REPORT OF THE INDEPENDENT TECHNICAL ADVISORY PANEL (ITAP)

ASSESSMENT OF ENABLING FACTORS[1]

REPUBLIC OF SOMALILAND | APRIL 5, 2023

Background

In line with the GPE 2025 operating model, the government and country partners have analyzed country progress in the four enabling factor areas for system transformation. The *Contextualized Enabling Factors Analysis* completed by the local education group and supporting documentation were shared with the ITAP, tasked by the Board with providing an assessment of country status against the enabling factors.

The ITAP assessment seeks to contribute to country policy dialogue on the partnership compact. The ITAP considers the extent to which challenges in enabling factor areas act as bottlenecks to country education system transformation goals. Based on this assessment, it classifies each area as a low, medium, or high priority for action. A designation of high indicates that identified challenges may act as significant bottlenecks to transformation goals.

The ITAP report is shared with the government and country partners to collectively review for any major factual errors that may have affected the ITAP assessment.

The ITAP report is ultimately shared with the Board and feeds into Board decision-making on the system transformation grant allocation, with special attention given to how challenges in the high priority enabling factors are resolved in the country partnership compact.

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[1] The ITAP operates as an independent advisory body to the GPE Board. The views expressed in this report are solely those of the ITAP country panel.. ITAP country panel members for this report: Susy Ndaruhutse (Chair), Paul Bennell, Ruth Naylor, Maurice Robson.

Part A: Main Panel Conclusions

Data and Evidence

There has been a considerable improvement in data availability since the 2017–2021 Education Sector Strategic Plan (ESSP). Since 2020, Education Management Information System (EMIS) data have become more comprehensive and regular, and a system of annual national learning assessments of reading and mathematics in lower primary school has been established. However, concerns remain over the coverage and reliability of EMIS data, with lack of recent population data being one of several challenges. The analysis and use of EMIS data by the Ministry of Education and Science (MoES) take many of these data limitations into account. Data disaggregation by sex is, for the most part, routine, but there are less data available relating to children with disabilities, pastoralists and internally displaced persons (IDPs). There appears to be limited production and use of other forms of evidence, such as qualitative studies, to understand better the root causes of barriers to access and learning. Overall, the ITAP concurs with the country's self-analysis on this enabling factor and is rating it as a **MEDIUM** priority.

Gender-Responsive Planning, Policy and Monitoring

Somaliland has made progress in gender-responsive planning, policy and monitoring including independent learning assessment initiatives, but continues to face considerable challenges in securing achievements against key education sector targets, especially for girls. The ITAP notes serious weaknesses in (i) the country's ability to program and plan on strategic priorities for education sector transformation; and (ii) the country's coordination of sector activities including across related government ministries, development partners and other stakeholders. Effectively mainstreaming gender in program planning and monitoring is also a barrier to education sector transformation. Finally, the ITAP remarks that improvements in planning clearly require an increased budget envelope to address significant capacity gaps, particularly in data analysis, strategic planning, and monitoring across a more finely tuned set of indicators. It is for these reasons that the ITAP concurs with the country's self-analysis on this enabling factor and is rating it as a **HIGH priority.**

Sector Coordination

Inclusive Sector Dialogue and Coordinated Action:

Somaliland has established a number of structures to promote sector dialogue and coordinated action and hosts an annual joint review of the education sector. The structures could benefit from including representatives from the private sector, teachers and faith-based organizations as well as more active involvement from those development partners who are based in Nairobi. Coordination mechanisms exist and meetings happen regularly but there is a need for capacity strengthening. In addition,

coordination and information sharing between government ministries could be improved. Overall, the ITAP concurs with the country's self-analysis on this enabling factor and is rating it as a **MEDIUM priority**.

Coordinated Financing and Funding:

External funding constitutes around one third of the education sector's budget envelope. While it is aligned to the 2022–2026 ESSP priorities, it is all project based (except for some financing through the Somaliland Development Fund) and off budget and there is currently no data on execution rates. The country is in the final stages of approving a legal framework for the Somaliland Education Development Fund (SEDF), a pooled fund for education. This points to the potential for increased alignment of external funding and improved aid effectiveness. However, achieving this will require the development of appropriate institutional arrangements to make the SEDF operational as well as development partners agreeing to channel their funds through it. Bearing all these things in mind, the ITAP concurs with the country's self-analysis on this enabling factor and is rating it as a **MEDIUM priority**.

Volume, Efficiency and Equity of Domestic Financing

The challenge of funding the education sector in Somaliland is enormous. Public expenditure on education is very low both in absolute and relative terms, and in real terms, has declined appreciably in recent years. According to the country's self-analysis, the education sector share of domestic funding is only projected to grow from 8.4 percent in 2022 to 11.4 percent in 2026. This is despite the fact that the Government of Somaliland has made a public commitment to increase this funding share to 15.2 percent during this period. In addition, there are inequities in teacher allocation, high dropout rates and large numbers of out-of-school children who do not benefit from public resources. Given the low volume of domestic expenditure coupled with inefficiencies with regard to both the equitable distribution and the utilization of public resources for schooling especially for out-of-school children, girls, internally displaced persons and children of pastoralists, the ITAP does not concur with the country's self-analysis of medium priority and instead is rating this enabling factor as a **HIGH priority**.

