



# PUNTLAND SITUATION REPORT

## Somali Law & Policy Program

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## 1. EXECUTIVE SUMMARY

Over the course of the reporting month, Puntland state territories continued to enjoy relative peace and stability. There were reports of Somaliland military movements in parts of Sool region, which is also claimed by Puntland. State court acquitted six suspects in the rape-murder of a mother in Garowe, in June 2019. In a new case, local media reported that a young girl with “mental health issues” was raped in Garowe; the spate of rapes had spiked in 2019 but decreased in 2020, after the state courts sentenced to death two men convicted of the rape-murder of a 12-year-old girl in 2019.

In the regional fault-lines, Somaliland forces clashed with self-proclaimed rebel group ‘Khatumo Liberation Front’ near Tukaraq; while the media reported the clashed, reports of casualties could not be independently verified. In South Mudug region, administered by Galmudug authorities, heavy fighting between local communities and Al Shabaab fighters led to at least 12 deaths. Meanwhile, Puntland military court handed down heavy sentences to five men convicted of being members of Al Shabaab and ISIS groups in Puntland. At least 4 people were killed in Galkayo when unidentified gunmen opened fire on a passenger vehicle, reviving worries of a return of clan revenge killings in Galkayo.

Puntland authorities continued to build the state’s security capacity, with an additional 300 officers completing police training. However, in Galkayo and Garowe, police officers killed 3 civilians and 1 civilian, respectively. The acts of state violence against civilians, carried out by security forces, risks harming the government’s security reform initiative as the violence could turn the tide of popular support against state police.

This month’s *Puntland Situation Report* covers the Mogadishu Agreement on the 2020/2021 election, whereby FGS and FMS leaders agreed to hold timely elections on a model loosely based on the 2016/2017 national indirect elections model. Further, the *Report* explores the impact of tax policy and rising inflation in Puntland, and the associated risks to the local economy. Moreover, the cooperation agreement signed between Puntland and Southwest states is overviewed, while the state’s democratization steps is analyzed in the context of local police arresting journalists from independent media stations.

The *Report* overviews the impact a global financial report had on Somali remittance companies and the future of the financial services industry. The report, “Follow the Money”, made claims that millions of dollars were transferred through Somali remittance companies, a claim that the said companies have vigorously refuted. In addition, despite the FGS-FMS education dispute, Maakhir University in Badhan, Sanaag region, was officially changed to Somali National University – Puntland State Branch. Finally, the *Report* briefs about the triple threat that Puntland state is tackling at the same time: Locusts, floods and COVID-19 pandemic. The *Report* provides insights into the challenges and the overviews the government’s handling of these ongoing crises.

