



16th Economic Sector Coordination Meeting (ESCOM)

Mansoor Hotel, Hargeisa, March 20th 2022

Chaired and facilitated by: Ministry of Trade, Industry and Tourism
Co-chaired by: Somaliland Chamber of Commerce, Industry and Agriculture
Facilitated by:

Background

The Economic Sector Coordination Meeting (ESCOM) was initiated under the 2012 –2016 Somaliland's National Development Plan. ESCOM continues to be a focal point for stakeholder dialogue on economic reforms under the Somaliland National Development Plan.

The Economic Sector Coordination Meeting constitutes a key element in Somaliland's National Development Plan (NDP) framework. ESCOM is a key dialogue platform in Government's Aid Coordination mechanism and is Chaired by Ministry of Trade and Tourism. The ESCOM process feeds into Somaliland's economy-wide PPD Forum which covers all subsectors of the economy and is presided over by H.E. the President of Somaliland. However, the annual PPD forum took place in 2019 and was chaired by the vice president since then no PPD forum was held.

ESCOM's main objectives are to:

- Develop sector monitoring and coordination mechanisms,
- Oversee implementation of agreed policy interventions,
- Provide policy guidelines and act as a forum for networking and information sharing.

The Economic Sector Coordination Meeting also serves to bring together the public and private sector and other economic sector stakeholders to dialogue on reforms that impact Somaliland's private sector development. ESCOM enables information sharing and networking among key economic stakeholders on issues that impact the economic sector in particular and Somaliland's economy in general. ESCOM meetings are held on a quarterly basis although special ESCOM meetings can be scheduled when required. Since the establishment of the sector coordination, there has been 16 Coordination forums. The last forum of 16th took place on March 20th, 2022.

PROGRESS ACHIEVED SINCE THE ESCOM HAS BEEN INITIATED

Legal and regulatory Environment

ESCOM has been the only platform that enabled to raise the important legal and regulatory framework that need to be worked on and enforced. Below is the list of laws and policies which have been achieved through the ESCOM dialogue:

SN	Regulatory framework	Lead Institution	Status
1	Somaliland Companies Act	MOTT	Signed into Act
2	Regulation of the Companies Act	MOTT	Signed into Act
3	Licensing Act	MOTT	Signed into Act
4	Intellectual Property Act		Draft stage
5	Commercial Code	MOTT	Draft stage
6	PPP Act	MOTT	Zero stage
7	Heritage Act	MOTT	Draft stage
8	Anti-Money Laundering Act	BOS (Bank of SL)	Signed into Act
9	Central Bank act	BOS	Signed into Act
10	Remittance Act	BOS	Signed into Act
11	Islamic Banking act amendment	BOS	Signed into Act
12	Public Financial Management Act	MOFD (Ministry of Finance)	Signed into Act
13	National payment act	BOS	Final draft
14	Clearance House Regulation	BOS	Final draft
15	Mobile money regulation	BOS	Final draft
16	Foreign Exchange dealer's regulation	BOS	Draft
17	Microfinance Regulation	BOS	Draft
18	Monetary Policy	BOS	Draft
19	Financial Risk Management Policy	BOS	Draft
20	National Credit Policy	BOS	Draft
21	National MSME Policy	MOTT	In implementation stage
22	National Trade Policy	MOTT	To be drafted
23	National Tourism Policy	MOTT	To be drafted
24	PPP Policy	MOID	To be drafted

Systems Development

- Automation of Business registration and Licensing
- Automation and simplification of tax systems. i.e Integrated Tax Administration System
- Increasing access to business information (Xogsiye)
- Automation of Import and Export

Ongoing tasks

- Five-year Strategic Plan for the Economic Sector
- Macro-Economic Analysis
- National Development Plan 3
- Economic Sector Priorities

Challenges to the sector Coordination Forum

- Lack of Financial support for the facilitation of the sector meetings
- Lack of full-time technical consultant
- Lack of secretariate

Recommendation

- Technical consultant
- Financial support for coordination forums

Introduction

This report summarizes the key points discussed and outcomes of the 16th Economic Sector Coordination Meeting (ESCOM). The conference was previously sponsored by the International Finance Corporation, but due to a budget shortfall from their end, the current gathering was entirely financed and facilitated by the Ministry of Trade and Tourism, which also chaired it. There is, however, no sector coordinating secretariat or financial institution in place at this time. The sector technical working group, consisting of representatives from several stakeholder groups, met two weeks before to the conference and approved the agenda.

