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MAY
2025



From Dependency to Trade Sovereignty:

Rethinking Aid for Trade in Somalia Amid
Shrinking Official Development Assistance



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About SBR



Subscribe to Somali Business Review (SBR) for the latest, rigorous, and dynamic analysis and insights about Somalia's business, economy, and technological transformation. SBR is a lively quarterly magazine of SIMAD University that brings you in-depth, on-ground, and expert-led analysis by prominent analysts and experts.

All materials produced are aimed at inspiring, empowering and enriching you in understanding the development of the private sector landscape in Somalia. Additional features usually include book reviews, profiles of prominent businesses, and SBR insights that offer management, personal growth and productivity tips for leaders. SBR is read by entrepreneurs, leaders, policymakers, academics, government practitioners, and decision-makers in Somalia and beyond.

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Editor's Note



Welcome to the 16th issue of the Somali Business Review (SBR). This edition comes at a time when Somalia is at a crossroads, grappling with challenges but also brimming with opportunities. As we move towards a future shaped by economic reforms, innovation, and resilience, this issue aims to spark conversations that matter to all of us: entrepreneurs, policymakers, community leaders, and everyday citizens committed to a better tomorrow.

Somalia's journey towards economic stability is not just about numbers or policies; it's about people, how they adapt, innovate, and thrive despite the odds. In this issue, we bring you stories and insights that reflect the spirit of determination and the courage to rethink our future. We explore how strategic actions can turn challenges into stepping stones and how embracing change can lead to prosperity.

We kick off with a critical discussion on Value-Added Tax (VAT) and what it means for businesses in Somalia. While VAT aims to boost revenue and formalise the economy, its implementation comes with hurdles, especially for small businesses. Our writers break down these challenges and offer practical solutions to make VAT work for everyone.

On the global front, the article "From Dependency to Trade Sovereignty" tackles the pressing reality of shrinking aid. With global assistance waning, it's time for Somalia to chart its economic path. The proposed Aid for Trade (AFT) strategy isn't just about policy change—it's about building a future where trade, not aid, sustains our communities.

Innovation also takes centre stage as we explore how Big Data and AI can drive social good and job creation. From tracking health trends to boosting employment, technology holds the potential to transform lives if harnessed responsibly. We also look at how solar energy solutions and green business models are helping Somalia build climate resilience while creating economic opportunities.

In the business world, we spotlight online entrepreneurship and why many digital ventures struggle to thrive. Lack of strategy, inadequate customer research, and limited digital skills often lead to failure. But with the right approach, our entrepreneurs can turn the digital tide in their favour. Likewise, exploring business service providers shows how structured support can nurture startups and help them grow into sustainable enterprises. Our agricultural sector remains a pillar of the economy, but it's time to move beyond traditional practices. We delve into the untapped potential of Somali livestock and how innovation and investment can unlock growth. Similarly, remittances, often seen as a lifeline, can be leveraged to fuel sustainable economic projects if channelled wisely. We also turn our focus to governance and stability.

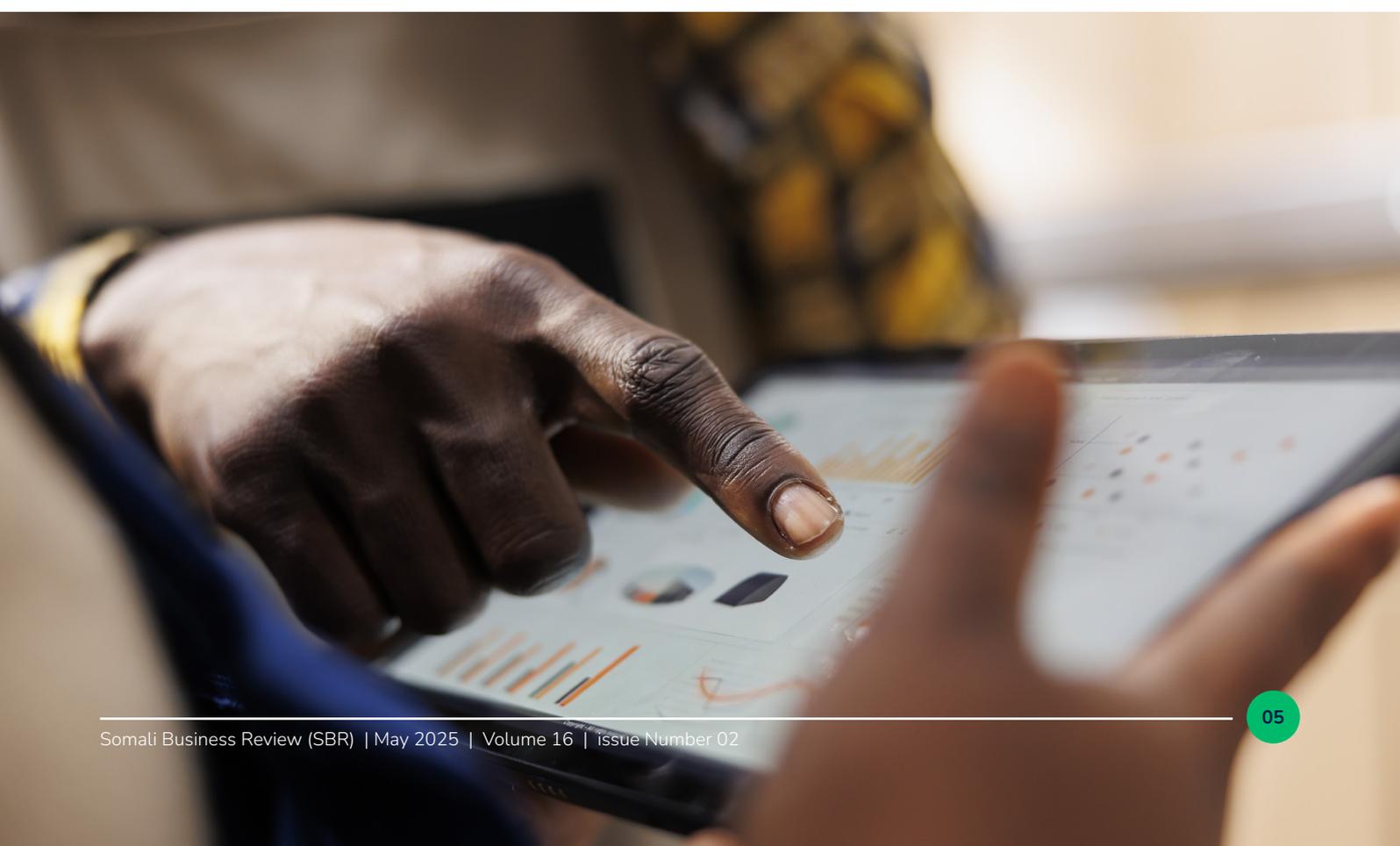
Somalia's National Transformation Plan 2025–2030 lays out a roadmap for progress, but it will take commitment and collaboration to see it through. Stability is not just a political goal, it's the foundation for business confidence, investment, and lasting development. The voices featured in this edition are diverse researchers, business leaders, development experts, and young changemakers, all united by a vision of a resilient, prosperous Somalia. Their insights remind us that sustainable progress requires collective effort, innovative thinking, and a deep commitment to our communities.

As you read through these pages, I hope you find not just ideas but inspiration. Let's take these conversations beyond words—into action, partnerships, and practical solutions. We owe it to ourselves to envision a Somalia that thrives on innovation, unity, and self-reliance.

Thank you for being part of this journey. Your engagement and ideas fuel our mission to be a platform for progress and dialogue. Let's keep moving forward together.



Mohamed Okash,
Editor-in-Chief,
Somali Business Review
@MohamedOkash_



Somalia Development Digest



Population
(2025):
18.36 M



Ease of Doing Business
(2025)
~190TH



GDP
(Nominal):
\$10.97 B



Unemployment:
(2025)
~11–25%



Growth Rate
(2025):
3.8 – 4.0%



Inflation
Rate:
6.45%



GDP per Capita
(Nominal)
\$597



Life expectancy
Rate (2019):
58.8 YEARS



GDP per Capita
(PPP):
\$2,060



Maternal Mortality
Rate:
~692 PER 100K



Foreign Direct Investment
(2025):
INCREASING POST-HIPC



Fiscal Balance
(2025):
SLIGHT SURPLUS



Human Development Index
(2025)
0.404



SOURCE:
**NBS SOMALIA
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Implications of Value-Added Tax (VAT) in Somalia: Challenges, Benefits, and Strategic Recommendations for Economic Growth

Ali Ibrahim Mohamed



Introduction

In the bustling markets of Mogadishu, where traders sell everything from fresh produce to imported goods, a subtle yet profound change is taking place. Since August 18, 2024, Somalia's federal government introduced a 5% Value-Added Tax (VAT) on most goods and services, marking a significant step towards modernizing the country's tax system. Unlike traditional sales taxes, VAT is collected at each stage of production and distribution, ultimately borne by the end consumer. As part of a broader strategy to reduce dependency on foreign aid and enhance self-reliance, VAT implementation is a bold move towards economic reform.

However, implementing VAT in Somalia—especially in a city as diverse as Mogadishu—is no simple task. The economy's informal nature, varying business practices, and regional resistance pose significant challenges. Yet, if executed properly, VAT could transform not only public revenue streams but also the way businesses operate and grow.

Understanding VAT in the Somali Context

The 5% VAT in Somalia is structured as a consumption tax levied on most goods and services, with businesses responsible for collecting it from consumers at the point of sale and remitting it to the government. To enhance compliance and efficiency, the government uses mobile money merchant accounts to monitor and automatically deduct the tax from transactions. This digital integration, while innovative, presents both opportunities and challenges, especially in a country where many businesses still operate informally.

While the VAT system aims to be nationwide, its implementation has faced resistance, particularly in regions like Jubbaland. Additionally, small businesses, especially those in peripheral districts, often lack the capacity to comply, either due to limited digital literacy or inadequate infrastructure. These challenges highlight the need for tailored strategies to ensure VAT adoption without overburdening local enterprises.

Types of VAT and Their Relevance

Different types of VAT are applied depending on the nature of goods and services. The standard VAT in Somalia is set at a rate of 5%, which applies to most consumer goods and services. Some goods and services, however, may fall under a zero-rated VAT category, meaning they are taxed at 0% but businesses can reclaim VAT paid on inputs. This is often applied to essential items like basic foodstuffs and exports. On the other hand, some services, such as healthcare and education, are VAT-exempt, meaning no VAT is charged, and businesses cannot reclaim VAT on related inputs. Additionally, VAT on imports ensures that goods brought into the country are taxed at the same rate, maintaining parity with domestically produced goods.

Challenges of VAT Implementation in Somalia

While the introduction of VAT marks progress, several challenges hinder its effective implementation. The most significant challenge is the dominance of the informal economy. Many businesses in Somalia, particularly small vendors and street traders, operate without formal registration, making it difficult to integrate them into the VAT system. For instance, in Mogadishu's Bakara Market, numerous traders lack the necessary digital tools for VAT compliance. Another critical issue is the lack of public awareness. Many business owners and consumers view VAT as an additional burden rather than a tool for development.

This perception is partly due to insufficient government efforts to educate the public on the purpose and potential benefits of VAT. Compliance costs also pose a challenge, especially for small and medium-sized enterprises (SMEs). Managing VAT records, adhering to digital transaction requirements, and understanding tax obligations can be daunting for businesses with limited financial literacy.