## 2. PEACE AND SECURITY

- 2.1 **Key Developments:** During the reporting month of September, a total of 23 fatalities (dead and wounded) were reported in Puntland and the regional fault-lines, representing a decrease of 34.3% from total fatalities reported last month. About 52.2% of all fatalities were attributed to violence in regional fault-lines (areas controlled by Somaliland or Galmudug), about 17.4% attributed to local/clan conflicts, about 17.4% attributed to acts of violence perpetrated by Puntland government forces, and about 13% attributed to sub-national conflicts. For the second consecutive month, there were no VEO attacks reported. Military tensions between Puntland and Somaliland troops in parts of Sool regions were heightened, although there was no direct conflict reported. However, Sool-based rebel group ‘Khatumo Liberation Front’ led by Col. Faisal Falalug, claimed a guerrilla-style attack on Somaliland troops stationed in Sool region.
- 2.1.1 **Violence Against Women:** On Sep. 3, Nugal Regional Court acquitted six suspects in the case of Hodan Shanlayste, a mother in Garowe was raped and murdered in her home in 2019. The court case commenced in Feb. 2020.<sup>1</sup> On Sep. 8, Puntland president Said Deni appealed to the family of rape-murder victim Hodan Shanlaystay to “seek justice through appeals court” during a TV speech.<sup>2</sup> On Sep. 12, Somali media reported that a 16-year-old with “mental health issues” was raped in Garowe. The victim’s mother, Deko Mohamed Abdi, said her daughter was attacked by 2 men who are brothers – and local police have arrested one of the suspected men.<sup>3</sup> On Sep. 23, in a UNFPA report, the UN agency lamented a “disturbing escalation of violence which include gang rape” in Somalia.<sup>4</sup>
- 2.1.2 **Sub-National Conflict:** On Sep. 15, Somaliland media reported that Puntland authorities in Badhan, Sanaag region, “suspended” a water project by Somaliland authorities, as Badhan is under control of Puntland.<sup>5</sup> On Sep. 23, local media reported that Somaliland forces were conducting military maneuvers in parts of Sool region near the frontline opposite Puntland forces.<sup>6</sup> Media reports noted the arrival of senior commanders at Somaliland base in Tukaraq with armored military vehicles.<sup>7</sup>
- 2.1.3 **Regional Fault-lines:** On Sep. 4, at least 12 persons were killed in Shabellow village, in Bacaadweyne area of South Mudug region.<sup>8</sup> The fighting occurred after Al Shabaab attacked local villagers.<sup>9</sup> On Sep. 14, Somali media reported that “armed clashes” took place near Tukaraq, a military base for Somaliland troops in Sool region, after Khatumo Liberation Front (KLF) militia led by rebel leader Col. Faisal Falalug attacked Somaliland forces. Some reports said 3 combatants were wounded on both sides, but reports of casualties could not be independently confirmed.<sup>10</sup>
- 2.1.4 **Violent Extremist Organizations (VEO):** For the second consecutive month, there were no VEO attacks reported in Puntland-administered regions.
- 2.1.5 **Counter-Terrorism:** On Sep. 4, Mudug governor Abdiladif Muse Nur ‘Sanyare’ told local community in Jariban district of Mudug region that Puntland authorities were continuing investigation into bombing attack that killed former Mudug governor in May, in Galkayo.<sup>11</sup> On Sep. 19, a Puntland website reported that President Deni met with U.S. military officials in Mogadishu and renewed US support for Puntland Security Force (PSF), the state’s counterterrorism force since 2001.<sup>12</sup> On Sep. 29, Puntland state military court sentenced to death a man who was accused of being a key member of Al Shabaab group, while another four other men were sentenced to between ten and twenty years in prison.<sup>13</sup> Puntland security forces had recently arrested the suspects who were members of Al Shabaab and ISIS groups in Somalia.<sup>14</sup>
- 2.1.6 **Local/Clan Conflicts:** On Sep. 11, four people were killed when unidentified gunmen opened fire on a passenger bus in north Galkayo. Media reports said the attack was linked to clan revenge killings.<sup>15</sup>

2.1.7 **Maritime Security:** No reports of maritime security incidents recorded this month.

2.1.8 **Security Sector Governance:** On Sep. 7, Puntland police authorities complained about the prevalence of alcohol imported from Ethiopia in Puntland cities.<sup>16</sup> Alcohol is banned across Somalia and enters the country illegally.<sup>17</sup> On Sep. 9, Bari regional police commander Col. Hussein Ali Mohamed announced that police had arrested suspects in the murder of a police official in Armo, Bari region. The commander commented that “the era of murderers escaping has ended in Bari region”.

On Sep. 10, local leaders in Hidhhidh village of Sool region requested compensation from Puntland authorities after security forces raided a local home; local elders claimed that “young children” were wounded during the raid.<sup>18</sup> On Sep. 12, a Puntland Darawish Force soldier shot and killed 3 persons in Galkayo during an unexplained event.<sup>19</sup> Mudug governor Abdilatif Muse Nur ‘Sanyare’ told reporters that the soldier “killed a businessman” and then killed two civilian bystanders in a shootout as he was “escaping the police”.<sup>20</sup> Puntland authorities have not apprehended the killer yet.

