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PUNTLAND STATE OF  
SOMALIA  
OFFICE OF THE  
PRESIDENT

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100 DAYS REPORT

Garowe

26 April 2009

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# **The First 100 Days in Office**

## **H.E. Abdirahman Mohamed Mohamud (Farole)**

### **President, Puntland State of Somalia**

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**FOREWARD** | As the new President of Puntland State of Somalia, I am accountable to the people of Puntland for the performance of my Administration. This is the reason I am releasing a progress report for my Government's First 100 Days in Office – the first of its kind in Puntland government history. The report details the first steps we have taken to rescue the State from the edge of collapse and covers our activities in many sectors, including Security, Public Finance, the Justice System and International Relations. We are confident that the public and interested parties will find the information to be indicative of the Government's commitment to improving good governance in Puntland.

My Government's first steps included strengthening the capacity of the Presidency by nominating three State Ministers: for Democratization Process and Federal Relations; for Good Governance; and for Security. Other key acts included appointing a Field Forces (Darawish) commander, new judges and prosecutors, and embarking on an overall reform of the government system that existed in Puntland since the State's creation in 1998.

During the First 100 Days, we visited all major towns and rural villages along the 750km road, including Bossaso, Galkayo, Qardo, Burintle, Harfo and numerous other townships along the major north-south highway. My visit to Galkayo, the southern gate of Puntland, was especially memorable as a characteristic example of the Puntland people's inherent desire for a strong and functioning government as demonstrated by the thousands of mothers, fathers, elders, students, civil society and other strata of society who stood in the burning sun for 22km leading to Galkayo awaiting our delegation's first visit since coming to power, for which I am truly grateful. The people's expectation was very high and in line with my Administration's tune of change that would institute an effective and functioning government with the long-term prospect of serving as a model state for the future Federal Republic of Somalia.

During the early days of my Administration, I have emphasized our connection to the community by addressing the public through the media and community gatherings including giving speeches at mosques on Fridays, when thousands of Muslims gather for communal prayers. It is our intention to inform and to educate the public about good governance, democratization and economic development.

The days ahead will be long and will require much sacrifice, both from the government and the public. We ask for your patience and your prayers.

Thank you,

Abdirahman Mohamed Mohamud (Farole)  
President, Puntland State of Somalia

**OVERVIEW** | The State of Puntland is a regional autonomy located in Northern Somalia. The State's regional government was first established in August 1998 after a Grand Conference attended by politicians, military officers, business leaders and community elders convened in the town of Garowe, the capital city of Puntland. In July 2001, the Provisional Constitution expired and a constitutional crisis erupted, engulfing almost the entire region in civil conflict that ended in 2002 after successful mediation efforts led by the traditional elders and community leaders.

In Jan. 2005, Puntland held a peaceful election that transferred power to Gen. Mohamud Muse Hersi (Adde), who served a four-year term as Puntland President until Jan. 2009. A new election was held that month, where nine presidential candidates (including then-President Hersi) and five vice presidential candidates competed in a peaceful, transparent and democratic election. Dr. Abdirahman Mohamed Mohamud (Farole) was elected as the new President of Puntland, winning a 74% vote in the 66-seat Puntland Parliament; Gen. Abdisamad Ali Shire was elected as the State's new Vice President.

Over the years, Puntland has changed and transformed according to political changes both inside the State and across Somalia as a whole. But the single most defining aspect was that government organs in Puntland did not have strong institutional foundation to endure from one administration to the next.

Under such conditions, President Abdirahman Farole assumed responsibility to lead the State for the coming four years. He campaigned on a platform of reforming all sectors of the government, including the security apparatus, public finance management and improving social services. The President called for structural change and the establishment of effective government institutions with a proper chain of command and efficient policy implementation.

Soon after the formation of the new Puntland Cabinet, the Government immediately stepped up to focus on core issues, including: Security, Public Finance Management, the Justice System, the Democratization Process and Economic Recovery.

The New Administration came to power at a time of global and security problems, including terrorism and piracy. There were also huge domestic problems that touch on every aspect of the wider well-being of the State. These challenges require competent leadership, resilience and unprecedented cooperation between the government, the public and the international community.