Part B: Assessment of Enabling Factors

1. Data and Evidence

Education Management Information Systems (EMIS)

Previous challenges encountered with the production of Education Management Information System (EMIS) data, resulting in several years without data, appear to have been overcome, with EMIS reports published for 2020/21 and 2021/22. The Ministry of Education and Science (MoES) maintains a school database with consistent school identification numbers. EMIS data on grade 8 enrolment are consistent with the numbers of students taking the grade 8 examination, indicating that EMIS has achieved a good coverage of schools participating in national examinations. However, as noted in the 2021 Education Sector Analysis (ESA), coverage of students at private schools may not be as comprehensive which is a concern given the high proportion of children estimated to be studying in private schools in Somaliland. The country's self-analysis reports that progress has been made in establishing a database on individual learners, and one for individual staff. However, it was not possible to generate reports from these at the time of this review, indicating the need for further work.

The country's self-analysis also raises the critical issue of the lack of reliable national population census data for the school-age population. The 2021 ESA takes this uncertainty into account in its use of EMIS data, and treats the data on enrolment ratios with care, with pragmatic use of the absolute enrolment figures, and population growth data to validate observed trends. However, differences between the enrolment ratios reported in the EMIS data and the attendance ratios recorded in the 2020 Somaliland Health and Demographic Survey (SLHDS) raise further concerns over the reliability of EMIS data. This is not overtly considered in the 2021 ESA. Inconsistencies in reported dropout, repetition and survival rates, and the distribution of learners across each grade indicate that the EMIS is overestimating the internal efficiency of the system.

Learning Assessment Systems

The National Examination Board (NEB) publishes national examination results for examinations at the end of primary (grade 8) and secondary (form 4). Since 2019, the MoES has also conducted annual National Learning Assessments (NLA) in reading and mathematics for grade 3 students. These cover public and private schools but not alternative basic education centers. Data are disaggregated by region and school ownership (public/private). The NLA results are also disaggregated by sex and location (rural/urban). Efforts have been made to enable longitudinal comparability so that progress can be tracked. For example, the 2020 NLA results were analyzed based on the same regions as the 2019 data, even though regional boundaries had changed and new regions formed. Challenges to the moderation of national examinations during COVID-19

are acknowledged. The results are almost entirely presented as average scores, with limited analysis of the proportion of learners attaining foundational competencies. However, there is clear progress in this area with the 2020 NLA establishing benchmark grade 3 competencies in reading and mathematics.

Evidence Production and Use

Most student and staff data are available and reported in a sex-disaggregated form, indicating that this practice is well embedded within data collection and monitoring functions of the education system. One notable exception to this is the grade 8 national examination data. Some data, such as EMIS data on learners, are available disaggregated by disability status and clear efforts are being made to improve the availability of such data. EMIS and learning assessment data are also analyzed for inequalities based on location (by region and urban/rural). In addition, the 2021 ESA presents some (very limited) data on other marginalized groups, including refugees, internally displaced persons (IDPs) and pastoralists, although EMIS data reports only on refugees.

The ITAP notes the range of data and evidence sources used to inform the sector planning processes, including consultation of education system staff and learners, and the use of geospatial mapping technology to identify rural settlements without education facilities. The 2021 ESA takes an open and analytical approach to the use of EMIS data, clearly stating their limitations and inconsistencies. However, analysis could be made more robust if additional data sources were used more extensively. For example, SLHDS data on school attendance rates, and data on students with disabilities, teachers and teaching resources collected during the NLAs has the potential to provide additional insights. Data on the quality of teaching appear to be very limited, with very little evidence presented in the 2021 ESA beyond the numbers and ratios of qualified teachers and textbooks. The ITAP notes several instances in the 2021 ESA and 2022–2026 Education Sector Strategic Plan (ESSP) of increases being reported as decreases, and vice versa, indicating that quality assurance processes need to be strengthened.

The 2021 ESA and the 2022–2026 ESSP draw on quantitative data, predominantly from EMIS and NLAs, to assess inequalities. The 2021 ESA emphasizes the additional attention needed to support access and learning for girls and children from rural areas. The vulnerability of specific groups such as children with disabilities, IDPs and pastoralists are noted. However, there is very limited use of other evidence sources, including qualitative studies, to build a more robust understanding of the root causes and specific barriers to access and learning for these different groups. There are other quantitative data sources available that the MoES could draw on to examine the social, cultural and economic barriers to learning and access, such as the 2020 SLHDS and the 2019 Gender Gap Analysis conducted by the NAGAAD (Somali women's empowerment) network.