On Sep. 19, Puntland Vice President Ahmed ‘Karash’ Elmi Osman attended graduation ceremony for 300 Puntland police officers at Horgoble training camp in Qardo.<sup>21</sup> Finance minister, police and Darawish force commanders also attended the ceremony.<sup>22</sup> On Sep. 29, a Puntland police officer shot and killed a civilian businessman named Abdulkadir Said Aw’Yusuf in Garowe, after a dispute between police and another businessman.<sup>23</sup> The victim died at the scene and the police officer was arrested.

## 3. POLITICS AND GOVERNANCE

### 3.1 FGS-FMS Agreement on 2021 Federal Election Signed in Mogadishu

3.1.1 **Key Developments:** Ahead of a scheduled meeting with Somali President Mohamed Abdullahi Farmajo, state presidents of Puntland and Jubaland – Said Deni and Ahmed Madobe – arrived at Mogadishu on Sep. 1.<sup>24</sup> Discussions were expected to focus on developing the model and agreement on preparations for 2020/2021 federal elections.<sup>25</sup> On Sep. 2, President Deni met in Mogadishu with former Somali President Hassan Sheikh Mohamud, and opposition party leaders Abdirahman Abdishakur, who has served as federal planning minister, and Sharif Hassan Sheikh Aden, who is a former federal parliament speaker and ex-president of Southwest state.<sup>26</sup> On Sep. 3, BBC Somali Service published a report noting contentious issues surrounding the planned meeting between Farmajo, Deni and Madobe. The meeting aimed to foster an agreement on election modalities and resolve tensions between FGS and the two dissenting states, Puntland and Jubaland. Dhusamareb 3 Agreement – signed by FGS, Southwest, Galmudug and Hirshabelle States, and Banadir Regional Administration – unveiled an indirect election model featuring at least 900 mixed-constituency delegate-electors voting for each federal MP and senator.<sup>27</sup> However, Puntland and Jubaland leaders did not attend the third FGS-FMS conference in Dhusamareb.

On Sep. 4, the Puntland president hosted a dinner in Mogadishu for lawmakers who represent Puntland state in the two Houses of Federal Parliament. State media reported that discussions between the Puntland leadership and the federal parliamentarians was centered on building consensus around a single vision for 2020/2021 national elections.<sup>28</sup> President Deni continued meetings key political figures in Mogadishu, including Mohamed Abdi Hashi, speaker of Upper House of Federal Parliament.<sup>29</sup> On that same day, Somali media reported that President Farmajo was preparing for the conference with Puntland and Jubaland; however, the two state leaders were reportedly delaying meeting Farmajo in the absence of other FMS presidents.<sup>30</sup> On Sep. 8, Deni alleged that the FGS was “delaying” international aid intended for Puntland by suspending a transfer of funds in an internationally funded program.<sup>31</sup> Finally, on Sep. 14, a three-day meeting of FGS and FMS leaders was held in Mogadishu and concluded with the issuance of 15-point communique, agreeing on 2020/2021 election model and setting the stage for parliamentary and presidential election campaigns.<sup>32</sup> On Sep. 17, only hours after the FGS-FMS election deal, President Farmajo nominated Mohamed Hussein Roble as Somalia’s new Prime Minister, replacing former Prime Minister Hassan Ali Khaire who was ousted unceremoniously in a surprise parliamentary confidence vote on Jul. 25.<sup>33</sup> On Sep. 26, in a joint session, the two Houses of Federal Parliament approved the Election Agreement reached in Mogadishu between the FGS and the FMS, namely, Puntland, Galmudug, Jubaland, Southwest and Hirshabelle states.<sup>34</sup>

3.1.2 **Analysis:** After a year-long process of political stalemate, the FGS-FMS meetings in Dhusamareb and Mogadishu culminated in the signing of the 2020/2021 election agreement between the FGS and FMS leadership. The Mogadishu Election Agreement was largely a replica of the indirect elections model of 2016/2017, save for a couple of new additions: holding the parliamentary indirect elections at two locations per FMS; and increasing delegate-voters from 51 to 101 per seat. This was a compromise agreement that aimed to hold the federal elections on time, with parliamentarians slated to be elected between October and December, and the presidential election slated for early February 2021. At the same time, the indirect election model fell short of realizing the progressive goals of the Dhusamareb 3 Accord – which Puntland and Jubaland states boycotted, thereby compelling the FGS to host a third federal-state conference in Mogadishu. The Dhusamareb 3 Accord featured a range of new options that heightened public expectations of a more fair and competitive elections, including: holding the parliamentary elections at three locations per FMS; and ensuring that 900 to 1,500 mixed-constituency delegate-electors voted for each parliamentary seat. It was envisioned that such stringent electoral modalities would help reduce corruption practices which had been prevalent during the 2016/2017 electoral process.