Moreover, the risk of corruption and tax evasion remains high. Weak institutional frameworks can lead to misuse and underreporting of VAT collections, undermining public trust and the effectiveness of the tax system.

Benefits of VAT for Somalia's Economy

Despite these challenges, the potential benefits of VAT are substantial. VAT provides a stable revenue stream that is essential for funding public services such as healthcare, infrastructure, and education. By taxing consumption rather than income, VAT captures revenue from a broader base, including informal sector participants when they purchase goods and services.

Another key advantage is economic formalization. VAT requires businesses to maintain accurate financial records, promoting transparency and reducing the size of the informal economy. This formalization not only improves tax compliance but also supports better business practices. Moreover, integrating mobile money in VAT collection is fostering digital financial inclusion. In urban centers like Mogadishu, the use of mobile money for VAT transactions has made the tax process more manageable for many vendors, promoting financial literacy and secure transactions.

Furthermore, by boosting domestic revenue, VAT can help reduce Somalia's reliance on foreign aid. As the government builds fiscal capacity, it can more effectively invest in long-term development projects, strengthening economic resilience.



Strategic Recommendations for Effective VAT Implementation

To maximize the impact of VAT and minimize resistance, a multi-faceted approach is essential. First, public awareness campaigns should be launched to educate businesses and consumers about the purpose and benefits of VAT. This could involve using community leaders, media channels, and mobile platforms to reach a wide audience.

Second, the government should invest in capacity building for small businesses. Providing training on digital financial management and VAT compliance can help SMEs adapt without significant disruption. Additionally, fostering regional flexibility is important. Developing VAT enforcement strategies tailored to local contexts, particularly in regions like Jubbaland, can ease the transition.

Improving digital infrastructure is also crucial. Expanding mobile money networks and supporting businesses in adopting digital payment systems will ensure seamless VAT collection. Finally, transparency in how VAT revenues are used can build public trust. Demonstrating tangible improvements in public services funded by VAT will show citizens the direct benefits of their contributions.

The Way Forward

VAT implementation in Somalia is not just a fiscal adjustment—it represents a step towards economic sovereignty and modernization. As Mogadishu leads the way, addressing the challenges of public perception, digital integration, and regional disparities will be crucial for success. Through continuous engagement with the business community, investment in capacity building, and transparent governance, VAT can become a cornerstone of Somalia's economic stability and growth. If effectively managed, VAT will not only boost revenue but also modernize business practices, reduce informal economic activities, and lay the groundwork for a more resilient and self-reliant national economy.



**Ali Ibrahim
Mohamed**



From Dependency to Trade Sovereignty: Rethinking Aid for Trade in Somalia Amid Shrinking Official Development Assistance

Abdikafi Hassan Abdi



Overview

Somalia stands at a critical juncture. For over three decades, the country has relied extensively on foreign aid to keep the state and society afloat. International donors finance over 60% of the government's operating budget, which underpins everything from civil service salaries to education, health, and food distribution. In the absence of domestic revenue mobilization and a functioning financial system across much of the country's territory, aid has filled both governance and service delivery vacuums.

Beyond basic services, the aid ecosystem has evolved into a dominant source of employment. Thousands of Somalis are directly employed by the humanitarian and development sector—working in field coordination, monitoring and evaluation, logistics, communications, security, and data management. For many educated youth and professionals, NGOs and international organizations provide the most stable and well-paying employment opportunities, particularly in urban areas like Mogadishu, Hargeisa, and Baidoa. This widespread dependence on externally funded institutions is not just economic—it has reshaped the country's political economy, workforce distribution, and even the urban labor market structure.

Yet, this aid-dependent model is facing increasing pressure from both sides: internal demand is rising due to recurring climate shocks, population growth, and conflict displacement, while external support is increasingly uncertain.

A Global Retrenchment: The Politics of Shrinking Aid and Its Local Consequences

The global aid architecture is entering a period of retrenchment. Geopolitical competition, rising domestic fiscal constraints, and competing humanitarian crises have led many donor countries to scale back their commitments—particularly to protracted crises with no clear exit path. Somalia, as one of the most aid-dependent states in the world, is acutely exposed to these shifts. In 2023, several European donors including Sweden, Norway, the Netherlands, and Germany restructured their development cooperation budgets, cutting back on long-term projects and prioritizing domestic and regional security concerns. The United Kingdom's decision to reduce its aid-to-GNI ratio from 0.7% to 0.5% resulted in over £4 billion in annual aid cuts, with programs in countries like Somalia among the first to be affected.

In the United States, foreign aid has become increasingly politicized, with growing bipartisan scrutiny over its scope and purpose. Humanitarian funding to Somalia remains significant—especially during severe droughts—but disbursements have become slower, less predictable, and more fragmented. A broader shift toward short-term emergency relief, as opposed to long-term development planning, has taken root. This was further reinforced during the Trump administration. In 2020, President Donald Trump attempted to dismantle USAID’s independence by pushing to fold it under the U.S. State Department and slash its budget by over 30%. Although Congress ultimately resisted full implementation, the proposal sent a strong signal to the development community: the U.S. was no longer fully committed to leading the global aid agenda. In his second term, several USAID programs were cut or frozen. These actions set the tone for a period of uncertainty in U.S. foreign assistance that continues to reverberate across many low-income countries.

The cumulative effects of this aid contraction are already visible on the ground. In 2025, the World Food Programme (WFP) reported that nearly 4.4 million people in Somalia could face hunger due to worsening drought conditions, conflict, and high food prices. Funding shortfalls have forced WFP to halve the number of students it supports with school meals, with programs in Southwest State, Banadir, and Somaliland entirely suspended. Youth skills training initiatives supported by ECHO, the Italian Development Cooperation, and the EU Trust Fund for Africa have either been suspended or placed under review, as the EU Trust Fund ceased contracting new funds for operations at the end of 2025. Furthermore, critical infrastructure projects such as rural feeder roads and renewable energy microgrids—once supported by European development finance institutions—have stalled due to uncertainty in funding flows. While Somalia launched an ambitious solar minigrids program in 2023 to increase access to electricity, the implementation of such projects faces challenges amid the broader funding constraints.

This is not merely a budgetary issue; for Somalia, it is a developmental inflection point. The contraction of global aid threatens to undermine both institutional stability and public welfare. It also calls into question the sustainability of a model where state functioning, public service delivery, and even employment are deeply entwined with donor presence. A structural shift is therefore necessary—one that moves from externally-funded fragility toward internally-driven economic capacity. In this context, Aid for Trade (Aft) is not just a technical adjustment—it is a transformational development strategy for Somalia’s next chapter.

Aid for Trade (Aft) Strategy

Aid for Trade refers to donor support that helps developing countries build the capacities and institutions required to participate more effectively in international trade. The framework includes assistance for trade-related infrastructure, logistics, customs modernization, standards and certification, and value chain development. Since its formalization under the WTO Doha Development Agenda, Aft has been recognized as a crucial tool for linking aid with long-term economic transformation. In many low-income countries, Aft has supported cross-border infrastructure development, market integration, and industrial upgrading. Rwanda, for instance, has used Aft to build a thriving export-oriented horticulture sector, supported by cold storage, air cargo facilities, and a streamlined export certification regime. Plus, Ethiopia channeled Aft to establish industrial parks and customs modernization, which created competitive export zones linked to European and Chinese markets.



Structural Constraints and Missed Opportunities

Despite immense trade potential, Somalia continues to face deep-rooted structural barriers that limit its integration into regional and global markets:

- **Institutional fragmentation:** Trade regulation is split across federal and state authorities, which led to overlapping mandates, inconsistent enforcement, and confusion for exporters. Customs procedures vary across ports, and revenue-sharing mechanisms are often contested.
- **Infrastructure gaps:** Roads connecting interior production areas to major ports remain poorly maintained or non-existent. Berbera Port, despite improvements through DP World investments, lacks supporting logistics corridors and last-mile connectivity. Cold storage, warehousing, and digital logistics infrastructure are severely underdeveloped.
- **Trade finance and insurance constraints:** Somali businesses, especially SMEs, lack access to affordable trade finance or export insurance, which limits their ability to compete in high-value markets. Remittance-based microfinance systems are not enough for cross-border trade scaling.
- **Value addition and diversification gaps:** Somalia primarily exports raw materials—unprocessed livestock, fish, and agricultural products. This limits both income potential and job creation. Processed goods such as canned tuna, leather, essential oils, or sesame oil could fetch significantly higher returns.
- **Limited institutional voice in AfT discourse:** Somalia has not fully institutionalized a mechanism for engaging in regional or multilateral AfT negotiations, unlike neighbors like Kenya or Ethiopia.

These constraints have translated into missed opportunities. Somalia remains Africa's largest exporter of goats and sheep, but Saudi-imposed bans on Somali livestock due to health and certification concerns periodically disrupt trade.

With a proper veterinary certification system backed by AfT investments, these shocks could be avoided. Similarly, Somali sesame—coveted in Chinese and Turkish markets—could enter high-end segments with basic processing and packaging support.

A Sovereignty-Driven Aid for Trade Agenda in Somalia

Somalia requires an AfT strategy that is not merely coordinated by donors, but envisioned, led, and implemented by Somali institutions. At this critical turning point, the imperative is to chart a development pathway that builds independent trade capacity even amid declining external support. The foundation of such a strategy must rest on institutional reform. Establishing a centralized AfT coordination mechanism—linking the Ministry of Commerce, the Ministry of Planning, and the Somali Chamber of Commerce—would help consolidate trade-related investment planning, streamline donor engagement, and foster a coherent public-private dialogue. Such a platform would reduce duplication and anchor trade development in nationally determined priorities. Equally vital is the development of infrastructure with direct trade multipliers. Strategic investment in logistics corridors connecting production hubs such as Baidoa, Beledweyne, and Jannale to ports like Mogadishu, Kismayo, and Berbera would reduce costs and improve market access. Integrating solar-powered cold storage units, particularly in fisheries-rich regions like Puntland and livestock corridors in Jubaland, could drastically reduce post-harvest losses and improve export quality standards.



Regional integration must also be aggressively pursued. Somalia's recent accession to the East African Community (EAC) provide opportunities to reach over 300 million regional consumers. AfT should support Somalia in harmonizing trade documentation, simplifying cross-border procedures, and adopting digital trade systems to ensure Somali exporters can fully benefit from regional markets. This also means investing in capacity building to help Somali firms comply with product standards, rules of origin, and quality assurance mechanisms. To maximize value capture, AfT must focus on building integrated value chain hubs in Somalia's comparative advantage sectors—livestock, fisheries, sesame, and gums. Industrial clustering around these sectors, supported by SME grants, export credit facilities, and incubation services, would enhance productivity and create jobs, especially for youth and women. Diaspora engagement is another untapped lever. The Somali diaspora sends remittances as well as possesses business knowledge and networks. Future AfT initiatives should provide structured channels for diaspora co-financing in agribusiness, logistics, and export-oriented digital platforms.

Importantly, a new AfT framework must also blur the lines between humanitarian assistance and trade development. Food aid, for example,

should be gradually shifted toward local procurement strategies that support domestic agriculture. Building procurement systems that link humanitarian demand with Somali producers would stimulate local economies and reduce dependency on imports. Somalia's future cannot be built on an aid model in retreat. The ongoing contraction in global development assistance is both a formidable challenge and a rare opportunity to rethink what development should mean in our context. If humanitarian aid was once a stabilizer, trade must now be seen as the engine of transformation. Properly deployed, Aid for Trade provides a roadmap toward economic sovereignty. It can anchor long-term investment, diversify income sources, generate employment beyond the aid sector, and equip the Somali economy to withstand climate, security, and geopolitical shocks. Yet this transition is not automatic. It requires political will, strategic discipline, and alignment across national institutions, regional frameworks, and global partnerships. Somalia has the potential. The world has the tools. The moment demands the convergence of both—through a smarter, sovereignty-driven Aid for Trade agenda.