The Government is confident that necessary reforms have begun on the road towards structural change and appreciates the public's consistent support. Further, the Puntland Government appeals to the people of Puntland to be patient during these challenging times as change cannot come in a single day. The anticipated change is a gradual process that requires a methodical process that will take time to come into effect. This report, entitled the First 100 Days in Office, is a step towards informing the public and all interested parties about the actions of the New Administration since assuming office in Jan. 2009.

**STATE SECURITY** | The new Administration's number one priority in the First 100 Days was to rebuild, reorganize and undertake complete reform in the security sector in order to gain and increase public confidence in the Government. This vital task was made especially difficult by the condition of the security forces existing in Puntland culminated by the failure to pay security forces' salaries and due care which triggered voluntary disbandment of the servicemen in the security sector since 2007. The New Administration inherited a system that lacked well-established police and paramilitary forces with adequate apparatus and a clear chain of command that could quickly execute orders from higher officials of the Government, including the President. State security structure was in near complete collapse, except for a few fragmented clan militias acting at free will and often for narrow interests. As such, the New Administration had great difficulty in reorganizing the clan-based militia and issuing the recall of former professional officers to assume responsibility of restructuring different categories of the security forces to ensure the proper upholding of the rule of law.

In this regard, the President appointed well-known professional military officer Col. Said Abdi Farah to take up the post of Commander of the Puntland Field Forces (Darawish), a paramilitary force tasked with the protection of the State's territorial boundaries, which could also be used to maintain internal security alongside the Territorial Police. Col. Said's appointment was vital to restructuring the Field Forces (Darawish). Since the creation of Puntland in 1998, the Field Forces (Darawish) formed the core of the State security apparatus and played a key role in ensuring public safety and confidence. In 2004, when H.E. Abdullahi Yusuf Ahmed, a former ruler in Puntland, became President of the Somali Transitional Federal Government (TFG), a strong force of about 3,500 Puntland Field Forces (Darawish) traveled to South Somalia to form the core of the TFG national army. The absence of such a big number of manpower with their equipment, including armed and transport vehicles, created a security vacuum in Puntland leading to the gradual decline of the forces and contributed to insecurity.

The new Commander has done a remarkable job, recalling ex-combatants and opening five training camps in Puntland. So far, thousands of Field Forces (Darawish) have been reestablished and are currently undergoing instruction at training camps. Further, the New Administration has been actively demobilizing and downsizing militia with the aim of modernizing the security forces and maintaining a sustainable number that can receive salary, medical care and other necessities. The Government has spent massive resources on demobilizing militias, especially the sick, the disabled and the old. Also, the demobilized militias were well-registered to ensure that they cannot return to the Puntland security forces. The New Administration has approved to retain a reasonable number of security forces to set up bases at strategic points of the State, primarily at urban centers and along the coast, with rapid mobility to deploy quickly to any part of the State in case of emergency.

Furthermore, reform proved difficult, the Police Force is also undergoing necessary readjustments. This attempt became an enormous challenge to the Government requiring huge financial cost in the form of salary, food ration, sorting out and training for

members of the Police Force, who have already been on the government payroll; however, most of them are believed to be ghost names created by corrupt police officials. For instance, it has been noted that there are huge numbers of police officers on the government payroll in all regions of Puntland, mainly in Bossaso; but an independent government audit found the police list to be full of ghost names. The New Administration will continue to sort out the phenomenon of ghost names until an organized and registered list of Field Forces (Darawish), Territorial Police and Custodial Corps are left.

In Garowe and Galkayo, the New Administration has launched a police campaign to get rid of the display of weapons publicly with great success. The policy of the government towards the police force is to arrange a stronger chain of command that would affirm an effective and proper scheme for control. All police recruits are being trained about the rule of law, citizen's rights and proper police procedure. The Police Force's special division called *Birmadka*, a mobile police unit, will be expanded to incorporate officers from different regions and help maintain internal security across the State, supporting police stations when required.

During the First 100 Days, there were three separate incidents of community conflict where religious leaders and traditional elders, endorsed by the Puntland Government, took leading role in resolving through the use of Islamic law (*Shari'ah*) and centuries-old Somali customary law (*xeer Soomaali*). The Government believes the role of Islamic law and the traditional system is effective in reestablishing peace in the rural areas, where nomadic herdsman clash at times over scarce resources. Separately, the kidnapping of a Pakistani native with a British passport in February proved a case for the Government; in the end, he was released unharmed after Puntland security forces spearheaded the rescue effort.

