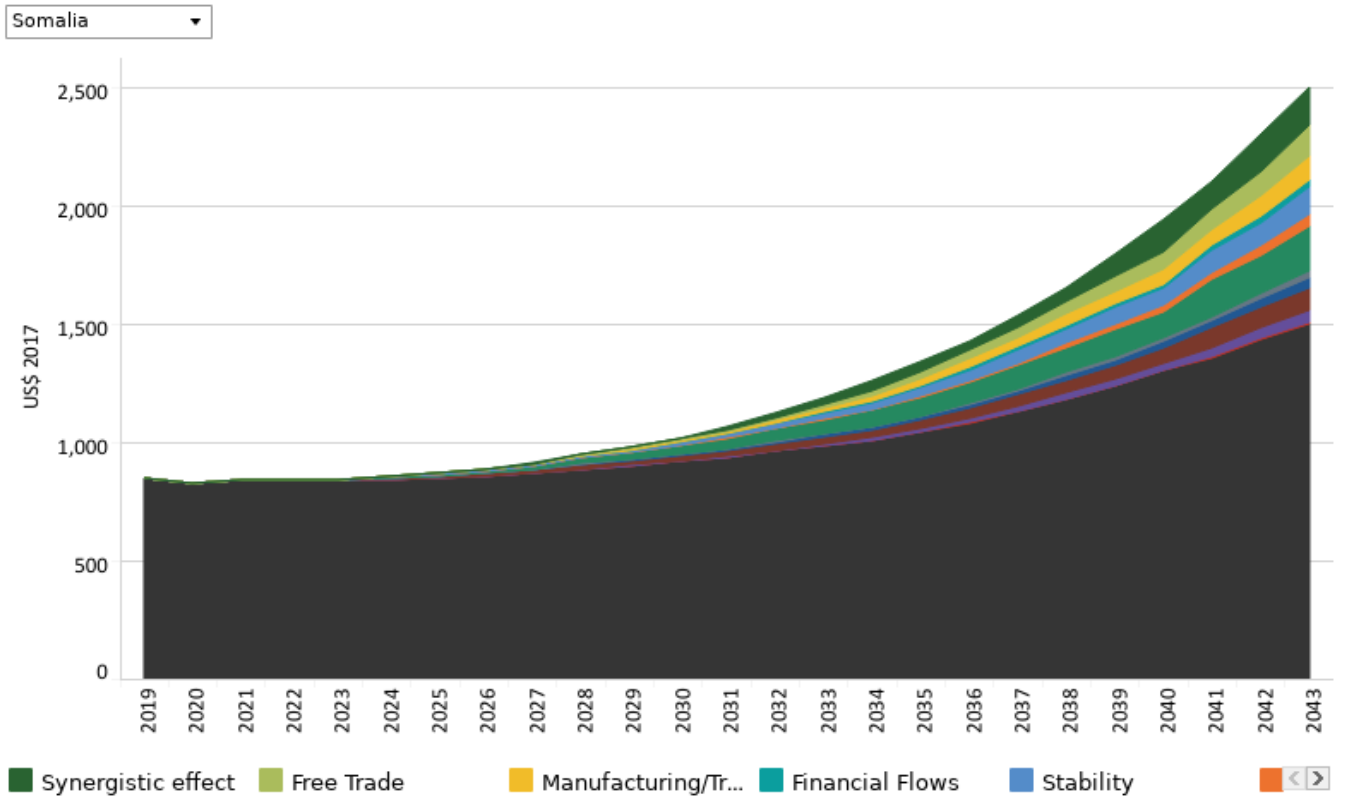




Somalia

Combined Agenda 2063 scenario

Chart 55: GDP per capita in CP and scenarios, 2019–2043
 Additional GDP per capita per scenario, purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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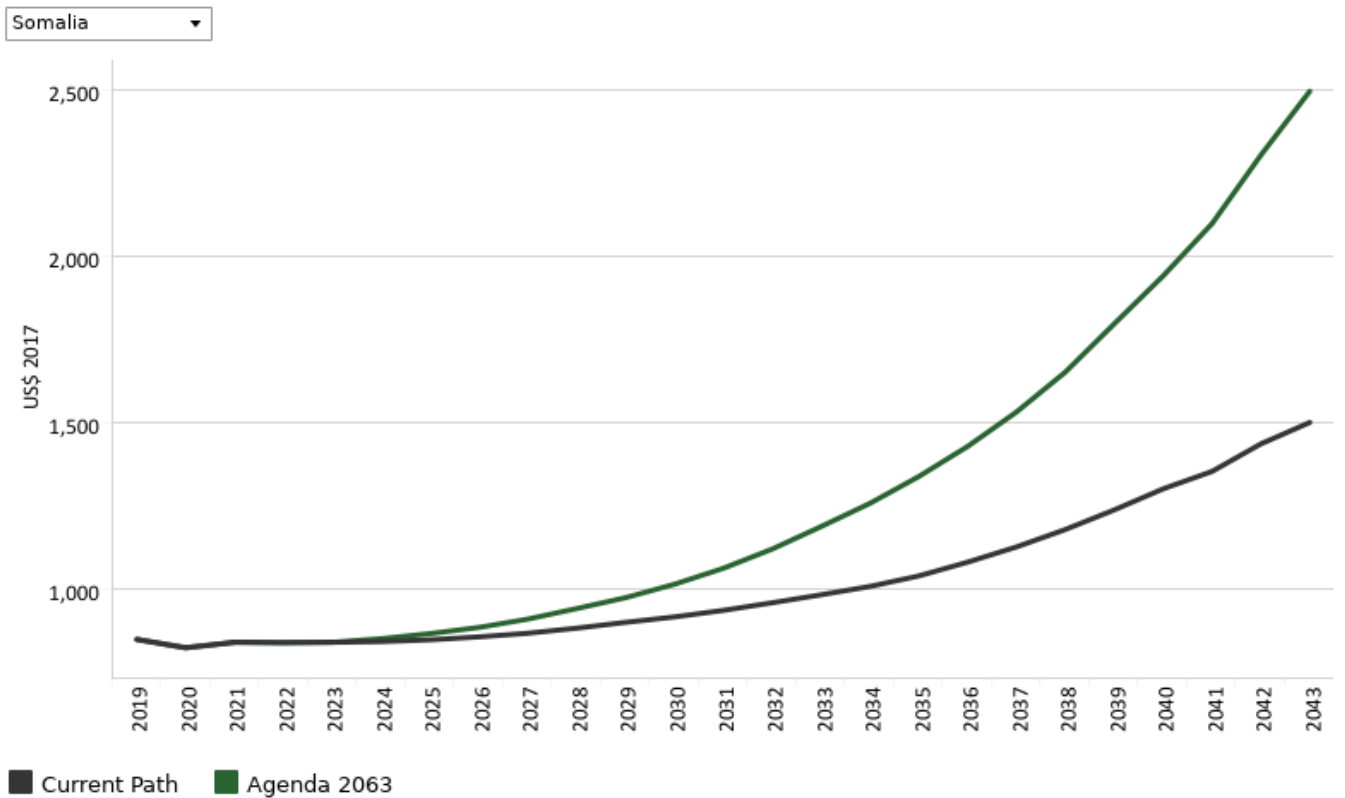
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The Combined Agenda 2063 scenario consists of the combination of all 11 sectoral scenarios presented above, namely the Stability, Demographic, Health/WaSH, Agriculture, Education, Manufacturing/Transfers, Leapfrogging, Free Trade, Financial Flows, Infrastructure and Governance scenarios. The cumulative impact of better education, health, infrastructure, etc. means that countries get an additional benefit in the integrated IFs forecasting platform that we refer to as the synergistic effect. Chart 55 presents the contribution of each of these 12 components to GDP per capita in the Combined Agenda 2063 scenario.

The synergistic effect on Somalia's GDP per capita is estimated to be US\$160.3 by 2043, meaning that the combination of all the sectoral scenarios, or a coordinated policy push across all the sectors, could result in additional gains in GDP per capita of US\$160.3.

The scenario with the most significant impact on GDP per capita by 2043 is the Leapfrogging scenario, followed by the Free Trade scenario. The Infrastructure scenario has the least impact on GDP per capita. This suggests that, in the long run, increasing digitisation and trade liberalisation will improve human and economic development the most in Somalia.

Chart 56: GDP per capita in CP and Combined scenario, 2019–2043
Purchasing power parity



Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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Whereas Chart 55 presents a stacked area graph on the contribution of each scenario to GDP per capita as well as the additional benefit or synergistic effect, Chart 56 presents only the GDP per capita in the Current Path forecast and the Combined Agenda 2063 scenario.

In the Combined Agenda 2063 Scenario, the government of Somalia makes a concerted effort to remove the binding constraints to growth and inclusive development.