**Abdikafi
Hassan Abdi**



Harnessing Big Data for Social Good

Abdullahi Mohamud Osman



Introduction

When we think of big data, it often conjures images of corporations collecting customer information to tailor products or target ads. Yet, big data's potential reaches far beyond consumer analytics. What if we harnessed it to tackle urgent social challenges—predicting natural disasters, addressing income inequality, or promoting fair hiring practices? Instead of viewing big data as a commercial tool, we should explore how it can be leveraged to solve some of the world's most pressing problems, fostering a more just and resilient society.

The rise of digital ecosystems and vast networks of connected devices has led to an exponential increase in data production. This digital age offers unprecedented opportunities to use data not just for profit but for social good. Big data, which refers to large, diverse, and evolving datasets, can drive informed decision-making, enhance transparency, and foster accountability when used responsibly. This article explores how big data can advance sustainable development, highlights successful global examples, and outlines pathways to maximize its positive impact while safeguarding ethical standards.

Understanding Big Data: A Tool for Change

Big data is characterized by five critical dimensions:

- **Volume:** Massive amounts of data generated every second, from social media interactions to sensor readings.
- **Variety:** Data comes in diverse formats—structured (databases), semi-structured (XML files), and unstructured (videos, social media posts).
- **Velocity:** Real-time data generation and analysis allow for rapid insights and quick decision-making.
- **Veracity:** Ensuring data accuracy and reliability is crucial for drawing meaningful conclusions.
- **Value:** The ultimate goal of big data is to extract insights that can guide practical actions.

When used ethically and efficiently, big data holds the power to identify patterns, predict outcomes, and inform policy decisions. However, responsible use requires robust infrastructure, skilled professionals, and strict ethical standards to mitigate risks associated with privacy and data misuse.

Big Data for Sustainable Development

The United Nations' 17 Sustainable Development Goals (SDGs) provide a framework for addressing global challenges. Big data plays a pivotal role in tracking progress and enabling data-driven solutions across multiple domains:

- **Poverty Alleviation:** Data analytics can identify economic disparities and evaluate the effectiveness of poverty reduction programs. For instance, analyzing employment data can reveal where job creation efforts are needed most.
- **Healthcare:** During the COVID-19 pandemic, data from contact tracing apps and hospital records helped predict case surges and manage healthcare resources efficiently.
- **Education:** Analyzing enrollment and performance data can help identify educational gaps and support targeted interventions, particularly in rural areas.
- **Environmental Protection:** Climate data from satellite images helps monitor deforestation, track pollution levels, and predict natural disasters, guiding proactive environmental policies.

Global Examples of Big Data for Social Good

1. Google Flu Trends and COVID-19 Tracking:

Google Flu Trends initially showcased how search data could predict flu outbreaks. Although the project faced challenges, it inspired subsequent initiatives during the COVID-19 pandemic. Johns Hopkins University, for instance, created a real-time COVID-19 dashboard, utilizing data from public health agencies, news outlets, and government sources to track global cases and inform public health responses.

2. UN Global Pulse's Climate Resilience Projects:

The UN Global Pulse initiative harnesses big data to address climate challenges. In Jakarta, Indonesia, data from social media, satellite imagery, and phone records were combined to map flood patterns and support evacuation strategies. Such data-driven approaches ensure faster, more efficient disaster responses.

3. Harambee Youth Employment Accelerator:

Based in South Africa, Harambee uses big data to tackle youth unemployment by analyzing job seeker profiles and employer requirements. Predictive algorithms help match young people with suitable training and job opportunities, reducing skill gaps and enhancing employability.

Why Big Data Matters for Somalia

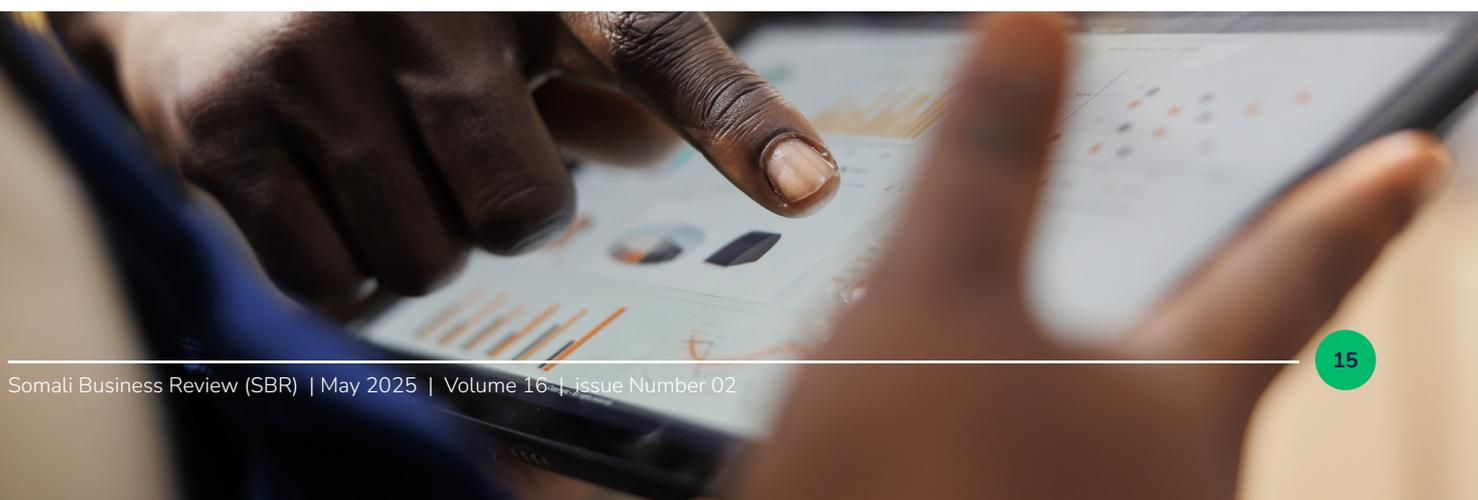
In Somalia, big data can play a transformative role, particularly in sectors like healthcare, agriculture, and urban planning. Mobile data can track migration patterns during droughts, helping humanitarian agencies allocate resources more effectively. Data on livestock movements can assist pastoral communities in optimizing grazing routes, minimizing conflicts over scarce water resources.

Furthermore, as mobile money usage expands, financial data can offer insights into economic activity and highlight regions needing development support. Integrating big data into governance could also improve public service delivery, making it more responsive to community needs.

Responsible and Ethical Use: Key Considerations

Despite its potential, big data also raises ethical concerns, particularly around privacy, bias, and data security. To use big data responsibly, it is essential to:

- **Ensure Data Privacy:** Protect sensitive information through anonymization and encryption.
- **Foster Ethical Data Governance:** Develop transparent policies that involve diverse stakeholders in decision-making.
- **Build Local Capacity:** Train data scientists and analysts within the country to foster local solutions.
- **Promote Public-Private Partnerships:** Collaboration between government, private entities, and academia can enhance data accessibility and application.



Challenges and the Way Forward

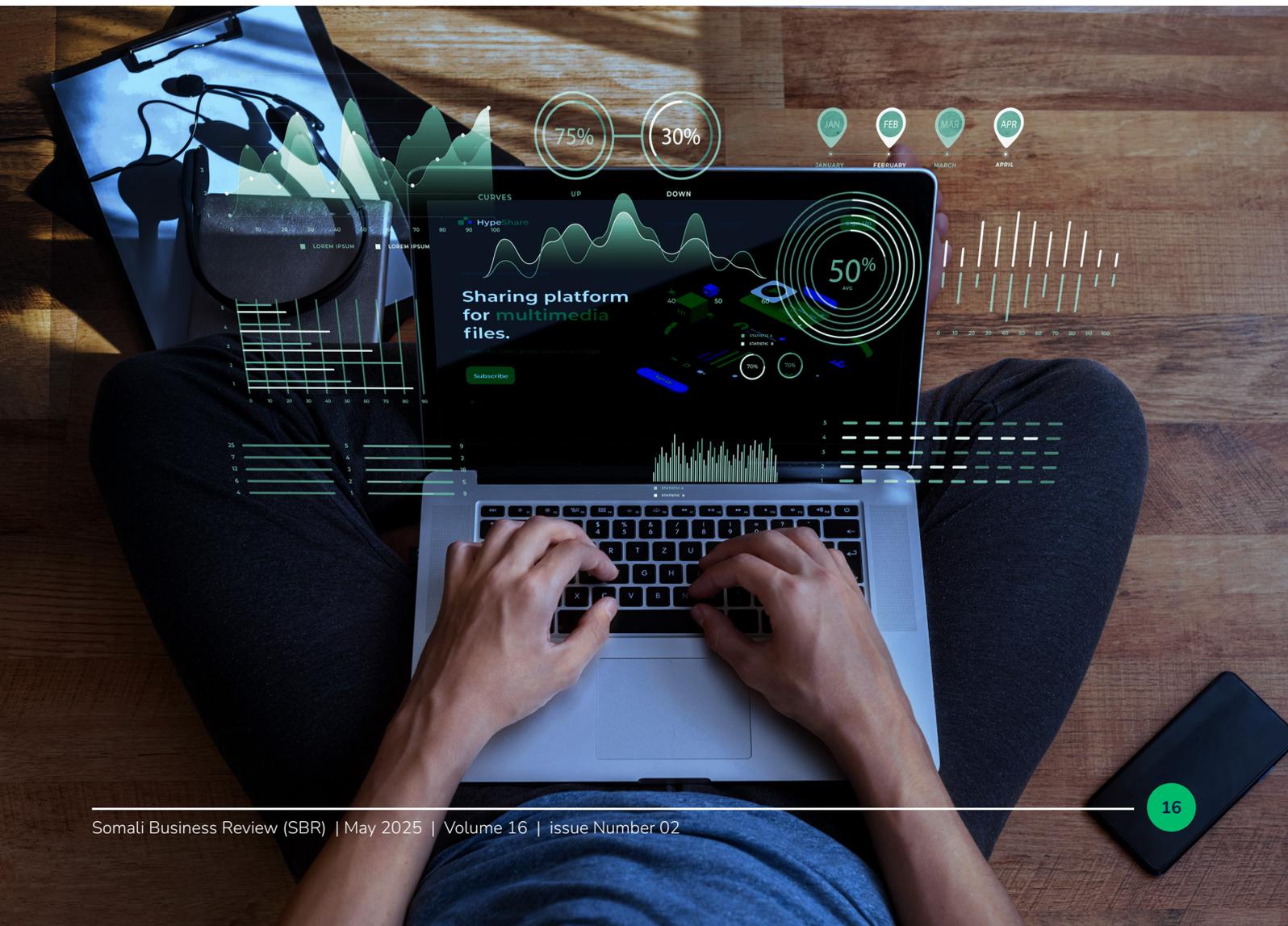
While big data holds immense promise, challenges remain, including data biases, infrastructure gaps, and the digital divide. Addressing these issues requires collaborative efforts from governments, civil society, and the private sector. Enhancing digital literacy and investing in local data infrastructure will empower communities to use data proactively. Moreover, advancements in artificial intelligence amplify both the potential and the risks of big data. Building systems that are fair, transparent, and accountable is essential to maintaining public trust.