President Deni's meetings in Mogadishu focused on building rapport for national opposition political figures and encouraging federal parliamentarians from Puntland to support the state government in federal-state negotiations on the 2020/2021 election model. For sure, the Puntland and Jubaland leaders, after boycotting Dhusamareb Conference 3, accepted to attend the Mogadishu Summit but on the condition that other FMS presidents were also present. This was a positive move that ensured the election discussions was not limited to the FGS and dissenting states (i.e. Puntland and Jubaland), but rather that the election deliberations was between FGS and FMS leaders as a whole. The Dhusamareb 3 Agreement – which has been superseded by the Mogadishu Election Agreement – offered a more progressive and participatory approach towards Somalia's democratization journey. Fundamentally, an indirect election of mixed-constituency 900 – 1,500 delegate-electors voting for each parliamentary seat is far more competitive and closer to democratic practice than single-constituency closed-list 101 delegate-electors voting for each federal MP. That said, the Mogadishu Agreement finally settled the matter of FGS-FMS agreement on an election model and it is hoped that the Agreement will be implemented accordingly to ensure timely federal elections.

- 3.1.3 **Forecast:** The 2020/2021 election model has been agreed between the FGS and FMS, ending months-long political feud among the federal and state leaders, as well as opposition figures in Mogadishu. The federal election process is expected to unfold over the coming months, but the potential of new political disputes to emerge is not over yet.

## 3.2 Taxation and Rising Inflation in Puntland

- 3.2.1 **Key Developments:** On Sep. 12, Garowe mayor Ahmed Barre told a press conference that all citizens must pay taxes to help fund government budget and development initiatives. He was also critical of “government officials” who were allegedly “refusing” to pay local taxes, according to Puntland media.<sup>35</sup> On Sep. 14, media reports emerged that local businesses in Galkayo were “closed in protest” against new local business taxes imposed by the Ministry of Finance. A similar protest occurred in Galkayo in 2019, with traders opposing the local government's new taxes.<sup>36</sup>

On Sep. 20, Puntland Vice President Ahmed ‘Karash’ Elmi Osman inaugurated decentralization conference in the Puntland capital of Garowe. The vice president emphasized that decentralization policy is part of the administration's plans to improve service delivery to citizens in urban centers and rural communities.<sup>37</sup> On Sep. 21, the Puntland parliament had summoned the state's finance and planning ministers, after parliament's permanent committee received “complaints”; the nature of the complaints, or the identity of the complaining entity, remained unclear.<sup>38</sup> Puntland parliamentarians summoned Finance Minister Hassan Shire to parliament house in Garowe on Sep. 28, where he was questioned over the unspecified “complaints” submitted to parliament. Minister Shire addressed the parliamentarians in a closed-door meeting.<sup>39</sup>

- 3.2.2 **Analysis:** Disputes over taxation has been a common thread throughout Puntland state's 22-year history. Furthermore, since hyperinflation affected the Puntland economy in 2007, at a time when millions of US dollars had flooded local markets, the state's economic recovery has been slow but steady. In late-2019, Puntland economy began experiencing rising inflation which was adversely affecting the local economy, and especially small business owners and low-income families. The Puntland administration's renewed efforts to increase revenue collection was a necessary move to ensure the state can fund basic services, including salaries for civil servants and the security forces. At the same time, the Garowe mayor's public criticism that “government officials” were refusing to pay local taxes was indication of the local government's growing frustrations with Puntland officials, many of whom reside in the state capital Garowe. It remains imperative that paying taxes is a constitutional duty upon all citizens and businesses, and there is no exception for government officials. In fact, in order to lead by example, the mayor should have been ideally praising state officials for paying taxes on time, and it is a major disappointment that the opposite is happening.