The Combined Agenda 2063 scenario has a much greater impact on GDP per capita than the individual thematic scenarios.

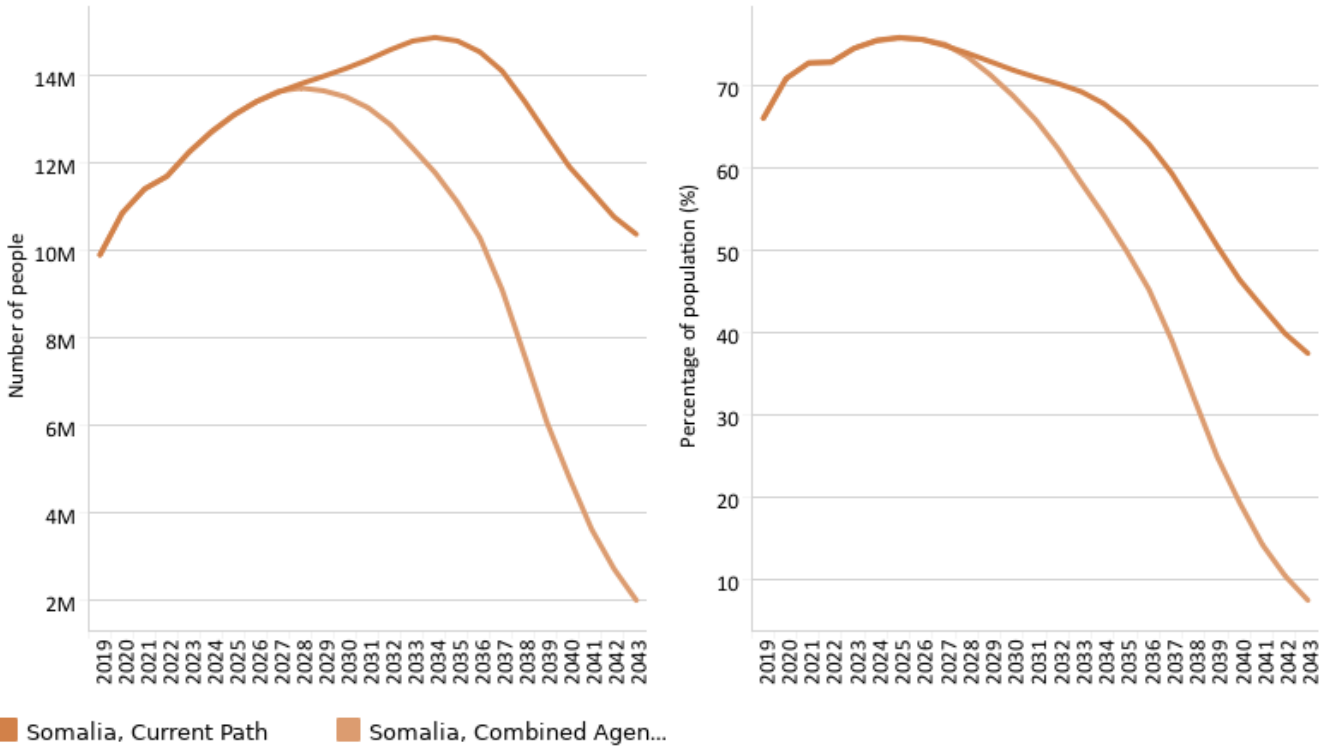
By 2033, the GDP per capita of South Somalia in the Combined Agenda 2063 scenario is US\$205 larger than in the Current Path forecast, and by 2043 it amounts to US\$2 497, US\$995 more than in the Current Path forecast for that year.

The Combined Agenda 2063 scenario shows that a policy push across all the development sectors is necessary to achieve sustained growth and development in Somalia.

Chart 57: Poverty in CP and Combined scenario, 2019–2043
 Millions of people and % of total population