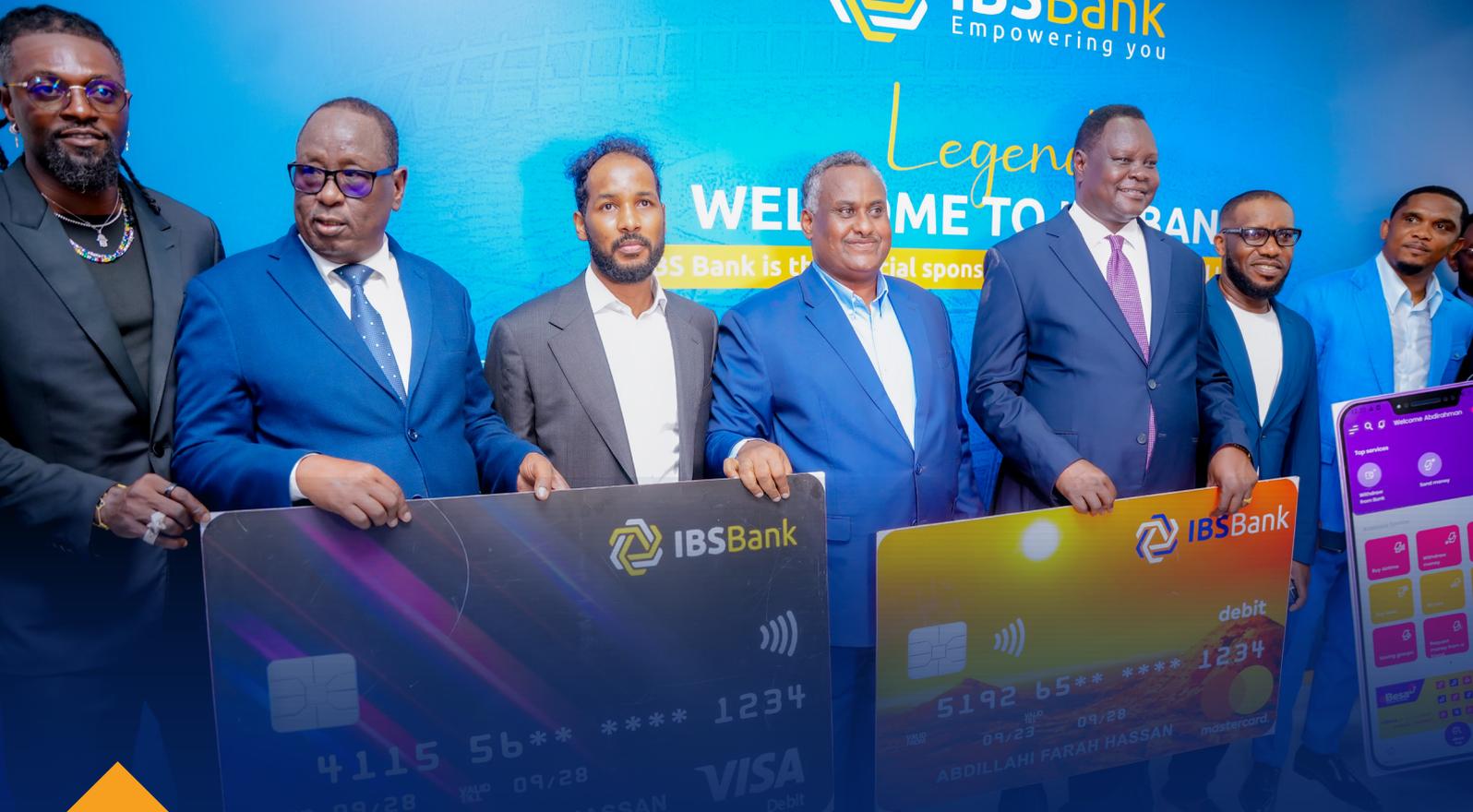
Conclusion

Big data has the potential to drive social good by offering insights into some of the world's most persistent challenges. When used ethically, it can advance sustainable development, foster inclusion, and support evidence-based policymaking. In Somalia, embracing big data for social good means not only leveraging technology but also embedding ethical standards to protect citizens' rights. Harnessing big data responsibly is not just an opportunity but a necessity in building a more equitable, resilient future. By fostering innovation and ensuring ethical practices, Somalia can unlock the power of data to improve lives, drive sustainable development, and build a society that thrives on informed decision-making.



**Abdullahi
Mohamud Osman**





La jaanqaad dunida casriga ah oo Isticmaal kaadhadhka caalamiga ah ee IBS Bank.



Will Transformative Development Be the Game-Changer to Boost Somalia's Recovery Path?

Abdikarim A. Mohamed



In today's world, marked by fierce competition and dynamic global trends, Somalia's position on the global stage remains enigmatic. With an abundance of natural resources such as natural gas and minerals, strategic geographical locations, a favorable climate, a rich cultural heritage, and a population known for its entrepreneurial spirit, Somalia possesses a treasure trove of untapped potential. Despite these advantages, the nation lags behind the race for development, finding itself at the bottom of the list of global competitiveness. According to the Global Competitiveness Report 2020 by the World Economic Forum, Somalia ranked 153rd among 153 countries in terms of global competitiveness. This critical situation calls for transformative change to utilize Somalia's inherent strengths and drive it towards a prosperous future, capitalizing on its resources, embracing technological advancements, and fostering innovation. This article examines how transformative development can reshape the country's economic landscape, overcome challenges, and propel Somalia towards sustainable growth and prosperity.

Challenges and Opportunities in Somalia's development.

Over three decades, Somalia has faced significant obstacles that have hindered its progress and impeded its economic growth. Political instability and protracted conflicts have made the nation fragile, impacting governance structures, public services, and economic stability. The precarious political landscape of Somalia is characterized by recurring leadership changes and persistent power struggles. According to the Fragile States Index 2023 of the Fund for Peace, Somalia is ranked as the world's most fragile state. This lack of stable governance undermines policy implementation and disrupts vital developmental efforts in Somalia. Rampant corruption corrodes institutions, drains resources from crucial development projects, and deepens existing inequalities. The nation's institutions, both government and non-government, wrestle with structural frailties that impede effective governance and service delivery. The lack of robust legal and regulatory frameworks has hampered investor confidence and discouraged foreign direct investment.

Examining the complex socioeconomic structure of Somalia reveals a convergence of multifaceted challenges that connect and shape the way Somalia grows and changes over time. The country's high poverty rate underscores the socio-economic divide that cripples the nation. This alarming level of poverty is further exacerbated by glaring income inequality, maintain an environment in which a significant portion of the population lacks access to even fundamental necessities. Somalia's healthcare system grapples with disparities in quality and access, resulting in high maternal and child mortality rates. Preventable diseases and limited healthcare infrastructure contribute to this challenge, diminishing life expectancy and perpetuating a cycle of ill health and economic fragility. Somalia is ranked sixth in the world, with a maternal mortality rate (MMR) of 692 per 100,000 live births (Somalia Health Demographic Survey report, 2020). Most of these deaths were avoidable. Many women experience serious issues owing to pregnancy or child-related illnesses.

Unemployment and under-employment, particularly among young people, present an image of economic stagnation. Lack of long-term job opportunities creates economic hardship and societal unrest, further entrenching a cycle of socioeconomic issues. An increasing youth population is confronted with a serious lack of employment opportunities. Over two-thirds of the Somali population is below the age of 30 years. Somalia's youth are critical to the country's economic revival, yet they face high poverty rates, a weak education system, and limited employment opportunities (World Bank, 2022). Gender disparities persist, with women being hindered by limited access to education, healthcare, and employment due to entrenched cultural norms. According to a recent report by the UNDP, gender equality and women's empowerment are among the most pressing issues confronting Somalia. The country ranks fourth bottom on the UNDP Gender disparity Index, with a score of 0.776 (the maximum value of 1 implies total disparity). The informal economy dominates, offering livelihoods, but also perpetuating informal working conditions, low wages, and a lack of job security. Despite being a cornerstone of the economy, the agricultural sector faces vulnerabilities from climate impact and outdated techniques, undermining food security and economic growth. Moreover, a deficiency in infrastructure spanning transportation, energy, and communication networks serves as a bottleneck to economic expansion, hindering connectivity, trade, and investment opportunities.

These devastating consequences have affected every facet of society and standard of living in the country. As the world hurtles the fifth generation of economic development, driven by technology and innovation, an urgent question arises: Is this opportune moment for transformative change to sweep across Somalia,

propelling it towards unprecedented economic success? Within this question is the potential to harness Somalia's inherent strengths and forge a path towards a prosperous future, one that harnesses its resources, embraces technological advancements, and unlocks the power of innovation. The Transformative Development Approach: Transformative development is an ambitious and comprehensive approach to bring about profound and lasting changes across multiple sectors of the economy and society. Unlike incremental improvements, transformative development addresses the root causes and barriers to sustainable development, paving the way for transformative change.

Somalia's New National Transformation Plan (NTP) 2025–2029: Somalia's newly launched National Transformation Plan (NTP) 2025–2029 marks a pivotal shift from traditional development strategies to a bold, results-driven framework aimed at catalyzing national renewal. Replacing the previous National Development Plans, the NTP aligns with Somalia's Centennial Vision 2060 and the African Union's Agenda 2063, reflecting a commitment to long-term, inclusive growth. Structured around four strategic pillars—Transformational Governance, Sustainable Economic Transformation, Social and Human Capital Transformation, and Environmental and Climate Resilience—the plan aims to address systemic challenges, promote good governance, and foster economic diversification. Developed through extensive consultations with federal member states, civil society, private sector stakeholders, and international partners, the NTP embodies a participatory approach to national planning, ensuring that it reflects the aspirations and needs of the Somali people.

Understanding Transformative Development

Transformative development is an ambitious and comprehensive approach to bring about profound and lasting changes across multiple sectors of the economy and society. Unlike incremental improvements, transformative development addresses the root causes and barriers to sustainable development, paving the way for transformative change. Somalia stands at a critical juncture and is poised to embark on a new era in development. In the preceding discussion, I share some transformative suggestions that hold the promise of paving the way for Somalia's resurgence and prosperity. These transformative measures encompass crucial areas that demand concerted effort and collective commitment from the stakeholders involved. By implementing these suggestions, Somalia can chart a path towards sustainable development, resilient growth, and a promising future for its people.

Prioritizing Infrastructure Development

At the forefront of transformative development, there is an urgent need to address the infrastructure deficits plaguing the country. Roads, ports, airports, power grids, and telecommunication networks have suffered from neglect and destruction. By prioritizing infrastructure development, Somalia can enhance connectivity, facilitate trade, and attract investment. Improved infrastructure serves as a catalyst, unlocking the untapped potential of the economy and opening doors to new opportunities.

Investing in Human Capital

Investing in human capital is vital to successful transformative development. According to UNICEF, the primary school enrollment rate in Somalia is one of the lowest in the world, with only approximately 30% of the children attending school. The majority of the population lacks access to basic healthcare services because of limited infrastructure and resources. Accessible and high-quality education, healthcare, and skill training programs are essential to empower individuals, reduce poverty, and cultivate a skilled workforce. By nurturing human potential, Somalia can build a knowledgeable and capable workforce that can drive innovation, productivity, and economic growth.