Increasing taxes or introducing new taxes is a process that requires government to follow legal procedures and provide time for data collection on existing revenue streams, fostering a business-friendly environment whereby local businesses regularly pay tax, and providing time for raising public awareness on taxation. For example, in Galkayo, local traders shut down their businesses in protest against new taxes. This protest could have been prevented if the new taxes were introduced following a period of drafting and approving the legal framework in accordance with Puntland state constitution, raising public awareness and increasing civic engagement. It remains unclear whether or not the state parliament's summoning of the finance minister is linked to the taxation controversy, as parliament did not clarify the nature of 'complaints' against the finance minister; however, the complaints is likely linked to new taxes or rising inflation, or both. The timing of the parliamentary inquiry is not accidental, as local pressure had been growing for months over inflation.

- 3.2.3 **Forecast:** As Puntland government has not yet issued a strategic plan to manage the crisis of rising inflation and mitigating its adverse impact on the local economy, it is unlikely that rising inflation can be resolved over the coming month or two. In addition, the state's assertive taxation policy is likely to continue on the current path, which may put a further wedge between government and the private sector, and may have long-term consequences for Puntland state's economic recovery.

### 3.3 Puntland and Southwest to Increase Inter-State Cooperation

- 3.3.1 **Key Developments:** On Sep. 23, traveling from Mogadishu after the conclusion of the FGS-FMS summit, Puntland president Said Deni arrived at Baidoa, interim capital of Southwest state.<sup>40</sup> On Sep. 26, speaking at an event in Baidoa, Deni said the two state governments of Puntland and Southwest agreed to cooperate on security, economic development and technical cooperation.<sup>41</sup> Southwest state president Abdiaziz Lafta-garen, speaking at an event hosted for the visiting Puntland delegation, sent a message to Southwest communities who live and work in Puntland regions, and called on them to work, live in peace, pay taxes and cooperate with Puntland authorities.<sup>42</sup>

- 3.3.2 **Analysis:** Puntland and Southwest are two Federal Member States (FMS) of Somalia who have often called for increased political and economic cooperation. Although the two states do not share a common administrative boundary, Puntland and Southwest are known to have a developed closer trade and political links. Since the 1990s, many Somalis from Southwest state resettled in Puntland where they rebuilt their lives after fleeing conflict in southern Somalia. Many became local traders in Puntland state's major urban centers including Bossaso, Garowe and Galkayo. This relationship is further influenced by the exchange and movement of people and goods, as Puntland offers incentives for Southwest businesses to use port of Bossaso. In addition, the Puntland state's pledge to provide technical assistance to Southwest institutions is commendable step and should be implemented. Puntland has long considered itself the first FMS in Somalia, and other FMS administrations can benefit from the state's political experience through technical cooperation. Finally, Southwest state president Lafta-garen's message to Southwest communities in Puntland too cooperate with state authorities is a message that reinforces further cooperation between the two sides. Lafta-garen's message aimed to diffuse friction between local communities and traders from Southwest regions in Puntland increase which causes tensions during times of heightened political tensions.

- 3.3.3 **Forecast:** Puntland and Southwest states are anticipated to commence their cooperation protocols in the coming months, starting with capacity building initiatives and potentially expanding towards increased trade and private sector engagement. This will depend on the willingness and commitment of Puntland and Southwest administrations to further develop and grow their inter-state relationship.