Monitoring of progress of the 2017–2021 ESSP was hampered by the lack of EMIS data for some years during its implementation, and lack of baseline data for some targets. The increase in data availability since that time puts the MoES in a much stronger position to monitor progress against the 2022–2026 ESSP including through its log frame which sets out targets for improvements in access and learning outcomes. The ITAP commends the ambition of these targets but questions the extent to which they have been informed by the available evidence on rates of change achieved in Somaliland and elsewhere. The early grade learning targets seem particularly ambitious, especially given the plans to expand primary school access dramatically at the same time, which will include more disadvantaged children who are likely to have greater barriers to learning.

Conclusion: The government is making significant efforts and progress in addressing data gaps. While considerable data and evidence gaps remain, and there are ongoing challenges with data coverage and reliability, the analysis and use of data by the MoES take some of these issues into account. As a result, the ITAP concurs with the country's self-analysis on this enabling factor and is rating data and evidence as a **MEDIUM priority**.

2. Gender-Responsive Sector Planning, Policy and Monitoring

Strategic Planning Frameworks and Practices

Somaliland has a clear suite of policies for education improvement, focused around three key policy outcomes of gender equality, improved access to education, and improved quality of education. All of these are informed by national legislation and policies, as well as by international human rights instruments, including the 1989 Convention on the Rights of the Child, 1966 International Covenant on Civil and Political Rights, 2006 Convention on the Rights of Persons with Disabilities and the 1999 African Charter on the Rights and Welfare of the Child. The priority areas for investment and related implementation strategies, particularly in pre-primary and primary education, are relevant to addressing critical challenges to increased access and quality in education, especially for girls. The MoES strategic planning frameworks partially reflect assessments made in the annual Joint Review of the Education Sector (JRES) with partner agencies. Policy priorities and outcomes link clearly to the strategies outlined in the 2022–2026 ESSP and the 2020 Education Master Action Plan (EMAP). Somaliland has also developed preparedness plans for maintaining the provision of core educational services during droughts and natural disasters (for example, the 2019–2021 Somaliland Multi-Year Resilience Program and the 2022 Somaliland National Education Drought Response Plan), and these also inform planning processes.

However, observations in the JRES, donor communiqués, and MoES' internal evaluations clearly indicate very slow progress against key indicators and suggest the need for a more strategic analysis of critical impediments to sector transformation, a sharper focus on key drivers of change and a clearer prioritization of targets, strategies and activities in the 2022–2026 ESSP. These could also be reflected in a clearer 2022–2026 ESSP Theory of Change, which maps the causal links between longer term goals and outcomes (for example in an outcomes framework) and assists the MoES to focus planning and budgeting more sharply on those specific investments most likely to achieve desired policy outcomes.

Sector planning is highly centralized within the MoES and sometimes in collaboration with partner agencies and some implementing partners. However, it generally does not appear to include other relevant government agencies such as health, social welfare and religious affairs, or the private sector, all of whom play an increasingly significant role in education sector provision. Therefore, the planning frameworks, designed to advance effective decentralization, could be complemented by more consultative planning mechanisms.

Operational Planning Instruments and Practices

The MoES uses various program planning instruments, including five-year ESSPs and annual work plans and budgets, clearly linked to key national policies and plans such as five-year National Development Plans, the 2018 Somaliland National Education Act and the

2019 National Strategy and Plan of Action for Female Participation in Education. Only the 2020 Education Master Action Plan (EMAP) was available for ITAP review, but this did include clear linkage to the 2017–2021 ESSP, and an appropriate sequencing of activities, budget allocations and funding sources. The 2020 EMAP did not, however, clearly reference the monitoring tools to be used – the means of verification considered necessary to enable effective, and responsive, monitoring of planned outcomes and outputs.

The 2022–2026 ESSP includes an ambitious set of planned activities, key indicators, and means of verification, all of which are consistent with stated policy priorities and disaggregated into annual plans and budgets. However, the ITAP believes that ESSPs and annual plans could be based upon a more strategic analysis of results, gaps in performance and critical bottlenecks, and focused more sharply on a limited number of priority areas for investment. In practice, planning remains highly centralized and although the MoES has made some progress in decentralizing planning and monitoring to regional and district levels, the 2022 JRES and the country's self-analysis point to considerable challenges to effective sub-national planning, implementation and monitoring. These include low budget allocation and slow progress in building the required understanding, commitment and capacity for improved planning and monitoring at sub-national level.

Budget Programming and Monitoring

Budget allocations are including in the 2022–2026 ESSP based on two financial simulations. However, the total program budget for each major program area is distributed equally across the five years of the ESSP without a rationale which might reflect previous budget execution data, likely anticipated variations in budget execution or absorptive capacity. The annual work plans reviewed did include budget allocations across program areas, disaggregated by main lines of action and by quarters, but without a budget rationale.