Economic Diversification

Economic diversification is an important aspect of the transformative development. Investment in the industrial sector could contribute to inclusive growth and poverty reduction in Somalia. As of 2022, the country's poverty rate is staggering at 73% (World Bank 2022). A vibrant industrial sector can generate income opportunities, reduce income disparities, and improve the overall standard of living for the population. Somalia's heavy reliance on agriculture and a few primary industries calls for a shift towards a more diversified economy. By supporting sectors such as agriculture, renewable energy, and telecommunications, Somalia can stimulate economic growth, create job opportunities, and reduce its vulnerability to external shocks. Economic diversification fosters resilience and ensures long-term sustainable development in the long run.

Strengthening Governance and Institutions

To successfully embark on this transformative journey, strengthening governance and institutional capacities is paramount. Transparent and accountable institutions are fundamental to effective resource management, ensuring a conducive business environment, and promoting an equitable distribution of benefits. Building trust, attracting investment, and establishing the rule of law are essential for Somalia to achieve lasting economic successes. Unfortunately, Somalia has been grappling with high levels of corruption, significantly hindering its development. According to the Corruption Perceptions Index 2022 by Transparency International, Somalia ranks among the most corrupt countries in the world, scoring only 12 out of 100. This indicates the urgent need for anti-corruption measures and effective governance to address this pressing issue. By combating corruption and ensuring transparent governance, Somalia could foster an environment conducive to sustainable economic growth and prosperity. Strong leadership and governance are indispensable in the fight against corruption and setting a course for transformative development. Establishing an accountability system in which public officials are held responsible for their actions will build confidence among investors and international partners. Strengthening institutional capacities, such as law enforcement and judicial systems, is crucial for upholding the rule of law and promoting a fair and just society.

In conclusion, transformative development has the potential to unlock Somalia's economic prowess and usher in an era of prosperity and stability. Addressing infrastructure deficits, investing in human capital, promoting economic diversification, and strengthening governance structures will set Somalia on a new path towards success. Collaboration between government agencies, international organizations, civil society, and the private sector is pivotal for materializing this transformative vision. Together, we can propel Somalia into a new frontier of economic success and stability where people's dreams become tangible realities.



**Abdikarim
A. Mohamed**



Xukuumadda
Federaalka
Soomaaliya

National
Transformation
Plan 2025-2029



Mr. Shaha
Mohamud

ARTICLE

05

Somalia's NTP2025- 2029 Explained!

Mohamed Okash



Somalia has a long and turbulent history marked by decades of conflict, state fragility, and efforts to rebuild. Since the collapse of central government in 1991, the nation has been struggling restore its governance, develop infrastructure, and provide essential services. The journey from state failure to stability has been painstakingly slow, punctuated by conflicts and climate crises, and political failure . Yet, amid these challenges, there is a renewed sense of hope among Somalis towards building a new Somalia that is peaceful, progressive and prosperous.

In recent years, Somalia has made a deliberate shift from emergency relief toward strategic, long-term planning. This marks a critical moment in the country's development trajectory, as the Federal Government of Somalia (FGS) moves beyond short-term recovery efforts to embrace a more holistic and forward-looking vision. The foundation for this shift was laid by the Somali New Deal Compact (2014–2016), which provided a comprehensive framework for rebuilding state institutions and fostering political stability in a post-conflict setting.

Building on this, the country launched its first National Development Plan in 30 years—NDP-8 (2017–2019) focused on poverty reduction, institutional development, inclusive politics, and socio-economic recovery. This was followed by NDP-9 (2020–2024), which further expanded the agenda to include resilience, infrastructure, and human development, while aligning more closely with the Sustainable Development Goals (SDGs) and the debt relief process under the HIPC initiative.

Now, as NDP-9 nears completion, Somalia is preparing to implement the National Transformation Plan (NTP) 2025–2029, a forward-looking and comprehensive blueprint designed to guide the next phase of the country's recovery and development. The National Transformation Plan (NTP) for Somalia was officially launched on March 17, 2025, in Mogadishu. Covering the period from 2025 to 2029, the NTP serves as Somalia's most ambitious strategic framework to date, aimed at accelerating national progress across key development pillars—economic growth, transformational governance, social development, and environmental resilience.

However, implementing such an ambitious plan is not without challenges. Somalia continues to grapple with aid dependency, political instability, and security risks. Moreover, the legacy of past development failures looms large, with many citizens skeptical about the government's ability to deliver on its promises. Against this backdrop, the central question remains: Can Somalia's new NTP accelerate state-building, socioeconomic recovery, and resilience against shocks given the constraints of limited resources, capacity, and persistent fragility? To answer this, we must critically examine the historical context, the NTP's Pillars and its implementation strategies. This will help establish a shared and deeper understanding of whether the plan truly reflects the aspirations of the Somali people and aims to bring about meaningful socioeconomic transformation or if it risks becoming just another policy document destined for the government's shelves or archives, full of rhetoric but devoid of real impact.

Lessons from Past Development Plans

Somalia's development story is a rich tapestry of bold ambition, turbulent setbacks, and resilient recovery. From the post-independence optimism of the 1960s to the fragmented years of civil war and the gradual restoration of national planning, the country's path reflects both the challenges and opportunities of nation-building. As Somalia charts a new course through the National Transformation Plan (NTP) 2025–2030, it is essential to reflect on the lessons embedded in its planning history, what succeeded, what faltered, and how these experiences can guide a more inclusive and sustainable future.

Following independence in 1960, Somalia's new government embraced state-led development with high expectations. The first series of National Development Plans (NDP-1 through NDP-4) aimed to rapidly modernize the economy, expand critical infrastructure, and invest in human capital. Backed by international aid from international partners, Somalia positioned itself as a strategic partner during the Cold War, reaping financial and technical support in return. These plans focused heavily on constructing road networks, water systems, public buildings, and health and education services. Somalia sought to shift from a predominantly nomadic, pastoralist society to a more diversified and semi-industrialized economy. In urban centers, there were visible improvements: paved roads, administrative buildings, and state institutions began to emerge.

However, this momentum was undercut by several deep-rooted issues. Development planning was highly centralized, with limited input from communities or regions beyond the capital city. This was because to the rigid centralised governance system adopted in the country. This disconnect resulted in uneven access to social services, inequalities, and alienated rural populations. Moreover, the heavy reliance on foreign aid made projects vulnerable to geopolitical shifts. The bureaucracy became bloated and inefficient, with projects often delayed or mismanaged.

Unfortunately, a war broke out with neighboring Ethiopia in (1977–78) marked a turning point. Somalia's break with the Soviet Union following the war cut off foreign aid flows, weakening the state's capacity to sustain its ambitious development agenda. The following two NDPs, NDP-5 and NDP-6, were less about transformation and more about maintaining basic services amidst growing political and economic fragility.

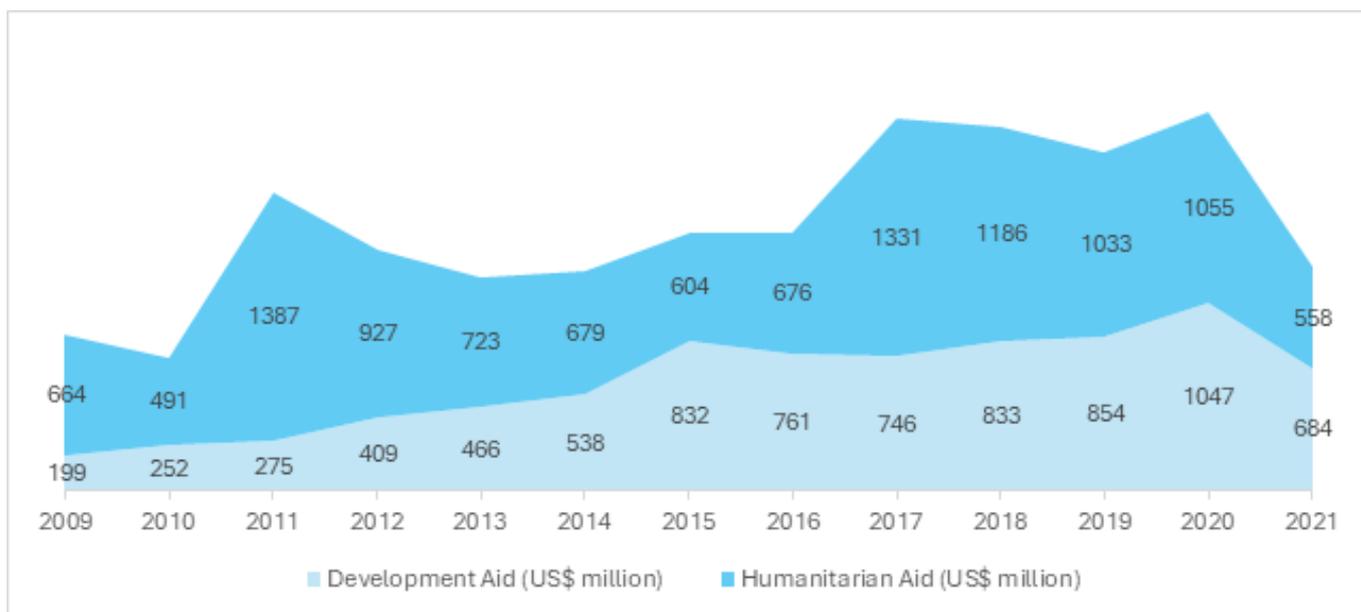


Figure 1 Breakdown of Developmental and Humanitarian Aid into Somalia

The fall of the Somalia Central Government in 1991 triggered one of the most protracted periods of state collapse in modern African history. Civil war engulfed the nation, dismantling institutions, fragmenting the territory, disintegrated the society. For over decades, Somalia operated without a functioning central government capable of implementing national strategies. This created a vacuum of governance. Humanitarian Reponse replace Development planning. Humanitarian organizations, diaspora communities, and local actors stepped in to provide basic services across the nation wick saved lives, created hope and marked a path of recovery which is today's turning point of the new Somalia of post conflict era.

After years of efforts of state building from in 2000s, Somalia ended its era of transitional governments in 2012 and began implementing a new federal constitution, marking a critical shift toward rebuilding state institutions. The formation of the Federal Government signaled renewed efforts for political stabilization and long-term development. The Somali Compact (2013–2016), developed with international partners, emphasized inclusive governance, economic recovery, and institutional strengthening. Key achievements included debt relief under the HIPC Initiative, which opened access to global financing. Building on this, NDP-8 and NDP-9 prioritized poverty reduction, infrastructure, and governance reform, this time with more inclusive processes involving local stakeholders and civil society. Despite ongoing challenges such as instability, weak institutional capacity, and political fragmentation, NDP-9 delivered progress in education, healthcare, and public services.

What are the NTPs anyway?

As someone deeply engaged in Somalia's development discourse, I often find myself reflecting on the question: what do the National Transformation Plans (NTPs) really represent? Beyond the technical documents and political speeches, the NTPs are emblematic of a broader paradigm shift, a long-overdue move from reactive policy-making to proactive, structured, and Somali-owned national planning.

The National Transformation Plan (NTP) 2025–2030 is more than a medium-term strategy. It is the first in a series of transformative planning cycles that set Somalia on a trajectory toward its Centennial Vision 2060, a vision that imagines a peaceful, resilient, and economically self-reliant Somalia. For years, our planning processes were mainly limited to documentnttaion rather than action that deliver a meaningful impact to the people an the planet. Will the The NTP breaks from this unprogressive legacy.