The Government appointed a special Re-organization Committee to steer and oversee reform in the security sector. This Committee has provided valuable data and advice to the President, in terms of available forces, equipment and working facilities. Separately, the President has nominated an Anti-Piracy Commissioner with the mandate of establishing an anti-piracy Coastal Task Force (C.T.F.) with the objective of combating piracy both onshore and offshore, as piracy off the Somali coast has reached unprecedented levels in recent years.

The New Administration fully understands and appreciates the value of peace and security. Although it will take time to overhaul the security sector, the Government continues to spend massive resources on the security forces in the form of salary and other support. However, the New Administration understands that resources spent on security jeopardizes the public demand for structural change and therefore, is spending time to search for funding from other sources, mainly the international community.

**PUBLIC FINANCE** | The allegedly gross mismanagement of public funds was one of the most important debates during the 2008 election campaign. The New Administration inherited a public finance system that was leading the State towards economic collapse. When President Abdirahman Farole came to office, government workers – i.e. civil servants and security forces – were not paid for many months. There was the phenomenon of ghost names that inflated the list of registered names on the government payroll. For example, the Ministry of Finance held records that 10,000 members of the security forces were on the government payroll and were regularly receiving their monthly paychecks, which became a burden on the government budget.

The Ministry of Finance has done a remarkable job enhancing the revenue collection system and ensuring that civil servants and members of the security forces are regularly paid; for example, all government employees were paid for the months of January, February and March of 2009. The sole exception is the Field Forces (Darawish), since their correct list is still being registered; the bulk of the Field Forces (Darawish) was paid for the month of March and all members continue to receive food rations. The New Administration plans to continue to regularly pay salary to government workers for their services to ensure that government policy is implemented on a timely and effective basis.

The New Administration submitted a temporary three-month budget to the Puntland Parliament in late Jan. 2009. The temporary budget was based on the 2008 Puntland Government ordinary budget with the central aim of paying government employees, including the security forces, and funding necessary services for the various ministries and other governmental organs. The Puntland Parliament approved the three-month temporary budget and expects the New Administration to submit the ordinary 2009 budget by the end of April 2009.

The New Administration, through the Ministry of Finance, has created mechanisms at Ministry-level and lower levels to ensure proper financial controls and transparency through periodic reporting and inspections. The Ministry of Finance has created a new standard of tax collection papers to overcome mistrust inherited from prior years. The new Ministry of Finance documents have helped the Government reach out to the business community and to reestablish trust in the Government.

Restructuring public finance management has included balancing the budget and an inflation adjustment in the Consumer Price Index to update the market to meet today's standards. This adjustment has slightly increased government revenue, which has helped the Government pay for necessary salaries and services. The New Administration understands that the public has entrusted the Puntland Government with public funds to protect the people's lives and property and to reach a measure of self-development. The Government's top priority in the public finance sector is to ensure transparency and proper reporting. The Government will continue to upgrade the capacity and capability of the Ministry of Finance, which remains the central organ in charge of managing government revenue and assuring the public. The Government remains committed to maintaining a responsible public finance system and updating the people periodically regarding government expenditures and activities.

**SOCIAL SERVICES** | The state of healthcare and education in Puntland has always been dismal since the State's creation in 1998, because of insufficient allocation of resources for the sector in the past. In that regard, none of the former administrations have ever taken progressive steps towards funding government-owned public schools and regularly paying teachers nor has any former administration ever established a working public healthcare system where the poor class of society could afford to receive medical treatment; in both sectors, there was a historic reliance on the private sector and the local and international aid groups to provide such vital social services.

The Ministry of Education has begun a series of meetings with educators and school owners across Puntland with the ambition to realize the long-term goal of establishing an integrated curriculum for public schools in Puntland. Since the collapse of the Somali central government in 1991, Puntland State's educational profile has been dominated by curriculums imported from neighboring countries, such as Kenya and the United Arab Emirates (U.A.E.). However, the New Administration endeavors to analyze the current state of the education system and to propose the most appropriate and effective way to establish a unified curriculum.