### 3.4 Democratization and Media Freedom in Puntland

- 3.4.1 **Key Developments:** On Sep. 4, Transitional Puntland Electoral Commission (TPEC) representatives met with diplomats and representatives from the European Union in Nairobi. Since mid-2019, TPEC



has been actively promoting the democratization process in Puntland and leading preparations for the state's second attempt of holding multi-party Local Council elections in 2021.<sup>43</sup> The democratization process underway is widely perceived as forward-looking and measured political progress, whereby citizens are empowered to exercise their civic duties, and to elect and hold to account their elected leaders. However, governmental attitude toward media freedoms has included actions that may be deemed as regressive, in contrast with recent reports of media censorship and arbitrary arrests of journalists. For example, on Sep. 6, Puntland-based Radio Daljir reported that two of its reporters were detained by local police in Garowe.<sup>44</sup> State authorities did not officially publicize the charges against the two reporters, but the arrested reporters' colleagues and other media workers claimed that the journalists were detained after reporting on a court case.<sup>45</sup>

- 3.4.2 **Analysis:** There is no question that Puntland state's democratic ambitions is rooted in the people's aspirations for good governance and democratic rule. The foundations of a democracy include a free, vibrant and responsible media that informs, educates and inspires the population towards common goals of peace and development. An independent media, therefore, is a pillar and cornerstone of democratic governance and arbitrary arrests of journalists – without due process of law – is widely seen as an infringement or censorship on the independent media. Such practices undermine Puntland administration's credibility – and the hard-work of TPEC to gradually push the state towards competitive multiparty elections.
- 3.4.3 **Forecast:** Puntland state is trying its second attempt at holding multiparty local council in 2021 and the state government is expected to continue making strides towards preserving media freedoms.

## 4. SOCIAL AND ECONOMIC AFFAIRS

### 4.1 Terrorism Financing Report Agitates State, Private Sector Companies

- 4.1.1 **Key Developments:** On Sep. 17, international media agency *Reuters* reported that that suspected “arms dealers” were moving millions through Somali money-transfer networks (“hawala”).<sup>46</sup> The report was based on research by Global Initiative – an international organization that published the report, “*Follow the Money*”.<sup>47</sup> On Sep. 24, Somali-owned money-transfer company Iftin Express issued a statement denying the Global Initiative report and the company which alleged that financial transactions by criminal networks used Iftin Express to transfer illegal funds.<sup>48</sup> On Twitter, the National Security Advisor to the president of Somalia also gave his thoughts on the report, whereby he largely reverberated Iftin Express' denial of the allegations.
- 4.1.2 **Analysis:** Somali money-transfer companies (*hawala*) have kept the nation afloat since the central government collapsed in 1991. Benefitting from the Somalis' trust and strong traditional justice mechanisms, *hawala* companies were able to prop up across the globe wherever Somalis were located. The money-transfer firms thrive on simplicity, often employing a small number of agents who transfer money to people, through a system that has continued to embrace technology. The system is built and has operated on trust and has continued to grow globally expediting the transfer of funds faster than established and more conventional global money-transfer companies. Yet, *hawala* companies have had their fair share of scrutiny, especially since 2001 when some Western governments launched terrorism financing investigations into Somali *hawala* firms. The low levels of regulation that *hawala* companies employed have been its proverbial double-edged sword. The events that occurred in 2001, led to the Anti-Money Laundering and Combating Financing of Terror (AML-CFT) taskforces, which quickly clamped down on companies that were accused of having involvement in terror financing. Al-Barakat, a Somali conglomerate of firms involved in construction, real estate, telecommunications, and money-transfer businesses, was one of the first companies to be sanctioned by the U.S. government, just a month after September 11<sup>th</sup> 2001.<sup>49</sup> The UN and U.S. government later lifted the sanctions in 2006 after finding that there was no credible evidence of the company's direct involvement in terrorism financing.<sup>50</sup>

In 2014, as Al Barakat was launching its grand reopening of activities, there was another crisis facing *hawala* companies as new regulations for money-transfer companies threatened the *hawala* system yet again. The UK Serious Organized Crime Agency had passed stringent new regulations for financial service businesses, which included *hawala* companies.<sup>51</sup> Banks were threatened with fines and Barclays Bank, which had done business with Somali-owned Dahabshil company, was threatening to close accounts by October 2014 due to government pressure.<sup>52</sup> Mass appeals from organizations, such as Oxfam, poured in and warned against the grim reality in Somali if *hawala* businesses were to disappear, as most of the money Somalia relies remittances from the Somali diaspora, evaluated at almost 2 billion dollars annually.<sup>53</sup>