The NTP is structured around five core pillars, each rooted in the realities of Somalia's development journey. First, Transformational Governance speaks directly to the need for inclusive, accountable public institutions that can deliver services and uphold the rule of law. This pillar resonates with most Somalis who are left behind from the public participation process or social services delivery which result mistrust in statebuilding process. Second, Sustainable Economic Transformation aims to rebuild and diversify the economy something that has long eluded us due to conflict, informality, and underinvestment. Investments in infrastructure, agriculture, energy, and digital innovation are not just about growth, they are about redesigning the structure of the Somali economy and creating meaningful employment opportunities, particularly for the majority of Somalis, young people.

The third pillar, Social Development and and Human Capital Transformation, places human capital at the center. As a researcher in both public policy and education, I see this as a necessary correction. Health, education, and social protection systems are foundational for a functioning state, productive society and knowledge based soceity. These services have been historically donor-dependent and limited to certain cities rather the nation wide.

Fourth is Environment and Climate Resilience, a theme close to my own work on climate and development. Somalia is on the frontlines of the climate crisis. Yet, our historical development plans often treated environmental issues as peripheral. This pillar signals a timely and essential shift, toward climate adaptation, natural resource management, and green innovation. It provides a alignment with climate resilience into all sectors.

Finally, the Enablers such as federal-state coordination, digital governance, and public-private partnerships, recognize that planning cannot succeed in isolation. These cross-cutting elements are crucial for delivery and accountability. The emphasis on digital tools and coordination mechanisms suggests a readiness to modernize governance systems and overcome long-standing implementation bottlenecks.

Through the "Big Fast Results" methodology facilitated by PEMANDU, government institutions, federal member states, civil society actors, and private sector leaders came together not to consult, but to co-design through series lab. This is the first time to adopt such methodology at home, but this will not gurentee a successful transformation Somalia into middle income country with functioning state institute that serves its people, trades its neighbours and reclaims its position in the global stage. The NTP also reflects alignment with broader frameworks. It builds on the foundation of NDP-9 (2020–2024) and the Vision 2063.

It is aligned with the Sustainable Development Goals (SDGs), and Africa's Agenda 2063. The NTP offers a vital opportunity for Somalia to course-correct its recovery and accelerate national transformation, if fully implemented and embedded across all government programs and projects at every level of governance nationwide.

What It Takes for the NTPs to Transform Somalia?

Turning the promise of the National Transformation Plan (NTP) 2025–2030 into a national reality will not be the result of planning alone, it will require sustained political courage, institutional integration, and public trust. At its core, transformation is not a one-time event. It is a deliberate and disciplined process of aligning vision with action, across time and across leadership transitions.

First and foremost, political will is paramount, not just from the current administration, but from the governments that will follow, particularly after the anticipated 2026 elections. The NTP must transcend political cycles and be protected as a national commitment, not a partisan project. Building cross-party consensus and ensuring continuity in implementation will be essential to prevent the plan from being lost to leadership change or short-termism.

Second, institutional integration is critical. The NTP must be deeply embedded into all national programs, budgets, and policy frameworks. This includes establishing clear national targets, indicators, and robust systems for monitoring, evaluation, and reporting. The NTP should be positioned as Somalia's second most important national document, aligned with the country's updated Nationally Determined Contributions (NDCs 3.0) and long-term climate and development agendas.

The Ministry of Planning, Investment, and Economic Development (MoPIED) and the Office of the Prime Minister, as the principal custodians of the NTP, must spearhead its national ownership. This means not only coordinating implementation but also championing the plan across all levels of government. These institutions should lead efforts to embed the NTP within annual development planning cycles, guide budget alignment,

and ensure inter-ministerial coherence. Equally important there should be a national coordination platform to track implementation progress, promote transparency, and facilitate regular reporting. This would include setting up performance dashboards, annual progress reviews, and stakeholder feedback loops that can inform policy adjustments.

Third, the plan must be communicated and championed widely. This means going beyond policy circles to engage private sector actors, investors, civil society, international development partners, and, most importantly, the Somali people. If citizens do not believe in the NTP's aspirations, its goals will remain abstract. National transformation is not only about strategy; it is about collective belief in a shared future. To maintain this momentum, the government and partners must invest in strategic communication, translating the plan into accessible language for civil servants, development actors, and citizens alike. When ownership is built from the top but felt across society, the NTP should evolve being a plan but a shared national commitment.

Finally, financing the transformation is key. Somalia must mobilize innovative and sustainable financing mechanisms to fund implementation. This includes integrating NTP priorities into annual national budgets, unlocking domestic resources, engaging the diaspora, attracting FDIs and expanding access to international financial instruments, such as climate finance, blended finance, and multilateral development support. Building an enabling environment that reassures investors and donors alike will also play a vital role.

In short, the success of the NTP depends not just on what is written, but on what is built around it: commitment, coherence, communication, and capital. These are the foundations that will determine whether the NTP remains a policy document at MoPIED or OPM, or becomes a transformative force in Somalia's future.



Mohamed Okash





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What Does Training Mean for Building a Successful Business?

Fartun Ahmed Sheikh Mohamed

In Mogadishu, business owners often find themselves navigating a complex landscape of challenges. From shifting market demands to evolving consumer expectations, the journey of an entrepreneur in Somalia can feel like steering a dhow through unpredictable waves. The winds of change are ever-present, and without the right skills and knowledge, it's easy to lose direction. One pivotal tool that can act as both a rudder and a compass for these business leaders is training. One such story is that of Ahmed, a restaurant owner in Mogadishu who had been successfully running his business for over a decade. His restaurant, known for its traditional Somali cuisine, had always attracted a loyal local customer base. However, as global food trends shifted toward healthier, plant-based options, Ahmed noticed a decline in his once-bustling lunchtime crowd. He soon realized that to keep his business afloat, he needed to adapt to the changing tastes of his customers.

Framing the Problem

Like many Somali entrepreneurs, Ahmed was passionate but lacked formal training in business strategy or market adaptation. He faced a critical question: how could he innovate without losing the essence of his brand? The challenge was not just

introducing new dishes but understanding how to market them and align them with consumer expectations.

One day, during a business networking event, Ahmed met Asha, a fellow entrepreneur who shared her experience of attending a culinary training program focused on sustainable and health-conscious food practices. Inspired, Ahmed enrolled in a similar program that introduced him to concepts of nutritional cuisine, digital marketing for restaurants, and customer engagement strategies.

Training as the Solution

The training was an eye-opener. Ahmed learned how to create a balanced menu that included traditional Somali dishes alongside modern, health-focused options. He also developed skills in branding and marketing his new menu through social media. More importantly, Ahmed learned about customer feedback loops, enabling him to adapt his offerings based on real-time responses. After implementing these changes, Ahmed's restaurant not only regained its popularity but also attracted a new demographic—health-conscious young professionals.

His revenue increased, and he even inspired neighboring restaurants to rethink their menus. Ahmed's story illustrates the transformative power of training—not just as a means of personal growth but as a strategic business tool.

The Broader Context

Somalia's business environment is rapidly evolving. With increasing internet penetration and a growing youth population, businesses must keep pace with global trends while catering to local tastes. Yet, many entrepreneurs, like Ahmed, are rooted in traditional methods. Training, therefore, becomes essential not just for survival but for thriving in the modern market.

The Importance of Certified Training and Professional Support

In the context of massive market dynamics, it is crucial for business owners to seek training from certified trainers and business development service providers. These professionals offer structured programs that are grounded in industry standards and best practices. Such training ensures that entrepreneurs are not just learning but are equipped with validated skills that align with market needs. Certified training enhances credibility, instills confidence, and provides access to networks that can further business growth. Moreover, business development service providers can offer tailored guidance, mentoring, and follow-up support, which are essential in ensuring the successful implementation of new strategies.

By partnering with certified trainers and professional service providers, entrepreneurs can move beyond trial and error and adopt proven methods that are adaptable to their unique contexts. This approach not only mitigates risks but also accelerates the path to success, especially in a dynamic and competitive market like Somalia.

Proposing the Solution

To replicate Ahmed's success, training programs must be made more accessible and relevant. Workshops on digital marketing, customer engagement, financial management, and innovative product development should be tailored to the local context. Partnerships between business incubators, local chambers of commerce, and educational institutions can create a robust training ecosystem.

Furthermore, integrating peer learning—where successful entrepreneurs share their stories—can help demystify the training process and make it more relatable. Community-driven training hubs in cities like Mogadishu and Hargeisa could serve as vital points for ongoing skill enhancement.

Broader Impact of Training Programs

Training programs offer a multitude of benefits, not just for individual entrepreneurs but for the broader economy. They foster a culture of continuous learning and adaptation, crucial in a world marked by rapid technological changes. Through training, business owners develop a proactive mindset, enabling them to anticipate changes and pivot effectively. As seen in Ahmed's case, the application of training knowledge directly translates to better business outcomes, higher customer satisfaction, and increased profitability. Additionally, investing in training encourages a growth mindset within the organization. When leaders invest in their own development, it sets a positive example, inspiring their teams to pursue skill enhancement. This cultural shift towards continuous improvement not only improves operational efficiency but also builds a resilient and innovative workforce.

Broader Impact of Training Programs

The story of Ahmed is not just a tale of one man's success but a lesson for countless business owners facing similar challenges. The winds of change may be relentless, but with training as their compass, Somali entrepreneurs can steer their businesses toward growth and sustainability. By investing in continuous learning from certified trainers and professional service providers, they not only secure their own futures but also contribute to a thriving, resilient local economy. Let the story of Ahmed be a call to action for business owners: embrace training, harness change, and navigate your business to success.



**Fartun Ahmed
Sheikh Mohamed**

Transforming Somalia's Energy Landscape: Solar Innovation and Strategic Solutions

Abdulkadir Bashir Ahmed



Introduction

Somalia's energy sector offers both considerable opportunities and notable challenges. Since the collapse of the national energy infrastructure in the 1990s, electricity generation in Somalia has been predominantly privatised, relying heavily on diesel-powered microgrids. This dependence on diesel-based systems has resulted in Somalia experiencing some of the highest electricity tariffs in Africa, with costs reaching up to \$1.25 per kilowatt-hour, substantially higher than those in neighbouring countries such as Kenya (\$0.15 per kilowatt-hour) and Ethiopia (\$0.06 per kilowatt-hour). Despite these exorbitant costs and infrastructural deficiencies, progress has been made in expanding electricity access, with 61.9% of the population having access to electricity by 2023. Nonetheless, significant disparities persist, particularly between urban and rural areas.

The transition to solar energy presents a promising opportunity for Somalia, capitalizing on the country's abundant solar resources.

This potential is being realized through initiatives such as the 10MW solar farm developed by the Benadir Energy Company near Mogadishu, facilitated through partnerships between the private sector and international entities. However, Somalia's renewable energy sector faces numerous challenges, including substantial upfront investment requirements, inadequate infrastructure, limited technical expertise, and regulatory obstacles. International development initiatives, such as the World Bank's Somali Electricity Access Project and USAID's Power Africa, are playing a pivotal role in addressing these barriers and supporting the advancement of renewable energy solutions in Somalia.

Solar Energy Potential in Somalia

Somalia's geographic location along the eastern coast of Africa, near the equator, provides favourable conditions for solar energy generation. The country possesses substantial solar potential, with approximately 3,000 hours of annual sunshine and minimal cloud cover.