Somalia \$1.90



Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

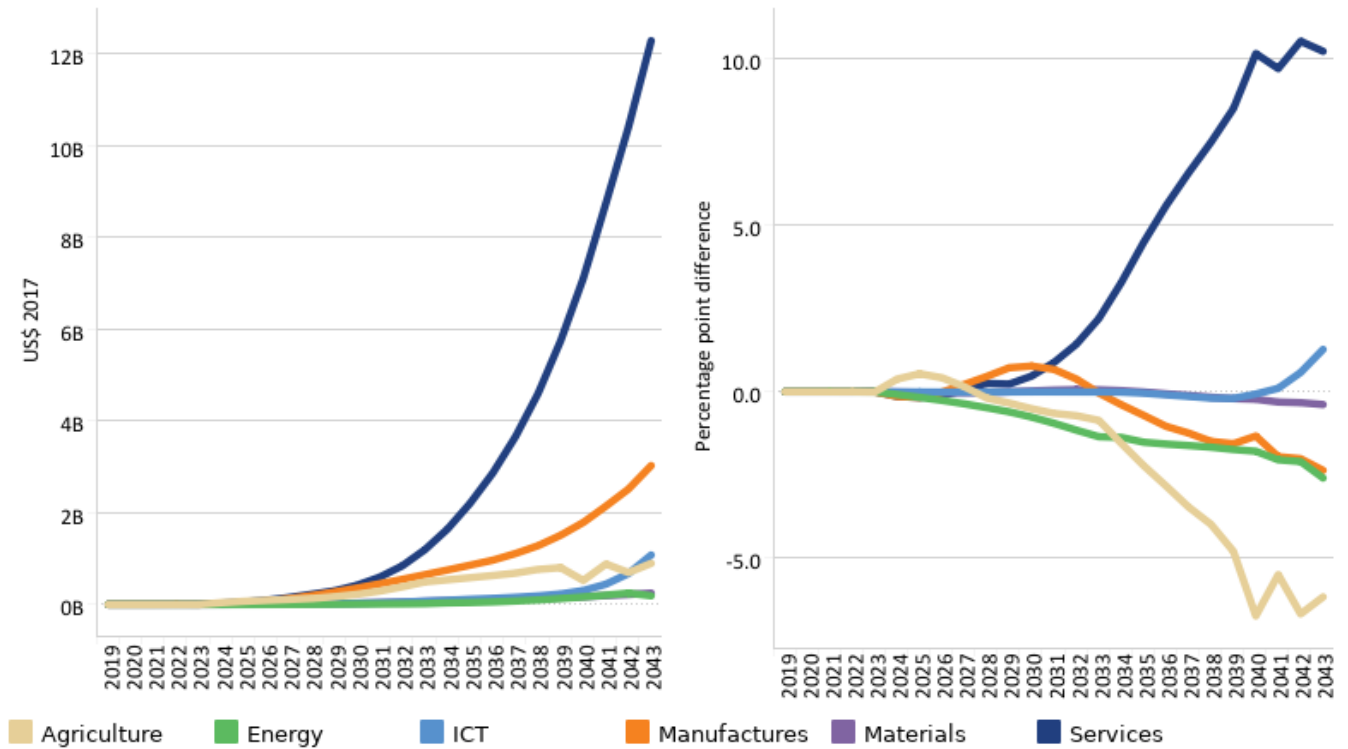
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In the Combined Agenda 2063 scenario, by 2033 58.3% of Somalia’s population will be living in extreme poverty compared to 69.3% in the Current Path forecast. This represents about 2.46 million fewer poor people than in the Current Path forecast. By 2043, the extreme poverty rate declines to 7.6% (1.98 million people), compared to 37.5% (10.4 million people) in the Current Path forecast – a reduction of 8.4 million people. The Combined Agenda 2063 scenario shows that a concerted policy push across all the development sectors could significantly reduce poverty in Somalia.

Chart 58: Value added by sector in CP and Combined scenario, 2019–2043
 Absolute and % point difference GDP