In Feb. 2009, the Puntland Minister of Education visited Ethiopia where he attended a meeting with the United Nations Children's Fund (UNICEF) and the African Education Trust (AET), where the Puntland delegation agreed with international partners to re-start the teacher-training program known as SCOT. The Government remains committed to taking measures to ensure strong relations with foreign agencies and foreign governments, in order to attain for Puntland students an opportunity to study abroad among other benefits.

With regard to healthcare, the Ministry of Health, which is led by professional medical practitioners, has already taken encouraging steps to improve healthcare facilities and in this regard visited many regions to assess medical facilities available at major referral hospitals. The Ministry collected data on the state of the medical system in Puntland, including visits to private hospitals and discussions relevant to improving the healthcare system. In February, President Abdirahman Farole encouraged business leaders in Bossaso to donate towards the expansion of Bossaso General Hospital to accommodate more patients and to provide better healthcare, and the project is expected to start soon.

On March 24, the Minister of Health opened a TB center in the town of Qardo, the provincial capital of Karkaar region, to commemorate TB Day and to help raise public awareness about health issues relating to Tuberculosis. The event is part of the Government's ongoing effort to realize public health awareness across Puntland. The Government remains committed to use all resources available to publicize a healthcare campaign, with focus on preventive education and community awareness.

The New Administration will continue to invite cooperation with international agencies and foreign partners in the education and healthcare sectors. The Government understands that the public desires decent education for the youth and proper healthcare for everyone. Therefore, the New Administration underscores that improving the social

services sector will remain one of the Government's top priorities in the coming four years.

The New Administration has increased budget allocation for the social sector in ongoing efforts to improve the state of education and healthcare in the State. At last but not the least, the New Administration believes that Puntland needs significant funding support to achieve the cherished dream of the people of Puntland to attain a successful education system and reliable public healthcare.



**JUSTICE SYSTEM** | The New Administration in Puntland recognizes that improving the justice system is a huge part of good governance. The justice system is an integral and important part of the government for many reasons, including: assuring the separation of powers; preserving equality before the law; and upholding the rule of law effectively and fairly.

When the New Administration came to office, the justice system was in neglectful condition: prison space was very limited and prisons were often congested; hundreds of inmates were jailed for months without ever coming to court; there was an inadequate court system to listen to the host of civil and criminal cases; and an overall lack of coordination between the various arms of the justice system, such as the police, the courts and the prisons.

The Government's top priority in reorganizing the justice system was founded on enhancing the capacity of the Custodial Corps who protect the prisons in Puntland. Current members of the Custodial Corps were provided further training and their salaries increased slightly. The New Administration also undertook to renovate the Bossaso Central Jail to upgrade the holding capacity and the security perimeter.

Further, the New Administration has appointed new judges and new prosecutors to major towns in Puntland after a competitive examination, with the objective of lessening the case volume and the burden exerted upon the justice system. The Government has increased the salaries in the justice sector for the 2009 ordinary budget, which will be presented to the Puntland Parliament in later April.

As an example to all prisoners, the President pardoned 66 inmates from the Bossaso Central Jail in Feb. 2009. Two former inmates were especially selected and hired by the Government to work inside the prison system and to educate inmates about good behavior and social rehabilitation and that program has shown promising results.

The long-term goals include completing the main prison in the town of Qardo, capital of Karkaar region. That prison has larger holding capacity and will become Puntland's largest inmate facility once completed. The central aim is to ease congestion at the various jails in Puntland and to establish speedy trails for persons in the justice system.

**INTERNATIONAL RELATIONS** | The Puntland Government is committed to the unity of Somalia as a single nation, with a single national flag and Mogadishu as the national capital. The New Administration is equally committed to ensuring that the interests of the people of Puntland are protected through the creation of a functioning and sustainable Federal Government for Somalia.

However, the Government recognizes that south-central Somalia remains politically unstable and the Government has therefore endorsed the previously established policy to direct and safeguard Puntland interests until the future creation of a Federal Republic of Somalia founded on the principles of consensus, reconciliation and progress, which will function under a Federal Constitution drafted with the full participation of the federal government and the regional administrations (such as Puntland) in order to avoid a conflict of interest and protect the states' rights under the federal system.