Over the last two decades, Somali *hawala* companies have been able to adapt to the stringency of regulations over the years and have continued to operate globally. But the locations and proximity of which these *hawala* companies work in, require some flexibility. Studies estimate that almost 60 percent of Somalis do not have national identification in Somalia, making it difficult for *hawala* operators to authorize payment using internationally accepted standards.<sup>54</sup> Furthermore, the Somali government has almost no oversight nor has it attempted to implement stringent AML-CFT policies or improve its capacity to oversee the operations of *hawala* companies. In 2014, Oxfam in one of its recommendations, suggested that the Somali government “should actively regulate international money transfers”.<sup>55</sup> This has not been put into action.

Furthermore, *hawala* firms suffer from heightened sensitivity with regards to international criticism. The statement by Iftin Express came just a week after the report was published. The statement by Iftin Express did not indicate whether the company conducted an internal investigation into the matter, but rather flat-out denied the allegations made in the Global Initiative report. The report’s allegations can be refuted by Somali remittance firms, yet these firms also have to be open to the fact that since there is no governmental regulation and oversight specifically in Somalia, that their staff could have acted in a manner unbecoming of the company itself. Instead of rushing to denial, it would be wiser for Somali *hawala* firms take the time to conduct thorough internal investigations. The threat of shutting down *hawala* companies has been purported in the past and this has made the sector apprehensive of the slightest news of trouble. The *hawala* operators and the millions of Somali people who rely on their service as well have been apprehensive. Yet, it is clear that any financial institution may suffer from insubordination or lack of oversight or outright mismanagement, as shown by reports published by global banks, such as JPMorgan, HSBC and others. The Federal Government of Somalia (FGS), as well as Federal Member States such as Puntland, will need to do more to ensure that governmental regulations and oversight role is being fulfilled effectively. This will require Somali federal and state government institutions to establish a comprehensive policy and aim for national registration for all Somali citizens.

- 4.1.3 **Forecast:** It is unclear as to what the FGS or Puntland state government will do about the allegations in the report. Given the timing of the report, it is likely that it will be largely ignored as the country focuses on national elections. However, *hawala* companies will likely tidy up their operations as this newfound scrutiny could open a Pandora’s Box if it is not remedied immediately.

## 4.2 National University Branch Opens in Puntland, Despite Education Dispute

- 4.2.1 **Key Developments:** On Sep. 2, Puntland Ministry of Education announced that it had closed four schools in Galkayo that violated the state’s curriculum and policies.<sup>56</sup> On Sep. 4, Somali acting education minister Abdullahi Godah reiterated that FGS Ministry of Education would not approve certification of students who took Puntland state exams.<sup>57</sup> On Sep. 24, the Puntland branch of Somali National University was formally opened at Maakhir University, located in Badhan, Sanaag region, and constructed by Puntland state utilizing funding support from Kuwait government. Officials from Puntland Education Ministry, Somali National University and local elders attended the event.<sup>58</sup>



- 4.2.2 **Analysis:** Almost like a bad rerun, the controversial FGS-Puntland education dispute remains an issue between the two parties going into October. FGS education minister Godah confirmed his sentiment towards Puntland state-mandated exams by saying that the FGS would not grant national accreditation to students who took these exams. NAI has been covering this story since it broke in April 2019. The dispute lasted until February of this year, when Minister Godah reneged from his stance and allowed national accreditation to Puntland state students. However, the move to backtrack came from serious amount of pressure and did not come from Puntland and the FGS forging a path forward. In February, NAI forecasted that this dispute would not end. COVID-19 delayed the inevitable but by July it was clear Minister Godah would revert to his previous stance, as this was something sources close to him were reporting. It is deeply troubling that the two sides cannot come to an agreement for over a year. No tangible efforts were made by either side to come together, putting the future of students at risk. This will continue to impact the next batch of students from Puntland who are currently uncertain if they will receive accreditation for their state exams. Furthermore, Puntland state officials are closing schools accused of having national examinations, with official stating that this is against state regulations. This is trivial as the Puntland government has not been actively lobbying for the national accreditation of Puntland students, while simultaneously closing schools that offer them any ability to gain accreditation. Each side continues to politicize the national examinations, while both sides claim that they represent the best interests of Somali students. But, in fact, both sides are essentially holding another class of Somali students' hostage by politicizing education. Despite FGS-Puntland negotiations on 2020/2021 national elections, the two parties continue to dispute over without any real attempts to come to an agreement.
- 4.2.3 **Forecast:** It is unlikely that the two sides will reach a consensus on the education issue in the following months. With a new Prime Minister, a change in Cabinet is possible, but this will likely not immediately impact the fate of Somali students in Puntland state.