Somalia



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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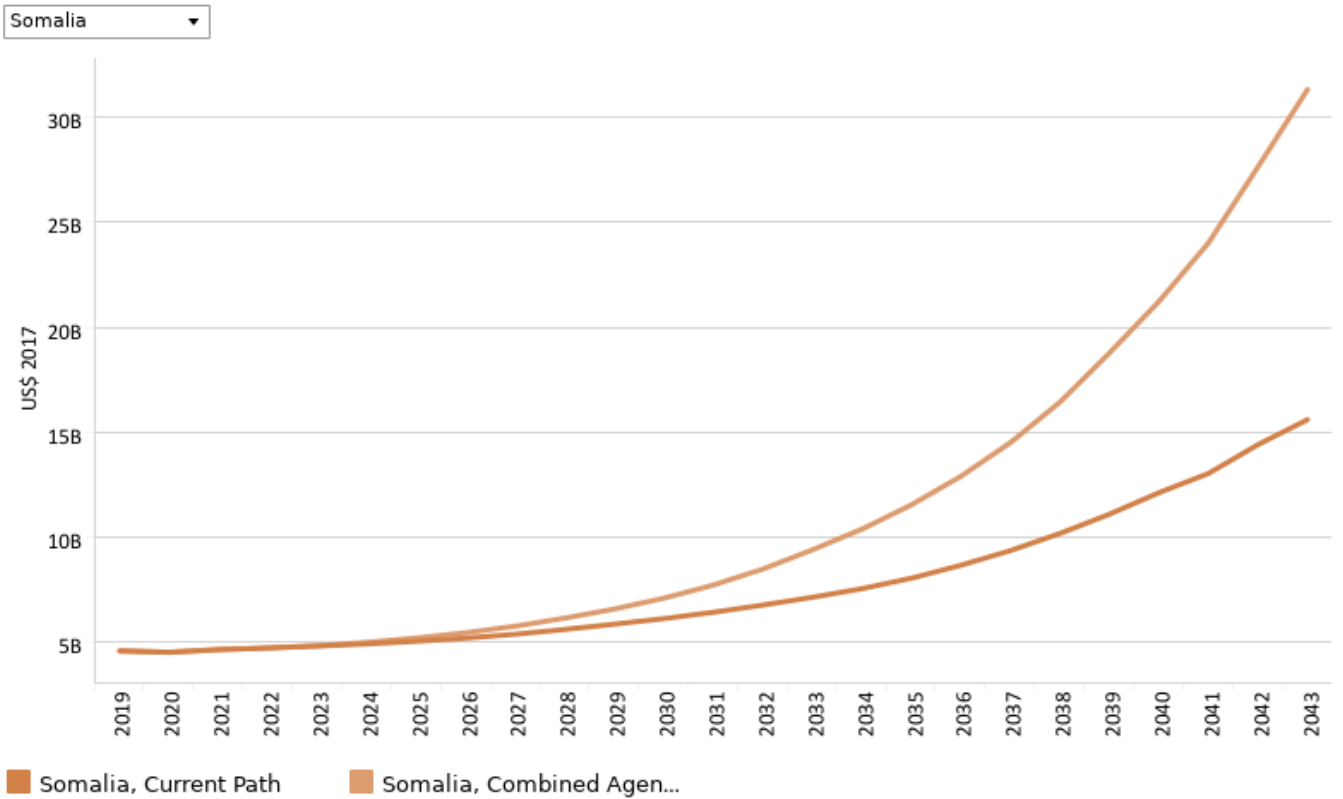
See [Chart 8](#) to view the Current Path forecast of the sectoral composition of the economy.

In absolute terms, the service sector sees the most significant improvement compared to the Current Path, with its value in the Combined Agenda 2063 scenario US\$12.3 billion larger than in the Current Path forecast for 2043. The service sector is followed by the manufacturing sector, with a value in the Combined Agenda 2063 scenario that is US\$3.0 billion larger than in the Current Path forecast by 2043.

The contribution of agriculture, materials, ICT and energy to GDP in the Combined Agenda 2063 scenario is respectively US\$0.9 billion, US\$0.2 billion, US\$1.1 billion and US\$0.2 billion larger than in the Current Path forecast by 2043.

As a percentage of GDP, the contribution of the service sector in the Combined Agenda 2063 scenario is 10.2 percentage points larger than in the Current Path forecast for 2043, while the contribution of the manufacturing sector in the Combined Agenda 2063 is 2.4 percentage points lower than in the Current Path forecast. The contribution of agriculture is 6.7 percentage points below that of the Current Path forecast in 2043, indicating the structural transformation of the economy.

Chart 59: GDP in CP and Combined scenario, 2019–2043
 Billions US\$ 2017, market exchange rates



Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

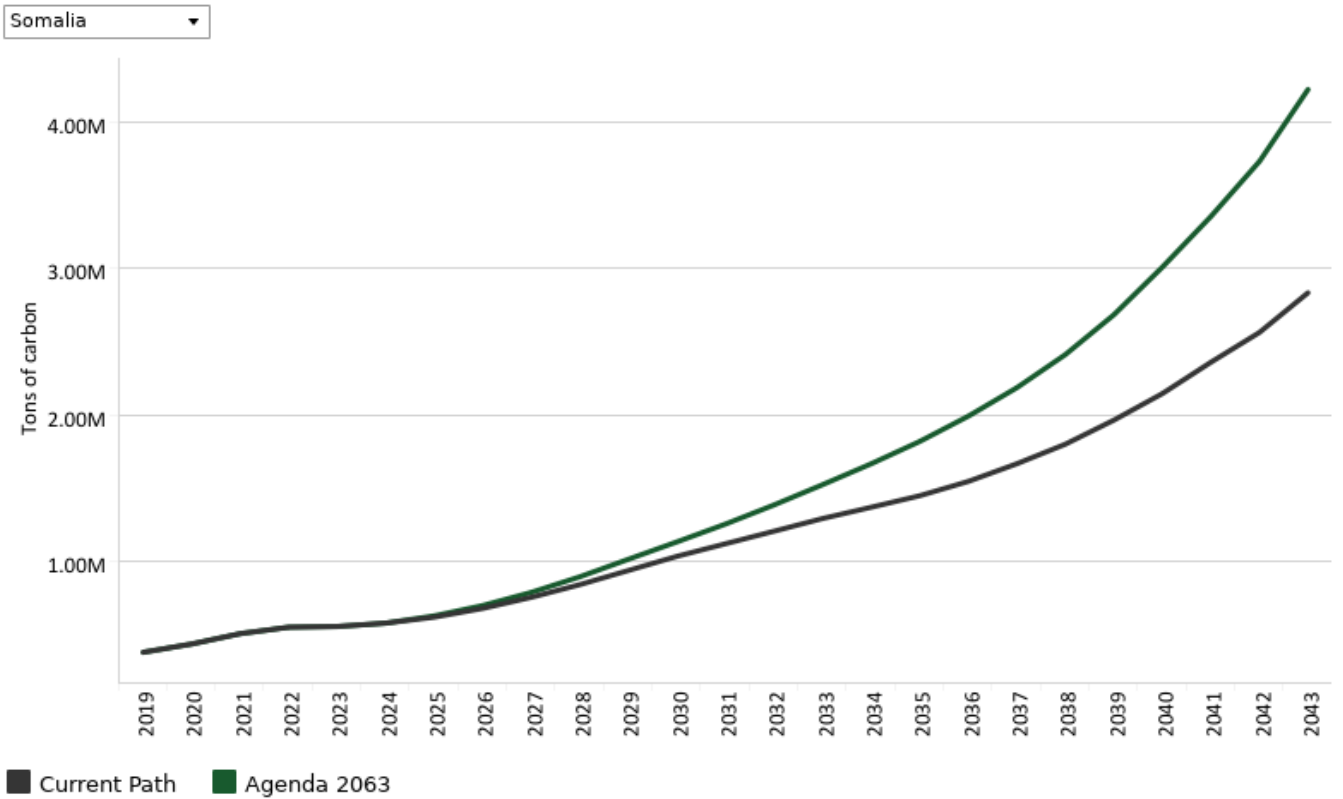
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The Combined Agenda 2063 scenario dramatically impacts Somalia’s economic (GDP) expansion. In the Combined Agenda 2063 scenario, the size of the economy is projected to expand from US\$4.6 billion in 2019 to US\$31.3 billion in 2043. In 2043, Somalia’s GDP in the Combined Agenda 2063 scenario is US\$15.7 billion larger than in the Current Path forecast for the same year.

The Combined Agenda 2063 scenario shows that a policy push across all development sectors is a viable approach to achieving sustained growth in Somalia.

Chart 60: Carbon emissions in CP and Combined scenario, 2019-2043
 Million tons of carbon (note, not CO₂ equivalent)



Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

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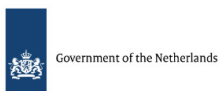
The Combined Agenda 2063 scenario significantly impacts carbon emissions, albeit from a very low base, due to the increased economic activity it causes.

In 2043, carbon emissions in the Combined Agenda 2063 scenario are 1.4 million tons, which is higher than in the Current Path Forecast.

The realisation of the Combined Agenda 2063 scenario would stimulate high economic growth and significantly reduce poverty in Somalia, but the cost in terms of environmental degradation will be relatively high.

To mitigate the environmental impact of the Combined Agenda 2063 scenario, its implementation should be accompanied by concrete steps to accelerate the green energy transition.

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Dr Kouassi Yeboua is a senior researcher in African Futures and Innovation programme in Pretoria. He recently served as lead author on ISS studies on the long-term development prospects of the DR Congo, the Horn of Africa, Nigeria and Malawi. Kouassi has published on various issues relating to foreign direct investment in Africa and is interested in development economics, macroeconomics, international economics, and economic modelling. He has a PhD in Economics.

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