In Feb. 2009, the New Administration invited United Nations agencies, international NGOs and other interested parties to the Puntland capital city of Garowe to participate at a conference with the theme of "Re-engaging with the International Community." The Government presented a strategic plan to re-engage international aid agencies and the donor community in terms of humanitarian service delivery that had been halted due to a number of factors in recent years, including insecurity and inadequate understanding between the government and the aid community.

In a letter dated 4 March 2009, the U.N. Resident and Humanitarian Coordinator to Somalia, Mr. Mark Bowden, stated: "The President of Puntland and his Cabinet provided a strategic vision for Puntland's development which includes a commitment to Security Sector Reform, the creation of a safer environment...It also involves establishing a balanced budget with a commitment to increased government expenditure on the social sectors of health and education, improved levels of financial accountability and the commitment to paying public sector salaries."

The New Administration has continued to support measures to strengthen trade and security ties with neighboring countries, most notably Ethiopia, Djibouti, Kenya and Yemen. In March, President Farole led a delegation to Ethiopia and Djibouti that included the Minister of Planning and International Cooperation and the State Minister for Democratization Process and Federal Relations. The Puntland Government delegation was welcomed in Addis Ababa and Djibouti City and President Abdirahman Farole held official discussions with Prime Minister Meles Zenawi and President Ismail Omar Guelleh, the leaders of Ethiopia and Djibouti, respectively.

The Puntland Administration reached an understanding with the governments of Ethiopia and Djibouti covering many areas with mutual interest, such as trade and security. The delegation held ministerial-level meetings with various ministries, as well as discussions with foreign embassies in Addis Ababa and Djibouti City. The President's visit to both countries served as introductory meetings with the countries of the region and the emissaries of countries outside Africa.

During these meetings, the delegation repeatedly outlined the Puntland Government's firm position on the federal system of government in line with the international community's reconciliation agenda for Somalia. The Puntland delegation met with U.N. Special Envoy to Somalia, Mr. Ahmedou Ould-Abdallah, in Djibouti City where the Government meticulously expressed its position in relation to the wider process of Somali national reconciliation.

In mid-April, President Abdirahman Farole visited Nairobi, Kenya, where he held meetings with Western ambassadors, including the U.S. Ambassador to Kenya, Mr. Michael Renneberger. The Puntland President presented an anti-piracy plan to the international community, which called for unprecedented cooperation and a common partnership between foreign warships off the Somali coast and local authorities, i.e. the Puntland Government. The Puntland delegation met with representatives from the United Nations, the African Union, the European Union, the Ambassadors of many countries including Italy, France, Canada, Germany, Sweden, and senior government officials in Kenya, like the Deputy Speaker of Parliament and the Minister of Defense. The President's anti-piracy plan was widely welcomed by representatives of the international community and the President invited all sectors of the international community to come visit Puntland.

The Government continues to endeavor to establish good relations with neighboring countries, world governments and international organizations, such as the U.N. The Government's policy with regard to international relations is to seek support for improving local governance institutions, public services, rebuilding infrastructure, and to demonstrate to the world community that the Somali people are capable of establishing a regional authority that upholds the sovereignty and territorial integrity of Somalia under a federalism formula.

**NATURAL RESOURCES** | Somalia is a country endowed with plenty of natural resources, both on land and along the coast. Puntland is strategically located at the very tip of the Horn of Africa region and its coast touches on the Indian Ocean and the Gulf of Aden, providing a maritime gateway between Europe and Asia. Historically, this region was known as the “Land of Punt” where Ancient Egyptian rulers visited and traded unique items such as myrrh.

In the 1980s, major oil companies in the West signed contracts with then-Somali President Mohamed Siad Barre to explore for oil in different blocks of Somalia. In the Puntland regions of the northeast, U.S. oil giant Conoco (now Conoco-Phillips) attained concession rights for oil exploration to the largest block in the Puntland regions. By 1991, however, Western oil majors declared *force majeure* and pulled all staff out of Somalia as a civil war engulfed the entire country.

In mid-2005, then-Puntland President Mohamud Muse Hersi (Adde) signed a Contract of Work with Australia-based Range Resources, Ltd., giving the mining firm exclusive rights to explore for oil and minerals in all regions of Puntland. The new President of Puntland, H.E. Abdirahman Mohamed Mohamud (Farole), publicly stated after winning the Jan. 2009 election that the new administration recognizes the exploration contract in principle, but has noted that the agreement is currently under review.