The processes of budget planning and monitoring appear to be informed by ESAs and related donor implementation reports but remain highly centralized within the MoES. While some budget planning, for example related to drought relief, can be seen to involve development partners, the sector analyses and donor observations point to a need for more effective participation of development partners in the established Education Sector Committee (ESC). The ITAP commends the inclusion of the Ministry of Finance in the National Education Committee (NEC) but notes that limited capacity at sub-national level limits effective involvement of MoES staff in monitoring or budgeting for decentralized programs such as Community Education Committee (CEC) strengthening and district-level school monitoring.

The ITAP notes the positive improvements made to strengthen data collection across a range of indicators. However, it also highlights the need for more realistic setting of objectives based on EMIS and other data that is reliable and appropriately analyzed. This requires building internal capacity of the MoES and refining data collection across a range

of other indicators and means of verification to enhance understanding of major disparities including the rural/urban divide in school access and quality of instruction. The MoES collects data across complementary databases (for example, teacher training and teacher qualifications (TIMS) and human resource management (HRMIS)) which could be linked in ways which enable more informed policy, planning and monitoring.

Sector Monitoring Mechanisms and Practices

Education sector monitoring at the national level is gradually improving with annual JRES meetings, now in their sixth iteration, representing the main mechanism for shared program and budget review against annual work plans and budgets, and substantive stakeholder consultations. It is not clear, however, that monitoring focusses sufficient attention on the major bottlenecks to achievement of educational rights for all children, especially those who are the most vulnerable or marginalized. The ITAP notes that the recommendations of the 2019 JRES clearly influenced planning for the 2022–2026 ESSP. More frequent sector coordination meetings, primarily via the ESC occur, although they appear limited to information-sharing rather than substantive sector programmed monitoring of performance, productivity and effective use of resources. Overall, development partner calls for increased consultations around program results and program adjustments clearly indicate the need for more consultative approaches to program monitoring and planning.

Gender Mainstreaming Across the Policy Continuum

Significant challenges exist to effective education sector participation of girls and women in Somaliland. These are well documented in sector analyses, and gender is well reflected in policies and to some extent in planning and monitoring instruments. Somaliland has made a commitment to gender equity, both in terms of access and quality in education, evident in policy documents (2015 Somaliland National Education Policy), and planning instruments (2019 National Strategy and Plan of Action for Female Participation in Education and the 2022–2026 ESSP). The extent to which that commitment is supported by political will is questioned in sector analyses, importantly in areas such as the sector budget allocation and coordination between the public and private education sectors. Furthermore, sector reviews point to the significant challenges to effective mainstreaming of gender in program planning and monitoring including the creation of a separate Gender Unit, capacity gaps across the MoES at central and sub-national levels, absence of female administrators and teachers, and cultural perceptions of the roles of women and girls. Sector analyses also point to needed improvements in monitoring tools including a sharper focus on gender indicators, disaggregation of key data sets, for example in NEB reporting, and improved analysis of gender-related EMIS data.

Conclusion: Somaliland has made progress in gender-responsive planning, policy and monitoring including introducing independent learning assessment initiatives. However,

the country continues to face considerable challenges in securing achievements against key education sector targets especially for girls. A bottleneck also remains in effectively mainstreaming gender in program planning and monitoring. The ITAP concludes that there is a need to focus program and planning more sharply on determining strategic priorities for investment that will contribute to education sector transformation, including addressing the barriers for girls. This requires strengthened sector coordination, including across different government ministries and agencies, development partners and other stakeholders. Finally, the ITAP observes that improvements in planning clearly require an increased budget envelope to address significant capacity gaps, particularly in data analysis, strategic planning, and monitoring across a more finely tuned set of indicators. It is for these reasons that the ITAP concurs with the country's self-analysis and is rating this enabling factor as a **HIGH** priority.

3. Sector Coordination: Inclusive Sector Dialogue and Coordinated Action and Coordinated Financing and Funding

3.1 Inclusive Dialogue and Coordinated Action

Coordination Functions and Practices

The Education Sector Committee (ESC) is Somaliland's Local Education Group. It is chaired by the MoES and UNICEF and meets monthly. Its ambition is to strengthen MoES' ownership, leadership and coordination of education and to ensure that all funds are used efficiently and effectively to support the priorities in the ESSP. The ESC includes various sub-sector and thematic working groups. A JRES takes place annually to assess sector performance. One of the challenges highlighted in the 2022–2026 ESSP is that previous JRES reports were weak and irregular. The ITAP notes that the 2022 JRES report was more analytical and reported on progress made and challenges remaining. It stated that the ESC has strengthened sector coordination and generally functions well. The ITAP notes that development partner involvement in sector dialogue is limited due to their lack of presence in the country. As a result, the MoES is not always taking a lead on sector dialogue and focuses more on instructing implementing partners on key priorities and not sufficiently on ensuring implementing agreed actions. This points to a need for improved coordination and communication between the ESC and development partners based in Nairobi.