Sector Technical Working Group

1. Ministry of Trade and Tourism
2. Ministry of Finance Development
3. Ministry of Investment and Industrial Development
4. Ministry of Rural Development
5. Central Bank of Somaliland
6. Quality Control Commission
7. Free Zone Authority
8. Diaspora Agency
9. Chamber of Commerce

The meeting was attended by the following key officials:

1. Vice Minister of Trade and Tourism
2. Vice Ministry of Finance Development
3. Deputy chairman of Central Bank of Somaliland
4. Deputy chairman of Free Zone Authority
5. Director General of Ministry of Employment and social Affairs
6. Director General of Ministry of Investment of Industrial Development
7. Director General of National Insurance Agency
8. Secretary General of Chamber of Commerce
9. Government Agencies and Private sector representatives (see attached annex for the list)

Agenda

1. Automation of Business Registration and Licensing
2. Intellectual Property Rights Act
3. PPP Policy update
4. National Development Plan 3 preparations

¹Automation of Business Registration and Licensing

Presentation by Ibrahim M Ismail (Director of ICT Department, MOTT)

The Ministry of Trade and Tourism (MoTT) is implementing an online Business Registration and Licensing System with the help of the IFC-managed Somali Investment Climate Reform Project 2 (SICRP 2), which is funded by Denmark, the European Union, and the UK Foreign Commonwealth Development Office (FCDO) (BRLS). By reducing the time

it takes to register and receive a licence for a business activity to 1-2 days, the online one-stop shop BRLS is intended to reduce hassles and expenses for the business community in terms of business registration and licencing.

The quality of Somaliland's business environment is envisaged to improve as a result of this reform. MoTT, in collaboration with the Attorney General's Office (AGO) and the Ministry of Finance, currently provides business registration and licensing services (MoF). The MoTT, MOF, and AGO have signed an interagency Memorandum of Understanding (MoU) to support the operation of the BRLS. All components of the BRLS software have been designed and tested to ensure that they work as envisioned. Concerned officials from participating institutions have been trained, and the system will be ready to officially launched in 3-month time following the soft launch in December 9th, 2022.

The presentation primarily focused on the process of business registration and licencing, with attendees being shown the whole procedure from start to the end.

Following the presentation, the attendees recommended that additional business sensitization s be conducted to notify people that the system is in place, and that many individuals may apply online or through other agents rather than visiting the Ministry every time.



Intellectual Property Rights Act

Presentation by Mustafe M. Dahir Legal Advisor to MOTT

The intellectual Property Rights Act, also known as the Patents, Designs, and Trademarks Protection Act, was presented by the legal adviser. The objectives of the act are to:

1. Protect and secure the exclusive rights of Patents, Designs and Trademark owners and other gifted citizens to their intellectual innovation and creations, aimed to create employment opportunities that contribute to economic and social development of Somaliland
2. Provide holders of patents, designs, and trademarks who are registered under this Act with exclusive rights to their inventions and protection against infringement during the protection term stipulated under this Act.

Following the presentation of the Act, the stakeholder participants asked several questions concerning it. The majority of the queries concerned amendments and the addition of several provisions that were not included in the Act. All comments have been noted, and the Advisor promised that the legislation will be amended to include them.

In addition, the participants suggested that the Ministry schedule a separate session for the Act debate in order to incorporate all of the views.