In the First 100 Days in Office, the Ministry of Minerals and Petroleum has been downgraded from Ministry-level to an agency under the Puntland Presidency as the New Administration sought to focus efforts on matters of urgency, such as security and public finance management. The new Minerals and Petroleum Director inherited an office staff that had not been paid in the prior months, overdue office rent and lack of transport facilities.

The New Administration has called on Africa Oil Corp., a Canadian explorer that is the joint-venture partner of Range Resources, to present documents collected from exploration sites at Dharoor Block. So far, however, Africa Oil Corp. has not handed over any documents to the New Administration, including seismic survey records from the block.

The New Administration will call on a panel of experts to review the oil contracts and to ensure that the contract is on par with international standards. The Puntland Government’s policy on natural resources found on land or at sea is that the states have rights of ownership in a federal arrangement that guarantees fair-sharing with the Federal Government in order to benefit the local community and all Somali citizens.

**MEDIA RELATIONS** | Puntland State of Somalia has a history of being one of the most media-friendly regions in Somalia. The New Administration wishes to continue and strengthen that reputation through support for media organizations, such as the Media Association of Puntland (M.A.P.). The Ministry of Information and M.A.P. have held extensive meetings on the role of the media in government and society; discussion topics included journalism ethics, media professionalism and the promotion of neutral reporting.

President Abdirahman Farole has met personally with a host of journalists representing various news agencies to discuss media relations in specific, especially in terms of expressing government policy and expectations. The New Administration has requested journalists to uphold media ethics in order to minimize disputes between the Government and the independent media.

The Government is aware of journalists who have published defamation work against senior government officials, including the President himself. The Government believes that this dirty media campaign is being fueled and funded by political actors, who oppose changes the New Administration has brought to Puntland. One of the major changes is the almost complete overhaul of the Council of Ministers that was not changed since the State's creation in 1998; only four Ministers were retained from the previous Administration. The Government is undertaking steps to establish a strong and formal relationship with the independent media, in order to promote professionalism in the media sector.

The New Administration is committed to empowering the Ministry of Information to ensure that the Government has an effective media tool and monitors the independent media to guarantee professionalism and respect for media ethics. The Government proposes to empower existing state-run media and plans to create new media that can reach a larger audience in Puntland, in order to inform and educate the public about government policy and other relevant matters.

The Puntland Charter guarantees the freedom of the press and the New Administration will ensure that the charter, which is currently under constitutional review, retains the clause upholding the freedom of the press. The independent media serves as the bridge between the public and the government, and the New Administration will continue to strengthen ties to the independent media to engender an environment of free expression with respect to local laws, human rights and good governance.

**DEMOCRATIZATION PROCESS** | The New Administration remains committed to reviewing the Puntland Charter and its subsequent public referendum. These two crucial steps will provide the groundwork for the creation of a multi-party political system ahead of the 2013 elections and allow Puntland to prevail over problems of clan-based politics brought by the clan-based system of government.

In this regard, the Government has appointed a State Minister for Democratization Process and Federal Relations who has been especially selected to steer the ongoing democratization process. This is a good indication that the New Administration is seriously committed to completing the process of full democratization, which the people of Puntland have longed for many years.

The 2009 Puntland Election was historic because it was a locally owned process that brought genuine political change in an organized and civil manner. The peaceful transfer of power from outgoing President H.E. Mohamud Muse Hersi (Adde) to new President H.E. Abdirahman Mohamed Mohamud (Farole) has gained applause from local, national and international levels. The peaceful transfer of power was equally historic and miraculous in today's Somali context, as the public celebrated a democratic change of power and welcomed the new President with awe and respect.

The new government in Puntland acknowledges that strengthening the democratic process is the only option that will lead to long-term political stability and economic sustainability. During its First 100 Days in Office, the New Administration has requested the Puntland Parliament to return a Draft Charter submitted by the former administration back to the Government for a constitutional review ahead of a formal submission to Parliament, which the lawmakers accepted.