There is an Education Cluster for Somalia. Within the MoES in Somaliland, there is an Education in Emergencies (EiE) focal point and an EiE Working Group co-chaired by the MoES and Save the Children. The EiE Working Group focuses on the planning and implementation of EiE activities in the country. It works closely with the Education Cluster and is also part of the ESC. The 2022 JRES meeting concluded that notable progress had been made in improving the leadership of the EiE Working Group, reducing overlaps, building resilience and humanitarian-development coherence.

The 2022–2026 ESSP proposes coordination units at national and regional levels with responsibility for coordinating the implementation of education sector activities by all partners including through existing technical working groups which will report to monthly ESC meetings on progress. It is not clear if these are operational yet.

Capacities for Coordination

The ESC includes representatives from the MoES, local and international non-governmental organizations (NGOs), civil society, development partners and United Nations agencies. Teacher organizations, faith-based organizations and the private sector are not currently represented. The latter is a gap given the important role that the private sector plays in the provision of education in Somaliland. In addition, development partners are also noticeably absent from the ESC due to their Nairobi base. Some terms of reference are under

development for a review of the ESC but the ITAP was unable to confirm whether or not this review has taken place.

The 2021 ESA highlighted that there is inadequate organizational and institutional capacity in planning, human resources, financing and quality assurance, to support education delivery. It also remarked that while there is good coordination and communication between the center and decentralized levels, the central level has the most influence. Decentralization is in its early stages of implementation and while CECs and District Education Development Committees (DEDCs) exist, they have limited capacity to monitor progress.

The ITAP notes that the MoES EiE Unit has inadequate technical and resource capacity but commends the 2022–2026 ESSP for including an activity to establish a stronger EiE coordination system and to advocate for more funding for EiE. As an illustrative example, the Somaliland 2019–2021 Multi-Year Resilience Program (MYRP) had a budget of US$65m over 3 years with Education Cannot Wait committing US$6.7m and the Government of Somaliland committing US$200,000, leaving the remaining US$58m unfunded. This points to a need to leverage more external funding for EiE.

Coordination and collaboration with other government ministries is not strong. This is partly due to overlapping and conflicting roles for early childhood education between the MoES and the Ministry of Religion and National Endowment, and for technical and vocational education and training between the MoES and the Ministry of Employment. The ITAP notes there are plans to include the Ministry of Finance and the Ministry of National Development and Planning in the JRES.

Conclusion on 3.1: Somaliland has effective structures and processes in place for education sector dialogue though these are not as inclusive as they could be and would benefit from participation from representatives from the private sector, teachers and faith-based organizations as well as more active involvement from development partners based in Nairobi. Coordination mechanisms are well established but the ITAP remarks that there is a need for capacity strengthening and for better coordination and information sharing between government ministries. Given this broad context, the ITAP concurs with the country's self-analysis on this enabling factor and rates it as a **MEDIUM priority.**

3.2 Coordinated Financing and Funding

Availability of Aid Alignment and Joint Financing Mechanisms

External funding has constituted around 38 percent of overall education sector funding in recent years. In the 2022–2026 ESSP, the share for the five-year period is projected to be about 30 percent assuming that development partners continue funding at similar volumes. One of the policy priorities is to increase funding to support effective implementation of the ESSP, including for EiE.

Development partners have aligned their funding with the 2022–2026 ESSP so it is on plan. However, there is no comprehensive mechanism in place to monitor outcomes and the effectiveness of this funding. External funding is mostly provided through short-term standalone projects that are off budget and follow funder/implementing partner financial management systems.[2] It is almost exclusively channeled through international NGOs who in turn partner with local NGOs. This creates significant transaction costs for the MoES.

While there is currently no pooled funding for education, the Somaliland Development Fund (SDF) was created in 2012 as a pooled mechanism that targets eight sectors including education.[3] The MoES is in the process of establishing the Somaliland Education Development Fund (SEDF) modelled on the SDF but with funds exclusively focused on the education sector. This is important given the government has been able to dedicate less than 10 percent of the domestic budget to education in recent years. The SEDF has now been included in the general system of law-making in Somaliland and will become official when Parliament approves it and the President signs it. This is expected by April 2023. According to the documentation reviewed by the ITAP, the NEC represents the SEDF at national level and DEDCs at district levels, and has clearly articulated objectives coupled with an outline structure and mandate. Its first meeting took place in September 2022 and included the ministers of the MoES and the Ministry of Finance.

One of the recommendations to development partners from the 2022 JRES was to consider increasing direct budget support to MoES to plug budget gaps and improve the MoES' capacity to implement projects directly. However, the ITAP concurs with the country's self-assessment which states that the readiness of Somaliland's institutional arrangements for pooled funding requires improvement.