Large-scale solar photovoltaic systems are well-suited for the vast open, arid, and semi-arid lands, making solar a promising solution to address Somalia's pressing energy demands. The average solar radiation levels in Somalia range from 5 to 7 kWh/m² per day, which is comparable to the solar energy output observed in the world's leading solar power-generating countries. The central and southern regions of Somalia are particularly well-suited for solar infrastructure development due to their abundant and consistent solar irradiation. This reliable solar resource represents a significant asset for Somalia, enabling the country to establish a sustainable energy system that can serve both urban and rural areas.

Significant progress has been achieved through solar energy initiatives, with the private sector playing a prominent role. Benadir Energy Company, the primary electricity provider in Mogadishu, has developed a 10MW solar farm that integrates solar power with existing diesel generation, resulting in a more sustainable and cost-effective energy supply. Additionally, other companies, such as Blue Sky and Solargen, have focused on off-grid solutions for rural areas that lack traditional infrastructure. International support has been vital. The World Bank's Somali Electricity Access Project and programs like Lighting Africa are enhancing infrastructure and affordability, emphasizing solar energy as a cornerstone for sustainable development and resilience in Somalia.

Opportunities for Solar Energy in Somalia

The transition to solar energy presents Somalia with significant environmental, economic, and social benefits. Currently reliant on diesel generators, the country experiences high energy costs and considerable air pollution, particularly in urban areas like Mogadishu, where poor air quality is a pressing concern. Solar energy offers an opportunity to mitigate these challenges by reducing emissions and lowering energy costs. Additionally, a shift to solar power can reduce dependence on charcoal and firewood, preserving Somalia's forests and biodiversity. This transition aligns with global climate goals, enabling Somalia to decrease greenhouse gas emissions while enhancing climate resilience in response to increasing weather extremes. Solar energy development also has the potential to stimulate economic growth and expand employment opportunities. A robust solar industry can generate jobs across technical, managerial, and administrative roles, supporting installation, maintenance, and system management. In addition to large-scale projects, small businesses within the solar sector can provide economic opportunities in rural areas, fostering local development where job availability is limited.

Furthermore, off-grid and mini-grid solar systems can address electricity access gaps, delivering reliable energy to underserved communities and supporting critical services such as healthcare and education. By bridging the energy divide, solar energy promotes equitable development, strengthens energy security, and reduces reliance on costly imported fuels. Leveraging its abundant solar resources, Somalia can diversify its energy mix, stabilize costs, and enhance its resilience to energy supply disruptions, fostering sustainable and inclusive growth. Somalia's strategic location in the Horn of Africa offers opportunities for regional energy trade. Scaling solar projects can attract East African investors seeking diverse energy sources. Collaborating through frameworks like the Eastern Africa Power Pool (EAPP) positions Somalia as a hub for cross-border energy integration, fostering economic growth and regional collaboration.

Challenges to Solar Energy Development in Somalia

The development of solar energy in Somalia is hindered by significant challenges, primarily the high initial costs associated with solar installations and the limited availability of financing options. While international support and microfinancing could help mitigate these upfront costs, intense competition in the energy market reduces the attractiveness of solar projects. Furthermore, Somalia's fragmented electricity infrastructure, characterised by isolated microgrids and small-scale systems, limits the scalability of solar energy and the equitable distribution of power, particularly in rural areas. Although off-grid solar solutions offer a partial remedy, large-scale expansion and national grid integration remain unattainable without substantial investment in infrastructure. Another key challenge is solar energy's reliance on efficient storage solutions to address its intermittency. The high costs and limited technical expertise surrounding battery storage systems make large-scale adoption challenging. Additionally, the absence of a robust policy framework further impedes the growth of the solar sector. Without tax incentives, subsidies, or streamlined regulations, solar energy struggles to compete with conventional sources. Implementing comprehensive renewable energy policies, including financial incentives and regulatory support, could encourage investment and enhance market confidence. Somalia also faces a critical skills gap, as the lack of trained technicians and engineers for solar system installation and maintenance undermines the sustainability and efficiency of projects. Establishing targeted training programs is essential to developing a skilled workforce, fostering long-term growth, and addressing the structural deficiencies within Somalia's solar energy sector.

Strategies to Overcome Challenges in Solar Energy Development in Somalia

Addressing the challenges of solar energy development in Somalia requires targeted strategies. A key priority is the deployment of off-grid solar systems and mini-grids to address the absence of a national grid. These systems can reliably supply energy to households, businesses, schools, and healthcare facilities, particularly in rural areas, without the need for extensive infrastructure. By bridging the energy access gap, off-grid solutions can promote energy inclusion, drive economic development, and enhance living standards in remote regions.

To overcome the high initial costs of solar energy systems, financial incentives are essential. Subsidies, tax breaks, and microfinancing options can make solar adoption more affordable for households and small businesses. Partnerships with international donors can further support these efforts by funding initiatives and attracting investments. Addressing solar intermittency through affordable battery storage solutions is also vital. International collaborations can help develop modular storage systems for mini-grids, ensuring reliable energy supplies in areas with limited grid access.

Developing local capacity is critical for sustaining Somalia's solar sector. Vocational training programs can equip technicians with skills in installation, maintenance, and system expansion. Collaborations with international organizations can provide technical expertise and resources, fostering a skilled workforce and reducing reliance on foreign experts. Complementing these efforts, a supportive policy framework is crucial for attracting

investment. Clear incentives, streamlined licensing, and tax relief measures can create a favorable environment for renewable energy projects, boosting adoption and driving economic growth. Public awareness campaigns highlighting solar energy's economic and environmental benefits can further foster acceptance, with community engagement playing a pivotal role in ensuring widespread support and adoption.

Case Studies and Lessons Learned

The Benadir Energy Company (BECO) in Somalia implemented a 10MW hybrid solar-diesel farm near Mogadishu, addressing the nation's reliance on expensive diesel-based electricity generation. This project demonstrates the feasibility of integrating renewable energy into Somalia's power sector, improving energy stability and reducing costs. By blending solar power with diesel systems, BECO has provided a model for sustainable energy solutions in urban areas. While standalone solar systems were considered, hybrid systems were selected to ensure reliable power supply during periods of low solar output. This initiative highlights the potential for similar hybrid systems to be scaled across Somalia, particularly with support from international donors and investments in workforce development.

Kenya's success in deploying solar mini-grids for rural electrification provides valuable insights for Somalia. Faced with high costs of extending the national grid, Kenya adopted solar mini-grids powered by photovoltaic panels and supported by battery storage. These systems have significantly improved access to electricity in remote areas, transforming local economies by powering schools, clinics, and businesses. Somalia could replicate this model by incentivizing private-sector participation in rural solar projects through subsidies, low-interest loans, and streamlined regulations. Additionally, building technical capacity through vocational training programs would ensure the sustainability of mini-grid operations in underserved areas.

International best practices from Kenya further demonstrate the importance of robust policy frameworks and capacity-building initiatives. Kenya's use of tax incentives and subsidies to attract investment in renewable energy has accelerated solar adoption, while training programs have created a skilled local workforce. For Somalia, adopting similar financial incentives and prioritizing technical training would foster private investment and reduce reliance on foreign expertise. Together, these strategies can help Somalia advance its renewable energy initiatives and address persistent energy challenges.



Implementation Plan for Scaling Solar Energy in Somalia

A phased approach is critical to addressing Somalia's energy challenges, focusing on short-term, medium-term, and stakeholder-centered strategies. In the short term, small-scale pilot projects in high-potential areas such as Mogadishu and rural regions with limited electricity access should prioritize off-grid and mini-grid systems to demonstrate solar power's capacity to improve energy access and reduce costs. Simultaneously, public awareness campaigns should address misconceptions about solar energy's reliability and affordability, emphasizing its economic and environmental benefits to foster public and stakeholder support.

Financial incentives must play a pivotal role in encouraging adoption. Partnerships with international donors and financial institutions can help provide subsidies, low-interest loans, and grants to alleviate the high upfront costs of solar systems for households and businesses. Concurrently, training programs for local technicians and engineers are essential to ensure a skilled workforce capable of supporting solar installations and maintenance. Partnering with NGOs and international organizations to deliver these programs can expand local capacity, drive community-level economic development, and promote sectoral growth.

In the medium and long term, Somalia should prioritize expanding off-grid and mini-grid infrastructure to serve remote and underserved communities. Establishing a comprehensive national solar policy framework, incorporating streamlined regulations, tax incentives, and quality standards, is vital to attract investments and ensure the sector's long-term growth. Investments in battery storage and hybrid systems are crucial to address solar energy's intermittency and provide consistent power. Stakeholder collaboration, including government, private sector, NGOs, international donors, and local communities, is fundamental to implementing culturally relevant and sustainable solar projects. These efforts can position Somalia as a leader in renewable energy within the Horn of Africa, achieving energy security, economic development, and environmental sustainability.

Conclusion and policy recommendations

Somalia faces significant challenges in addressing its energy needs, but the potential of solar power offers opportunities to overcome these obstacles. The country's reliance on diesel generators has resulted in limited and costly access to electricity,

particularly in rural areas. However, the transition to solar energy presents a chance to reduce dependence on expensive fuel imports, promote sustainable development, and mitigate environmental impacts. Various energy initiatives led by the private sector and international donors have been implemented to address energy inequity. Nonetheless, Somalia confronts major hurdles, such as high upfront costs, infrastructure deficiencies, skilled labor shortages, and inadequate regulatory frameworks.

Policy Recommendations

1. **Create a Renewable Energy Policy Framework:** Develop clear incentives and streamlined regulations to attract investment in solar energy, including tax breaks and simplified licensing.
2. **Support Off-Grid and Mini-Grid Solutions:** Promote off-grid systems to improve energy access in rural areas, encouraging private and community-driven initiatives.
3. **Establish Financial Support Mechanisms:** Offer low-interest loans, grants, and microfinancing to make solar adoption more affordable for households and businesses.
4. **Invest in Workforce Training:** Build local capacity through training programs for solar technology installation and maintenance, reducing reliance on foreign expertise.
5. **Enhance Public Awareness:** Conduct educational campaigns to promote the benefits of solar energy and engage community leaders to drive acceptance and adoption.
6. **Encourage Public-Private Partnerships (PPPs):** Mobilize resources and share risks by fostering partnerships between government and private sectors for large-scale solar projects.
7. **Focus on Energy Storage Solutions:** Invest in affordable storage and hybrid systems to ensure reliable solar power, addressing issues of intermittency.



**Abdulkadir
Bashir Ahmed**

Would Green Markets Be the Winning Business Model Amid Climate Shocks?

Marwa Abdullahi Moallim

Green Markets is a game-changing business model that passionately promotes eco-friendly solutions. Green marketing is the art of developing strategies and communicating about products and services that have a beneficial environmental impact. It entails implementing sustainability concepts into a variety of marketing factors such as product design, packaging, messaging, and promotion.

Green marketing promotes eco-friendly products, addressing pollution, environmental deterioration, and economic growth. It emphasizes high-quality products, ethical business practices, and environmental conservation, fostering a sustainable future for all.

Green marketing positively affects the health of people and the ecological environment. People are aware of pure products and pure methods of producing, using, and disposing the products.

Green marketing helps companies adopt more sustainable business practices as it helps promote the environmental benefits of their products and services. Furthermore, green marketing can raise awareness among consumers about the importance of sustainability and the environmental impact of their purchasing decisions. It could encourage consumers to make eco-friendlier choices that could help reduce waste, pollution, and other negative impacts on the planet.