The ongoing constitutional review process is aimed at correcting the structure of the Provisional Charter, which has created difficulties to read, interpret and to avoid contradictions and overlapping articles. The ultimate goal is to propose new structure for re-ordering the text based on two principles: regrouping all articles that deal with a specific subject under a single heading; and reorganizing the text from the most general to the particular in terms of content. The new Draft Constitution is structured in the following way: *Title I: The Fundamental Definitions and Goals of Puntland State of Somalia; Title II: Fundamental Rights and Guarantees of the Person; Title III: The Economic Order; Title IV: The Political System and the Fundamental Organs of the State; Title V: The Structures of the State (Separation of Powers); Title VI: Administrative Issue; and Title VII: Reform and Derogation.*

The Government submitted a three-month temporary budget to the Parliament as part of the democratic process. This step was clear recognition of the three separate and equal branches of government; historically, the Puntland President has wielded unconstitutional authority to steer the government's direction and policy with disregard to the constitutional authority that empowered the Parliament (Legislative Branch) to oversee the actions of the Presidency (Executive Branch).

The long-term goal of completing the democratization process includes a formal plan to create a functional multi-party system that engenders a new era of competitive politics where reasonable and different opinions are voiced and respected. The single-party history of governance in Puntland has in essence been one of the root causes of political problems that have largely led to a lack of progress since the State's creation a decade ago.

The new Government recognizes that the 2001-2002 civil conflict in Puntland was a major setback for political progress in this part of Somalia. However, the Government also recognizes that Puntland has come a long way since; the peaceful and orderly elections of 2005 and 2009 marked a historic moment for change in Puntland and underscored the people's desire for a strong, organized and functional administration that can protect the State's interests and uphold the rule of law.

**ECONOMIC RECOVERY** | Puntland State of Somalia shares the overall state of the economy with the rest of the world, as global economic conditions hit a general downturn in 2008. However, the new Government has taken steps towards economic recovery and rebuilding infrastructure that is vital to the region's economic viability. The Government's economic policy is founded on the strategy of free market economy to allow the smooth flow of goods and limit governmental restrictions.

One of the cornerstone actions of the New Administration has been attempting to lower the exchange rate and regulate inflation. When the Government came to office in Jan. 2009, 100 USD was exchanged for 3,600,000 Somali Shillings. Today, the exchange rate at markets in Puntland stands at 3,000,000 Somali Shillings per 100 USD. This is a small change but the New Administration is committed to continuing on the path to economic recovery through small steps that bring gradual but effective change in economic conditions.

The New Administration's fiscal policy has implemented a plan to restrict government expenditures to a minimal with the goal of balancing the budget. During the early days of economic recovery, the Administration has prioritized enhancing the revenue collection system towards achieving the balanced budget objective. The Government has also stopped the economically destructive policy of exchanging Government funds into U.S. Dollars by dumping huge amounts of Somali Shillings in the market, thereby worsening an atmosphere of hyperinflation. Consequently, commodity prices have fallen significantly at Puntland markets. Further, the Government has completely banned the printing of Somali Shillings, a practice in the recent past that has had a devastating effect on the local economy.

Production in Puntland is very low, due to a number of critical factors, such as lack of investment and lack of access to global markets. However, the Ministry of Commerce reports that exports from Puntland is fairly low, although there is the positive indication that business activity especially in the livestock sector to markets in the Middle East has increased slightly from the same period in 2008. In general, business activity in Puntland has increased slightly compared to this same period last year, according to data collected by the Ministry of Commerce and the Ministry of Finance. This is partly due to the new Government of President Abdirahman Farole that has ushered in a fresh atmosphere of progressive change to Puntland in terms of politics, economics and social sectors.

Further, consumer confidence has grown during the Administration's First 100 Days in Office. The Government has held three official meetings with the business community in Puntland and each time business leaders expressed willingness to pay taxes regularly. This is partly due to the growing confidence within the business community that the New Administration has brought accountability and transparency to the Government of Puntland unmatched in the prior years. The business leaders have indicated that they are confident with the Government's accountability mechanism and have supported measures to collect taxes properly. The business community has expressed readiness to contribute to infrastructure development in a public-private partnership with the Government; the business community has been energized by the Administration's decision to empower an



independent Chamber of Commerce and Industry. Further, the Ministry of Finance reported that tax evasion has decreased to a lower level compared to the same period in 2008.

