

Istanbul conference on Somalia
21 – 23 May 2010
Draft discussion paper for Round Table “Livestock”

Sector overview

a. A great political, economic and social potential

Livestock in Somalia is the main repository of individual and national wealth. With only 1 % of Africa’s human population, Somalia holds 50% of the continent’s camel population (6.3 million) and 10% of sheep and goats (respectively 11.8 and 16.2 million).

The livestock sector is inherently the backbone of the Somali economy, generating 40% of the GDP and 80% of foreign currency earning (remittances excluded) and provides the main source of livelihoods with an estimated 65% of the population engaged in livestock production. The sector is significant not only for export purposes but also key for subsistence survival. For example, in 2009 more than 2.8 million livestock (mainly sheep and goats) were, mostly to the Arabian Peninsula from the ports of Bossasso and Berbera, which have quarantine facilities established by private investment from the Gulf. Livestock is also trekked or transported to markets in the neighbouring countries. In recent years the Somalia business community has engaged competitively in the export of chilled meat to the Arabian Peninsula, an attempt to offset the trade ban on live animals imposed by a number of Gulf countries in 2000 and maintained by the Kingdom of Saudi Arabia until late 2009. The lifting of the ban by the KSA has created an important opportunity for Somalia and its population.

The private sector plays a significant role in the development of livestock production, trade and marketing. The fundamental role of the private sector in the livestock production, trade and marketing, which is key to the economic recovery of Somalia, will be at the center of discussions at the round table meeting.

b. Challenges to the Livestock sector

The livestock sector in Somalia is faced with several challenges that limit and hinder the actual potential and benefits Somalis could enjoy, economically, politically and socially from this industry, namely:

- Lack of rule of law, as a result of the destruction of public institutions necessary to support the livestock sector, particularly in South Central Somalia (absence of sector policies, restricted delivery of services).
- Occurrence of major livestock diseases and natural hazards (droughts, floods, dust storm etc.).

- Environmental degradation in a fragile ecosystem, with factors external and internal to the livestock sector; restrictions of livestock movements as a result of insecurity or man-made enclosures.
- Challenges to comply with international and regional livestock trade regulations or quality assurance requirements (health and sanitary standards); lack of adequate and credible export certification.
- Lack of adequate core infrastructure: roads or airport networks to facilitate the transportation of livestock or fresh meat; quarantine and vaccination centers and slaughterhouses.
- Lack of resources and skills to explore potential overseas markets for Somali meat products and to increase market access through barrier penetration.
- Poor knowledge, technological investments and skills to optimize the production of livestock and its sub-products.
- Insufficient characterization of breeds and knowledge of livestock census data to guide comprehensive interventions on animal production.

c. Support to the livestock sector is critical

At the micro and macro level, there is a need to continue and increase ongoing international support to the livestock sector in the following focus areas:

- Animal health and disease control (support to veterinary services etc.).
- Livestock production, trade and marketing.
- Human resources capacity building and institutional strengthening.

The livestock roundtable meeting that will mainly touch on the role of the private sector, will therefore focus essentially on the “livestock production, trade and marketing” area.

Participants will be expected to discuss priority support areas, to analyze the role to be assumed by the different active actors: private sector, government authorities, civil society development agencies and international partners, notably in building private-public partnerships (PPP) in support of the livestock sector.

Why livestock contributes to peace and stability?

Increasing opportunities for the livestock sector in an environmentally sustainable manner is critical for the economic recovery and the return of relative stability and security in the country. In recognition of this, the sector has received considerable support and needs more support as a matter of priority.

More specifically, the following positive aspects should be emphasized:

Livestock's direct impact on peace and political stability

- Support to livestock export and meat processing in Mogadishu and in the central regions would bring clear peace dividends to the population, strengthening socio-political structures.
- The use of the port of Mogadishu to export livestock and increased chilled meat could have important economic and political impacts.
- The use of Mogadishu port to create new markets and hence increase the overall livestock and meat export should be explored. Mogadishu is further from the Gulf market than Berbera and Bosasso, but other export opportunities may exist.

Livestock's contribution to employment generation

- With more than 65% of the population engaged directly or indirectly to livestock activities, a boost to this sector will inherently improve livelihoods of the most part of the population.
- Further investments in livestock from the private sector would create gainful employment opportunities to the youth currently engaged in conflict.

Livestock's positive impact on social cohesion

- Traditionally, pastoralists and agro-pastoralists highly interact as a result of movement of their livestock. This in essence creates an opportunity for clan interactions, social cohesion and possible conflict resolution.
- Again traditionally, pastoralist and sedentary populations interact to limit environmental impacts linked to grazing and fodder requirements. This needs to be explored further as the current exports of up to 3 million annually are at the upper limit of the 10-25% offtake from the assumed existing livestock population. Note that the value of the sector can also be increased by increasing the quality / value of individual animals, rather than increasing numbers, the latter of which increases overgrazing risks.

Livestock and revenue generation

- Taxation of livestock trade and export is one of the main sources of income for the administrations of Puntland and Somaliland, and has therefore contributed to the security and stability of these areas. The assumption is if livestock export can also take place directly from central and southern Somalia and if the exports of fresh processed meat are reinforced, the TFG will also benefit from this in terms of revenue generation.

Livestock's contribution to food security

- Livestock and livestock sub-products provide a form of income generation for other food requirements and household expenditure.
- The growth of the livestock sector has the potential to reduce food insecurity and the need for emergency assistance.

Livestock's impact on vulnerable groups

- Given that 20-35% of pastoralist fall into the poor wealth groups and women are crucial contributors and beneficiaries of the livestock sector, support to this sector will have direct impact on vulnerable groups, women and children. Particular focus needs to be given to supporting women's role in livestock to improve value addition.

Key issues for discussion on the livestock sector

Strategic infrastructure

- Identify types of strategic infrastructure to be developed as a matter of priority and strategic geographical locations: quarantine stations, holding grounds, stock routes and provision of water to increase livestock export.
- Identify market infrastructures to be rehabilitated to facilitate the development and increase of fresh meat export: renovation of roads, ports, cold storage, international standards slaughterhouses, quality control centers, airstrip etc.
- Explore the use of public private partnerships for domestic market slaughterhouses and related infrastructures, including opportunities for investment and needs for training, hygiene controls, licensing and so on.

Overcoming international and regional regulations

- Support to build capacity to manage compliance with international and regional livestock trade regulations and health and sanitary requirements.
- Support to the implementation of an OIE-approved export certification system that overcome barriers to trade.

Exploring market and product diversification

- What are the potential opportunities for product diversification, in particular with the value additions of sub-products? The exports of fresh meat and also dairy products have promising potential that are yet to be maximized. In light of this, how could the private sector exploit potential demand for high-quality products in the Middle-East lucrative market with the aim to secure a niche through development of a trademark highlighting the high quality meat and by-products from Somalia where animal are reared under natural conditions?

Investment opportunities for the private sector to boost livestock activities

- What are the main investment opportunities for the private sector?
- Discussion on the potential support to the private sectors (possibility of loans from investment banks? Investment in partnership with international companies, micro-credit, in particular to women to etc.). What kind of public, private partnership can be established and supported.
- What can be done to facilitate networking and linkages between Somalia public and private institutions with similar bodies in neighboring countries and potential trading partners, and regional and international specialized organizations?



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