Public Private Partnership Policy update

Presentation by Fuad Rashi Bullo – Director of Industries Department of MIID

The specific objectives of the PPP policy are

- Establishing a legal and regulatory framework for PPP-based investments;
- Creating a comprehensive PPPs mechanism to deal with the various PPP project stakeholders;
- Adopting a fair, equitable, and transparent competition process and guidelines for all persons interested in PPP projects; and
- Coordinating, monitoring, and evaluating the efficiency and effectiveness of PPP-based projects to ensure that it contributes to the success of the project

Upon the presentation, the participants requested a separate session to discuss the policy, and the Ministry of Investment and Industrial Development, which is in charge of its formation, promised to hold a policy consultation workshop.

National Development Plan 3 preparations

Presentation by Abdillahi Ahmed – Ministry of Planning and National Development

The Ministry of Planning and National Development gave an update on the third National Development Plan, which is expected to be unveiled in June 2022. The roadmap for NDPIII preparations was outlined in the presentation, with a focus on the economic sector and remaining tasks such as:

- Macroeconomic sector analysis
- Sector priorities
- Sector profile and strategy

Action point

1. Arrange a separate session to discuss the Intellectual Property Rights Act.
2. Arrange a separate workshop to discuss the PPP Policy.
3. Seek financial support to keep the sector afloat.
4. Recruit a full-time sector consultant to help with sector coordination.
5. Finalization of the strategic plan for the sector

Annex: Agenda

TIME	ACTIVITY	EXPECTED OUTCOMES
8:30 – 9:00	Registration and Introduction	
9:00 – 9:10	Welcome remarks by the Vice Minister of Trade and Tourism. <ul style="list-style-type: none"> Hon. Muuse Ibrahim Yusuf (Selef) 	<i>Remarks by the Vice Minister of Trade and Tourism</i>
9:10 - 9:40	Reforms in the Economic Sector Agencies: A Quick Update by: <ul style="list-style-type: none"> DG – National Insurance Authority Hon. Abdirahman Musa DG – Ministry of Employment and Social affairs Hon. Abdirashid Ibrahim Sheikh DM of Free Zone Authority Hon. Abdikarim Ibrahim Saleman DC of Central Bank of Somaliland Hon. Abdirahman Sh Hassan Vice Minister of Finance Development Hon. Roda Cilmi Jama Minister of Investment and Industrial Development Hon. Cabdilahe Cabdiraxmaan Aare Chairman of Chamber of Commerce Hon. Jamal Aideed 	<i>A brief summary of recent reforms implemented by various government agencies in the economic sector</i>
9:40 – 9:50	Official opening by the Hon. Minister of Trade, and Tourism. <ul style="list-style-type: none"> Hon. Mohamoud Hassan Sa’ad 	<i>Official opening remarks of the 16th Economic Sector Coordination Meeting</i>
9:50 – 9:55	Review and confirmation of minutes of the previous 15th ESCOM meeting. <ul style="list-style-type: none"> Barkhad A. Hassan, Director of Planning MoTT 	<i>Follow up on the recommendations and action items from the last meeting, as well as providing feedback to the attendees. Calendar of events is being updated.</i>
9:55– 10:40	Presentations: <ul style="list-style-type: none"> Automation of Business Registration and Licensing: by Ibrahim M. Ismail Director of ICT MOTT Intellectual Property Rights Act: by Fadumo A. Awale (Legal Department Director -MOTT) and Mustafe M. Dahir Legal Advisor to MOTT PPP Policy update: by Fu’ad Rashi Bullo Director of BDS of MoIID National Development Plan 3 preparations: by MoP&ND 	<i>Main Agenda for the meeting</i>
10:40 – 10:55	COFFE AND TEA BREAK	

10:55 – 11:30	Open discussion: Q & A	Allow participants to make comments or share information with others.
11:30	Items for the next ESCOM (Proposals) & closing remarks	

Annex2: Photos