Overall, the economic atmosphere in Puntland is slowly changing to fall in line with the political changes brought by the New Administration. The Ministry of Finance and the Ministry of Commerce continue to cooperate to establish a systematic structure to collect taxes on land from local businesses; in the past, tax collection has been weak and limited to customs fees. The Government plans to strengthen revenue generation as part of ongoing efforts to solidify the financial and economic systems.

**REBUILDING INFRASTRUCTURE** | In pre-war Somalia (before 1991), during the eras of civilian democratic rule and military dictatorship, Puntland remained the most neglected part of Somalia. Much of the government's resources were spent in the south, especially in the capital Mogadishu, where ports, airports, roads, small-scale industries, universities, hospitals and other public centers were constructed. Other regions enjoyed key facilities, such as international airports and ports in Kismayo and Berbera, and small-scale industries in towns like Jowhar. In the 1980s, the military dictatorship built a 750km north-south highway that connected the main towns in Puntland. Aside from this, all three fish factories in Somalia were constructed in Puntland State, a testament to the region's historic fishing culture.

The New Administration recognizes that rebuilding and maintaining the available infrastructure in Puntland will be necessary for long-term economic progress. The Port of Bossaso, Puntland's commercial hub, has served as the main port for northern Somalia since the 1990s. Improving port facilities during the First 100 Days in Office was a crucial step towards the Government's larger plan to begin rebuilding infrastructure across Puntland.

The Ministry of Ports and Marine Transport reported that it has begun refurbishing the port by installing a new lighting system and collecting wasteful material from the dock. Port rehabilitation during the early days of the New Administration was cornerstone to the Government's long-term plan and commitment to rebuilding the state infrastructure.

In an example of public-private partnership, a major private company agreed with the Government to buy and install road traffic signs across the 750km stretch of tarmac road that connects Bossaso to Galkayo and transverses through the Puntland heartland. The traffic signs include signals indicating distance, road safety signs such as speed limit and issuing traffic restrictions at dangerous locations after midnight.

The Government will remain committed to making small steps in rebuilding and maintaining current infrastructure as part of efforts to build the State's economic capacity. The New Administration will continue to seek international support to renovate, to maintain and to build new infrastructure in Puntland, as infrastructure is key aspect of economic development.

**BEYOND 100 DAYS** | The First 100 Days in Office provide the blueprint for the Puntland Government's strategic plan to develop the State in every sector. The four-year term for President Abdirahman Farole will focus primarily on the core issues mentioned in the above pages, as the Government takes small steps to reach the ultimate goal of creating an organized, functional and self-reliant Puntland with the prospect of a brighter future for the current and next generation of children.

Puntland remains to be an integral part of Somalia and will support nation-building efforts, insofar as the federal system of government forms the foundation of any future government. The New Administration will continue to keep a close eye on developments in south-central Somalia, especially in the capital Mogadishu where the "Government of National Unity" has mysteriously appeared in international politics and media, raising suspicion in Puntland that the "federal" term is slowly disappearing from the political lexicon and creating an atmosphere of confusion with regard to federalism. The Puntland Government will remain committed to ensuring that the states' rights to political autonomy, land and resources is well-protected under the final version of the Federal Constitution of Somalia.

In the coming months and years, the Puntland Government will continue to reinforce ongoing progress in many sectors. The Government is committed to increasing salaries for government employees, especially security forces, judges, prosecutors and public workers, and completing training programs for all members of the government. Further, the New Administration will continue to search for ways to boost government revenue, through donor support, economic development and natural resource exploitation.

The Government will complete the democratization process so that Puntland can hold free and popular elections by 2013. The New Administration plans to allow the establishment of multiple political parties within the next two years in order to achieve the prospect of good governance and finalize the institution-building process.

The Puntland judicial system will be reinforced as an independent organ, with respect to the State Charter. Capacity building for judges and prosecutors will continue to be implemented until the judiciary functions as an independent government organ with constitutional authority to interpret the law fairly and professionally.

The Government will remain committed to informing the public about activities, actions and policy decisions, as part of staying connected to the community at all times. The vision of the future is based on attaining self-sufficiency in government and economy and the long-term prospect of success will depend on qualified leadership, backed by local and international support, and satisfying the public's plea for a strong and democratic government that can steer the State towards a measure of self-development that everyone can be proud of.