Accountability and Dialogue Around Aid Effectiveness

Given that around one third of education sector resources come from external sources, there is a need to coordinate these resources for increased impact. The MoES asks development partners to provide quarterly work plans, but the ITAP observes that few are doing this in a timely manner. The ITAP was also not able to find any data on execution rates of externally financed projects. Another of the recommendations to development partners from the 2022 JRES was that the ESC should schedule quarterly meetings exclusively dedicated to discussion of implementation of ESSP targets. This would help to promote greater mutual accountability for ESSP results.

[2] Under the 2022–2026 ESSP the four main development partners are the European Union, GPE, UNICEF (including Education Cannot Wait) and the United Kingdom's Foreign Commonwealth and Development Office.

[3] Four countries provide funding to the SDF including Denmark, the Netherlands, Norway and the United Kingdom.

Commitment Towards Greater Aid Effectiveness Practices

The ITAP recognizes that the lack of in-country presence by most of the development partners makes it difficult to promote true sector dialogue and ensure greater aid effectiveness as this role largely falls to implementing partners. The planned SEDF suggests to the ITAP a commitment towards greater aid effectiveness practices. However, this will require coordination between humanitarian funding through the MYRP and any development funding through the SEDF along with greater leadership and oversight from the MoES in monitoring implementation.

Conclusion on 3.2: Development partner funding constitutes around one third of the education sector's overall resource envelope. It is currently all project based and off budget but is aligned to 2022–2026 ESSP priorities. The MoES is in the process of establishing a legal framework for a pooled fund for education, which demonstrates the potential for greater aid alignment and improved aid effectiveness if development partners agree to channel their funds through it. However, the ITAP notes that there is still significant progress to be made in developing institutional arrangements to make the SEDF operational. In addition, there is currently no data on execution rates for external funding. Taking all these factors into consideration, the ITAP concurs with the country's self-analysis and is rating this enabling factor as a **MEDIUM priority**.

4. Volume, Equity, and Efficiency of Domestic Public Expenditure on Education

Volume

Public expenditure on education in Somaliland is very low both in absolute and relative terms. According to the figures presented in the domestic financing matrix, total (actual) domestic public expenditure on education was S.Sh.192 billion (around US$26 million in 2022) which amounted to only 8.4 percent of total domestic government expenditure. Total (nominal) public education expenditure remained largely unchanged between 2020 and 2022 (see tables 1 and 2). With average annual inflation of 6 percent during this period, this amounts to a near 20 percent reduction in real terms.

Table 1: Share of education expenditure in GDP and in total government expenditure (%)

	2020	2021	2022	2023	2024	2025	2026
	Act.	Act.	Act.	Est.	Est.	Target	Target
Education as a percentage of GDP	0.8%	0.7%	0.8%	0.8%	0.9%	1.0%	1.2%
Education as a percentage of government expenditure (excluding debt service)	9.7%	9.3%	8.4%	8.4%	9.3%	10.3%	11.4%
Recurrent education expenditure as a percentage of public recurrent expenditure (excluding debt service)	8.0%	8.1%	7.4%	7.9%	8.7%	9.7%	10.7%

Source: Computed from "Domestic financing matrix" completed by the country

The domestic funding matrix indicates that public funding for the education sector is projected to increase by nearly 70 percent between 2023 and 2026 (see table 2). However, despite this rapid growth, the education sector funding share only increases to 11.4 percent of total domestic resources which, at face value, indicates only relatively slow progress is being made towards attaining the 20 percent GPE benchmark target.

Table 2: Actual and projected public funding for the education sector (nominal prices)

	Actuals			Projected			
	2020	2021	2022	2023	2024	2025	2026
Domestic Funding Matrix (S.Sh. billion)							
Recurrent	122	132	136	152	180	212	253
Development	70	56	61	55	66	78	92
Total	192	188	197	207	246	292	345
ESSP 2022–2026 (US$ million)							
Recurrent	31	29	40*	48	58	69	75
Development	2	3	4*	4	5	6	7
Total	33	32	44*	52	63	75	82

Note: * = projected

The ITAP has a number of observations concerning the information presented in the domestic financing matrix.

Firstly, the education sector funding shares may be somewhat lower than presented because total public expenditure ('general budget' in the national budget book) is considerably higher than 'the budget estimates by sector'. The total public domestic budget (which includes local government and independent government agency funding but excludes 'foreign grants projects') was S.Sh.2.8 trillion in 2021 and S.Sh.3.2 trillion in 2022 which yields education sector funding shares of 7.0 percent and 6.5 percent respectively, both of which are around two percentage points lower than those presented in the domestic financing matrix.

Secondly, the share is projected to be 11.4 percent in 2025. However, at the GPE Global Education Summit in 2021, the Government of Somaliland made a formal commitment to increase the education sector funding share to 14 percent of overall resources by 2025 which is reflected in the second 'commitment' funding simulation in the 2022–2026 ESSP and was shortly after formalized in a written agreement between the MoES, the Ministry of Finance and the main education development partners.[4] The ITAP has been informed by the MoES that these projections for 2025 and 2026 have been lowered due to 'unpredicted circumstances' and emergencies, in particular conflict in the east of the country, severe drought and the aftermath of COVID-19.