### 4.3 Puntland Facing Triple Threat from Locusts, Flooding and COVID-19

- 4.3.1 **Key Developments:** On Sep. 9, Puntland Ministry of Health issued another warning about rising cases of COVID-19 in Puntland cities.<sup>59</sup> A week later, on Sep. 16, Puntland Ministry of Agriculture, Environment and Climate Change issued a flood warning to local communities in Bari and Sanaag regions, especially to families who live in areas likely to be affected by flooding.<sup>60</sup> The next day, Rako Raho district mayor Abdirizak Abdirahman Salah told reporters that one woman was killed and 35 houses destroyed by heavy rains.<sup>61</sup> On Sep. 28, local media reported that Puntland regions was facing increasing challenge from the locust problem which was increasing in the remote areas.<sup>62</sup> On Sep. 30, Puntland Ministry of Environment and Agriculture issued a second flooding warning for some regions of Puntland, including Sool, Sanaag, Bari and Nugal regions.<sup>63</sup> The government statement warned of heavy winds and rains and especially warned communities who lived near dry/seasonal rivers across the regions.
- 4.3.2 **Analysis:** The year 2020 has been a tumultuous one. In the Horn of Africa sub-region, the year kicked off with locusts that terrorized farmers and pastoralists as they fed on the greenery that bloomed from last year's significant rains. The desert locusts continued to ravage the Horn, which has drastically impacted food security and contributed to further migration trends. But as the Somali people were battling against locusts, another crisis emerged globally and made its way to the Somali shores. The first case of COVID-19 was found in March and it quickly spread throughout Somalia.<sup>64</sup> The federal and state governments initially implemented strong measures to cope and prevent a full-fledged outbreak, including shutting down civil aviation. But soon, those efforts dwindled and when the rate of the pandemic began to drop globally, so too did the sense of urgency among government officials. Months passed and government officials showed no indication of following health guidelines in public spaces, which their ministries advocated for. The terrible example set by the nation's leaders and the easing of restrictions compounded to create a second spike of COVID-19 cases. With testing and contract tracing operating at minimal levels, the real rates of COVID-19 infections could be much higher than being reported.

As the public were trying to weather these storms, the threat of drought in some regions and flooding in others was reported by global observatories. This indicated another potential crisis that Puntland and Somalia as a whole was going to be tested with. Moreover, locusts continued to ravage crops in Somalia and could make a stronger resurgence during the coming months.<sup>65</sup> Meanwhile, government officials are engrossed in a national election that will likely minimize their ability to handle other major issues. The Somali people are every resilient and seldom rely heavily on government, yet there is a need for urgency and preparedness, and this should at the minimum be advocated for by the state and federal governments. If the current and potentially impending issues are not discussed and the community does not prepare, Somalia may very well be dealing with one or more major crises during national elections.

- 4.3.3 **Forecast:** It is unlikely that government officials will implement COVID-19 restrictions seen during the first outbreak. It is also unlikely that the state government will make early preparations based on the preliminary weather forecast, based on a tradition of reactive rather than proactive governance.

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*New Access International (NAI Somalia), founded in 2012, is a research and development agency based in Somalia. NAI specializes in research, development, and advocacy. NAI Somali Law and Policy Program publishes the monthly **Puntland Situation Report** and the **Somali Federalization Monitor**.*

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