trainings</b> on climate finance and on climate risk assessment in an FCAS context. Ensure this is not only targeted at central government but also tailored to Somalia’s six different states and, in turn, to local communities. The World Bank is drafting a comprehensive CCDR: its dissemination could provide an opportunity to comply with this recommendation.</li> <li>▪ <b>Provide backstop support to data acquisition and analysis,</b> and to the government knowledge repository, through the potential TAF.</li> <li>▪ <b>Support the establishment of a multi-stakeholder knowledge repository</b> (see above). Help share knowledge and learnings about climate adaptation.</li> <li>▪ <b>Fund pilot programmes and projects</b> to learn how to implement adaptation options in Somalia and similar FCAS contexts. Accept the risk that pilot initiatives may not always work.</li> <li>▪ <b>Support innovation and research.</b> Commission research into key aspects of climate change and Somalia. Learn more about the interplay between climate and conflict at local level, understand the risks and their implications for development programming. SPARC can help with such studies.</li> </ul>

### 3.3 Improve coordination, collaboration and coherence across development and humanitarian partners and VCF AEs

Currently, development and humanitarian partners that finance and work in climate-related activities in Somalia – including those accredited to the VCFs – do not coordinate and collaborate sufficiently for coherent climate action. As evidenced by SPARC analysis of the AIMS database, most finance for climate resilience does not focus on long-term climate risks, but rather on immediate climate threats.

Climate objectives of development and humanitarian partners do not align. Further, partners have implemented programmes and projects in an ad-hoc

manner; responses to climate shocks have dominated (understandably, from humanitarian actors); current and future climate risks have both been overlooked, especially in the water sector, which risks maladaptation; and there has been a lack of consideration of the risks that projects themselves may pose. Partners have competed for funds, leading to a duplication of efforts and wasted resources when Somalia urgently needs support. Partners should support the Federal Government of Somalia (FGS) to enable more focused and appropriate investments in climate adaptation.

Existing external stakeholder groups help support Somalia’s climate agenda, however, its efficiency can be questioned. Development partners, including bilateral donors and MDBs, in Somalia are part of the stakeholder

A man stands with his herd of goats in the town of El Baraf, Somalia. Photo: AMISOM/Tobin Jones



group called Friends of the Environment, which meets to discuss key activities they have and are implementing to support the Federal Government to address climate-related issues. Even though barriers to action are often discussed, including that of limited engagement with government (mostly at the federal level), it is evident that there is limited transparency across the stakeholders from competition, especially over accessing finance from the VCFs. This, again, leads to duplication of efforts in developing project proposals.

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**Overall, efforts need to be made by development and humanitarian (and peace-building) partners to break down siloes when addressing climate change: they need to acknowledge their comparative advantages, especially locally.**

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In geographic terms, development partners tend to focus in areas where there is a lower risk of conflict relative to elsewhere, given difficulties of reach and their lack of expertise and knowledge on operational

risks to project implementation. This is despite the fact that conflict can be a key driver of climate vulnerability. On the other hand, humanitarian partners usually have extensive knowledge and operational experience in hard-to-reach areas. They face rising demand from local communities to address harmful climate change, but dealing with adaptation usually falls outside of their institutional objectives. The Federal Government of Somalia has limited capacity to govern the actions of development and humanitarian partners efficiently and potentially to close knowledge and operational gaps. Consequently, local people who urgently need support are left wanting.

Overall, efforts need to be made by development and humanitarian (and peace-building) partners to break down siloes: they need to acknowledge their comparative advantages, especially locally. Together, they can help the federal, state and municipal governments create a stronger enabling environment to leverage and stimulate climate adaptation investments in Somalia, despite high political uncertainty. Lastly, competition across AEs to the VCFs may persist, but there is scope to increase coordination, collaboration and coherence across climate action.

TABLE 4: RECOMMENDATIONS AND ENTRY POINTS FOR ACTION – IMPROVE COORDINATION, COLLABORATION AND COHERENCE

Audience	Recommendations/entry points
<p>Development and humanitarian partners financing climate-related activities, and existing AEs</p>	<ul style="list-style-type: none"> <li data-bbox="480 309 1430 595"> <p>▪ <b>Create partnerships</b> to develop, design and implement projects. Development partners with climate expertise need to learn about operational risks and local needs from humanitarian partners (and other local-level organisations): they should consider humanitarian agencies as executing agencies for development projects. Humanitarian partners, in turn, need to understand from development partners the risks of maladaptation when responding to short-term needs and learn how to include long-term adaptation into their interventions. Depending on who is active where, breaking siloes can stimulate coordination across local actors, including NGOs, to ensure relevant climate action.</p> </li> <li data-bbox="480 607 1430 864"> <p>▪ <b>The Friends of the Environment group should develop policy and strategy to create a united vision to address climate change in Somalia for all stakeholders.</b> This group should be expanded to include other climate finance providers, such as those working in humanitarian relief and peace-building. Dialogues should be formalised, and efforts should be made to collaborate and coordinate when drafting proposals and applying for climate finance – perhaps through a climate finance coordination group. Friends of the Environment could act as a platform for climate action, but responsibilities would need to be formalised to ensure accountability and transparency.</p> </li> <li data-bbox="480 875 1430 999"> <p>▪ <b>Support the development of a publicly available knowledge platform</b> to facilitate knowledge-sharing across development and humanitarian actors. This should be an active repository for data, studies and assessments for all climate activities, including that for vertical fund proposal development.</p> </li> <li data-bbox="480 1010 1430 1133"> <p>▪ <b>Self-report on projects being implemented in Somalia to the existing AIMS</b> database managed by the Ministry of Planning. This database not only helps the Federal Government understand what climate interventions are underway across the country, but it also helps organisations to be recognised within government.</p> </li> </ul>

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