Thirdly, while the ITAP confirms that the figures for total government funding of the MoES are fully aligned with those in the national budget documentation, the capital expenditures presented in the domestic financing matrix appear to be too high. The available documentation (including the 2022–2026 ESSP) indicates that annual education capital expenditure has been in the region of US$2-3 million since 2020 compared with the equivalent of US$7-8 million for each year between 2020 and 2022 as stated in the domestic financing matrix. Furthermore, recurrent expenditure is consistently reported as accounting for 90–95 percent of total public education expenditure between 2017 and 2021. More detailed information on the MoES budget is needed in order to establish the breakdown of recurrent and capital expenditure.

Fourthly, additional sources of public domestic funding for education are not included in the domestic financing matrix. These mainly come from the eight municipalities, the Ministry of Health and the Ministry of Endowment and Religious (for the College of Health Science and Quranic schools respectively).

Funding alignment: The government's macroeconomic fiscal framework has total government budget ceilings for the next three years, but does not present any budget ceilings for education or the other major sectors. Generally speaking, the publication of

[4] Page 15 of the 2022–2026 ESSP refers to this agreement.

these sector public expenditure projections by the Ministry of Finance represents the most compelling evidence of overall government commitment to implementing its stated educational and other sector funding targets.

Figures in the domestic financing matrix and the 2022–2026 ESSP are expressed in Somali shillings and US dollars respectively which make it difficult to assess robustly the overall degree of alignment between them. However, the 2022–2026 ESSP second 'commitment' funding simulation figures are based on education's share of domestic resources reaching 15.2 percent by 2026 whereas the domestic financing matrix has a target of only 11.4 percent. The overall increase in total public expenditure between 2021 and 2026 is roughly similar in both documents whereas the projected increases in public education expenditures are markedly different (84 percent for the domestic financing matrix and 134 percent for the ESSP).

Target attainability: The attainability of the education funding targets set out in the domestic financing matrix is dependent on both the overall level of political commitment and underlying economic and fiscal conditions. As stated above, politically, the Government of Somaliland made a high-profile commitment at the GPE Global Education Summit in 2021 to increase the education share of the domestic resources to 14 percent in 2025 (and further still to 15.2 percent in 2026). However, there appears to be no MTEF (or equivalent document) which officially specifies the government's formal budgetary commitments to the education sector over the future Partnership Compact Period, nor has the ITAP been alerted to any subsequent high-level political or policy statements reaffirming the government's commitment to increasing the share to 15.2 percent by 2026.

The domestic financing matrix indicates that the share is projected to increase from 8.4 percent in 2022 to 11.4 percent in 2026. To realize even this small increase of three percentage points requires a 75 percent increase in the domestic education budget over the next four years. Furthermore, if in fact the share based on the national (domestic) budget (rather than the sector-based budget), was only 6.7 percent in 2022, this makes the domestic financing matrix target of 11.4 percent that much more challenging to achieve.

As the country's self-analysis points out, the 2017–2021 ESSP significantly underperformed with respect to its target share of funding for the education sector and overall funding requirements. The share was expected to increase to 13 percent in 2021 when the actual for that year was 9.3 percent. Domestic public education expenditure in 2020 and 2021 was around one-half of the required projected funding for these years as stated in the 2017–2021 ESSP. Again, however, it is important to take into account the serious fiscal impact of COVID-19 during this latter period as well as the broader economic impacts of serious drought and a challenging security situation.

In the absence of any International Monetary Fund or other high-level, independent analysis, it is difficult to assess robustly the government's short-medium term

economic/GDP and fiscal growth projections which are largely based on National Development Plan III targets. However, the projected increase in total public expenditure of over 50 percent between 2021 (which is the most recent year available for actual expenditure) and 2026 is very ambitious particularly given prevailing domestic and international economic conditions.

The ITAP was not able to find any information on household financing of education, though speculates that it is substantial given the high level of remittances Somaliland receives from its diaspora (estimated to be equivalent to one third of the country's GDP in 2021)[5] and the large percentage of the population accessing private education.

Equity

The country's self-analysis does not discuss either the (input and output) equity or efficiency of public expenditure on education in Somaliland. In part, this may be because no detailed data is available on the recipient profiles of public funding on primary, secondary and higher education provision (both public and private) across the country with respect to gender, socio-economic group/household income/wealth, and location.

When most students attend government-funded schools and higher education institutions, enrolments are a reasonable good proxy for how equitably public education resources are distributed. However, this is not the case in Somaliland where around 40 percent of primary and 60 percent of secondary school students attend private schools. As a result, the ITAP is not able to reach any robust conclusion on the degree of public education funding equity with respect to student enrolments. However, there are likely to be two key areas of significant public funding inequity.

Firstly, the very high proportion of school-age children who are 'out-of-school' and who therefore are not currently benefiting at all from any public funding of formal schooling. This includes the many children who have never attended school and who have, therefore, never benefited from the provision of any public education. According to the 2020 SLHDS around one-half of young women (aged 15–24) have never attended school.[6] Gross attendance/enrolment rates for primary and secondary education were only 43 percent and 30 percent respectively in 2020.

Secondly, it would appear that secondary education has the most acute access and thus likely funding inequities. Nearly twice as many boys attend government secondary schools than girls. The gross enrolment rate (GER) for secondary education is three times lower in rural than in urban areas (15 percent to 47 percent) and only 3 percent of secondary-school aged children from the poorest 20 percent of households attend secondary school compared to 56 percent among the equivalent group in the richest 20 percent of

[5] https://www.ft.com/content/0dbcc28b-aa6b-49fc-b386-f49c21dc0c3e

[6] Unfortunately, the survey report does not present any never-attender estimates for males.

households. Despite having an exceptionally low GER (the median figure for countries in sub-Saharan Africa is around 90 percent), the rural-urban and gender access inequities are much less for primary education although they are still very high with respect to region of residence and household socio-economic status.

Given that over two-thirds of public education funding is spent on teacher salaries, the distribution of teachers across the country is the main determinant of input equity in the country. Student-teacher ratios (STRs) and teacher qualification profiles are the key indicators. Around 80 percent of the 5,000 teachers directly employed by the MoES are primary school educators. The highest STRs are in Badhan (76) and Sool (67) regions and the lowest in Awdal (32) and Marrodijeex (34) regions. The degree of regional inequity is also quite marked with regard to teacher qualifications.

Efficiency

The internal efficiency of primary and secondary schooling in Somaliland is reported to be high with very low repetition rates (around 1 percent per annum across all primary and secondary school grades) and high survival rates (over 80 percent). However, the results of the 2020 SLHDS indicate that MoES/EMIS annual school census data may considerably underestimate the extent of student dropout. School attainment profiles for male household members are not presented in the SLHDS country report but among the appropriate women age-cohorts (15–19 for primary and 20–24 for secondary schooling), overall (cumulative) dropout rates are identical at 39 percent compared to 22 and 27 percent respectively in EMIS data. Evidence from other countries shows that there are often sizeable differences in retention rates between students attending private and public schools. For a variety of reasons (including socio-economic student profile, learning environment and outcomes, and location), dropout rates may well be considerably higher in government primary and, to a lesser extent, government secondary schools in Somaliland.

The data needed (especially unit costs) to assess the internal efficiency of public schooling with regard to schooling quality/learning outcomes is not available. However, low reported mathematics and reading test scores among primary school learners suggest that internal efficiency is also low. The 2021 ESA reports that, nationally, secondary school students have 'a good level of achievements' so this may not be the case for secondary education.

Conclusion: The ITAP recognizes the considerable progress that has been made in recent years by the government in developing the education sector. However, actual expenditure was less than half the projected required expenditure in the last three years of the 2016–2021 ESSP and the government's formal commitment to increasing the education sector shared of the budget to 14 percent by 2025 has not been included in the domestic financing matrix. Looking forward, the very low volume of domestic resources committed for education (albeit slowly increasing in percentage terms), coupled with funding not being

targeted to address the high levels of dropout, large numbers of children who are out of school and inequitable teacher allocation across the regions, creates major bottlenecks for education system transformation. As a result, the ITAP does not concur with the country's self-analysis of this enabling factor as a medium priority and instead rates it as a **HIGH priority.**

Part C: High-Level Summary of Enabling Factors Assessed as High Priority

Enabling Factor	Challenges and Rationale for High Priority Rating
Gender-Responsive Sector Planning, Policy and Monitoring	**Challenge:** The Somaliland MoES has limited capacity for strategic data analysis including understanding and addressing specific barriers to girls attending and remaining in school. This results in the development of monitoring practices and tools that are focused on broad and ambitious targets which evidence indicates are unlikely to be achieved. **Rationale for high priority:** Enhanced capacity for better data analysis with a clear gendered lens is central to setting more achievable policy and program objectives and outcomes in Somaliland. This needs to be accompanied by a sharper focus on the key drivers of change and clearer prioritization of these in sector planning.
Volume, Equity, and Efficiency of Domestic Public Expenditure on Education	**Challenge:** The challenge of funding the education sector in Somaliland is immense. Public expenditure on education is very low both in absolute and relative terms and, in real terms, has declined appreciably in recent years. Actual expenditure was less than half the projected required expenditure in the last three years of the 2016–2021 ESSP. This is coupled with inequities in teacher allocation, high dropout rates and large numbers of out-of-school children who do not benefit from public resources. **Rationale for high priority:** The low level of domestic financing for public education will be insufficient to achieve universal primary education and support systemic transformation. In addition, funding is not being targeted towards vulnerable groups including out-of-school children, girls, IDPs and children of pastoralists who are unlikely to be catered for in private schools, and is not being used as efficiently as it could be.