A marketing strategy consists of marketing practices, policies, and procedures that match and respond to consumers and society's concerns about the environment while striving to achieve the goal. It is centered on a method to reduce or eliminate negative impacts on the environment. A green marketing strategy will result in changes in sources, materials, tools, design, production, logistics, distribution, etc.

In addition to targeted marketing communications, green marketing adopts a systematic review of the entire activities in the form of the value chain and then restructuring the links that are not commensurate with the environmental aspects of the green strategy. Change must be ingrained in all core company activities, so the strategy flows from top to bottom, emphasizing the efficient allocation of resources. Entrepreneurs in Mogadishu have a chance to discover green markets and tap into the growing interest for eco-friendly products and services as the world movement to conservation and environmentalism grows. Entering this marketplace, on the other hand, necessitates a thorough awareness of the local culture and client tastes, plus an awareness of efficient marketing methods that appeal to environmentally concerned consumers. For example, entrepreneurs can introduce energy-efficient appliances, organic food products, or biodegradable packaging options that cater to the growing demand for environmentally friendly alternatives.



Also, through collaboration and networking, entrepreneurs can collaborate with other businesses and organizations that share similar sustainability goals. This can include partnerships for joint marketing campaigns, sharing best practices, or participating in industry-wide sustainability initiatives.

A unique characteristic of Somalia is the presence of a middle class in Somali society, which has a more agreeable income and is more likely to spend money on environmentally friendly products and services. There are also government policies which in turn aim to promote sustainable practices and encourage the growth of the economy.

There is a local anxiety about promoting sustainability in Mogadishu. Mogadishu, like most similar cities, is confronted with environmental issues including garbage administration, contamination, and resource loss. The bigger problem is the critical need to promote sustainability practices and environmentally friendly decisions between enterprises and people. Green markets are key to fostering the growth of sustainable enterprises while tackling these serious environmental issues.

The importance of discovering green markets and implementing eco-friendly marketing strategies lies in lowering expenses via the implementation of sustainable practices and investments. Businesses, for example, can save operational expenses and boost profits by lowering electricity use or converting to sustainable materials.

Strategies That Are Pro-environmental

When it comes to marketing products that do not harm the environment, there are several strategies that companies in Mogadishu can consider. Here are some specific examples of pro-environmental marketing strategies:

1. Collaboration with Influential Individuals: meaning working with social media influencers in the digital age, social media influencers have significant reach and impact. By partnering with influential individuals who have a large following in Mogadishu, businesses can promote their environmental initiatives to a broader audience. It is also possible to partner with community leaders.

Collaborating with influential community leaders such as religious leaders, tribal elders, or respected figures can help businesses reach a wider audience and gain community support for environmental initiatives.

2. Green Packaging and Labelling: A Mogadishu food manufacturing company can reduce its environmental impact by using eco-friendly packaging materials and clearly labelling their products. Like biodegradable or compostable alternatives. A minimalist design can reduce material usage and waste, while clear recycling information can educate consumers on proper waste management.

3. Cause-Related Marketing: Mogadishu-based eco-friendly cleaning business partners with environmental organizations to support beach cleanup and reduce plastic waste. Business donates a percentage of profits, creating promotional materials highlighting environmental impact.

The initial goal is to release the potential of green markets and effective marketing for them. Companies must build on the foundations so that they can promote their environmentally friendly offerings.

Firms may successfully connect and attract environmentally concerned customers in Mogadishu by following these strategies for advertising, positioning them for prosperity in the burgeoning green market.

B2B Green Marketing

Being green and integrating environmental sustainability into marketing programs has grown in importance for firms the present day, and this tendency is projected to keep going. The Somali Energy firm is an excellent sample of a firm that has recognized the need of being green and has included this idea into its marketing strategy. They are not only encouraging environmental sustainability by offering solar-powered lighting solutions to Somali houses and enterprises, however they are also delivering a critical service to areas that lack a source of energy. The Somali Energy firm is promoting itself as a socially responsible and ecologically sensitive firm by emphasizing its attempts to encourage environmental sustainability that can assist draw clients who appreciate these values.

Integrating green marketing methods into B2B marketing programs may prove advantageous for a variety of causes. It may, for instance, enable a firm to distinguish itself among rivals, increase company recognition, and gain consumers that respect environmental sustainability. Companies in Somalia may set themselves for a prosperous future in a more environmentally concerned world market by recognizing the importance of becoming green and implementing this idea into their marketing strategy.

Benefits of Sustainable Practices for Businesses.

Developing sustainable practices may help Somali companies in a variety of ways. By lowering their electricity use, trash, and water usage, thereby saving money. Organizations, for illustration, can minimize their energy consumption by switching to environmentally friendly lighting or machinery. In a similar way waste reduction programs like recycling and composting can help to minimize waste disposal expenses.

Additionally, higher income Implementing sustainable practices can also assist firms in meeting the increased demand for eco-friendly goods and services. Businesses may engage environmentally concerned clients prepared to spend more for environmentally conscious solutions by selling eco-friendly items or encouraging sustainable practices.

Furthermore, long-term profitability through sustainable practices can assist Somali firms in being greater robust in the midst of climate change and environmental deterioration. Companies may assist to protect natural assets while contributing to a greater sustainable future for the country by lowering their environmental effect.

Finally, adherence to strict rules several nations, like Somalia, should have implemented legislation and rules to encourage sustainable practices and limit environmental effect. Companies may assure conformity with these requirements and avoid any penalties or fines by employing sustainable practices.

And if we look across the globe, especially in Somalia, people buy billions of dollars' worth of products and activities each year, a lot of which affect the environment in the way they are produced, manufactured, or utilized.

Green marketing is supported by environmentalists in order to motivate consumers to select ecologically preferred options and to provide incentives to businesses that produce more environmentally helpful goods.

CONCLUSION

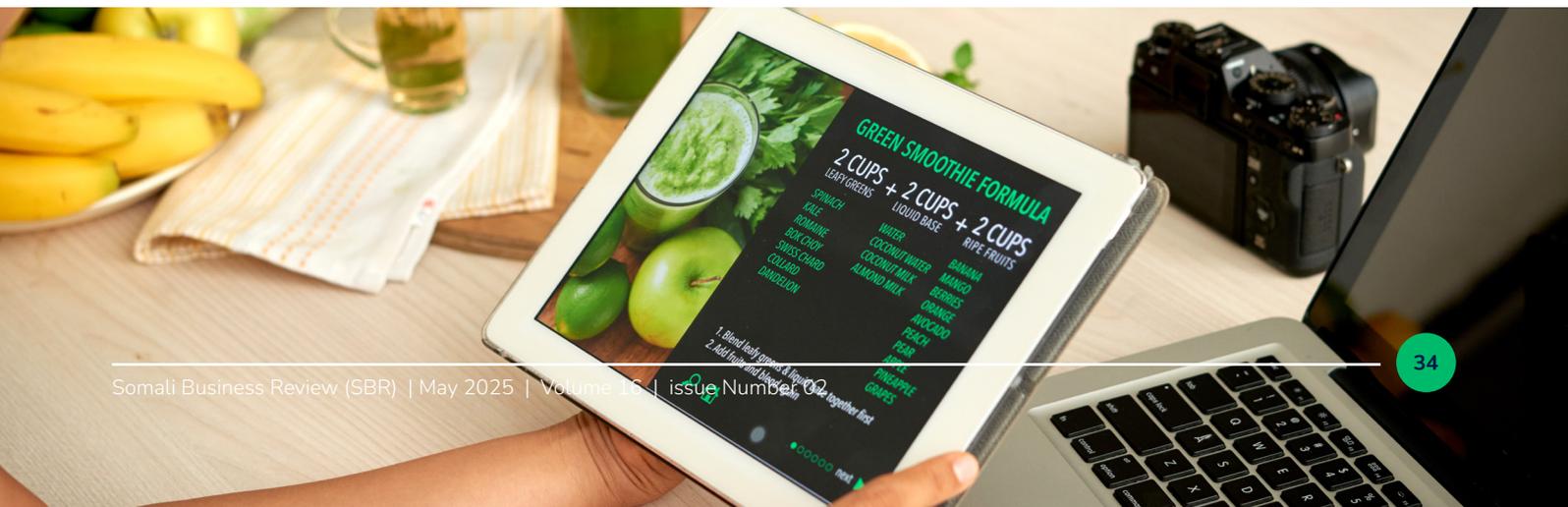
Entrepreneurs can create green marketplaces in Mogadishu to promote environmentally friendly products and engage with environmentally conscious consumers. These marketplaces facilitate cooperation, information exchange, and social development in the sustainability industry. By understanding customer tastes, cultural values, and affordability issues, firms can create engaging messaging that appeals to consumers. Collaborating with firms, politicians, and individuals can create a dynamic environment that supports sustainability, encourages creativity, and prepares for a brighter Mogadishu.

RECOMMENDATION

In my opinion, the companies should clearly communicate how their offerings contribute to sustainability, such as by using renewable materials, reducing waste, or supporting local communities. also must follow the environmental regulations and ensure compliance with the laws of the country. And the government should support those regulations, to benefit individuals and society and make Mogadishu a prosperous green city.



Marwa Abdullahi Moallim



Unlocking the Untapped Potential of Somali Livestock: A Call for Innovation and Investment

Zeinab Mohamud Mohamed



Livestock has long been the backbone of the Somali economy, serving as both a primary source of income and a vital livelihood for millions of people. With an estimated 60 million heads of livestock, including camels, cattle, sheep, and goats, Somalia is one of the largest livestock producers in Africa. This sector contributes nearly half of the country's GDP and is the leading source of foreign exchange through exports, especially to the Gulf states. Despite its immense economic importance and cultural heritage, the Somali livestock industry remains deeply rooted in traditional practices. While these methods have sustained generations of pastoralists, they fall short in meeting the growing demands of a modern economy. There is an untapped potential here, a need for innovation that could transform the sector, improve quality, and unlock new opportunities for growth. This article sheds light on the current state of Somali livestock, highlighting its importance while calling for a collective effort to address the unserved needs that are holding the sector back from its full potential.

The Traditional Approach: Livestock as a Cultural and Economic Pillar

In Somalia, the livestock sector is dominated by nomadic pastoralists who have inherited practices passed down through generations. These pastoralists are deeply connected to their animals, viewing them as both a cultural symbol and a practical means of survival. Most livestock owners can be categorized into two groups:

- 1. Livestock for Survival:** For many pastoralists, livestock is a lifeline rather than a business asset. Animals are sold only when necessary to cover essential expenses like food, healthcare, and shelter. This survival-first mindset limits long-term economic planning and investment.
- 2. Livestock as a Business:** Some nomads take a more entrepreneurial approach, leveraging their livestock as a business asset. However, these ventures often remain traditional, lacking formal records, strategic planning, or modern business practices. Both groups heavily rely on seasonal Islamic holidays such as Eid Al-Adha and Zakat seasons for income, creating economic instability during off-peak periods.

Challenges Facing the Sector

Somalia's livestock sector faces several challenges that hinder its potential. One of the most pressing issues is the lack of modern veterinary care, leading to lower productivity and higher mortality rates. Seasonal droughts further strain resources, leaving animals malnourished and vulnerable to disease. Additionally, there is limited access to value-added processing facilities, which restricts the potential to develop dairy, leather, and wool products that could fetch higher prices both locally and internationally.

Moreover, market access remains inconsistent. While local markets thrive during religious festivities, the absence of a structured supply chain limits the ability to capitalize on livestock products year-round. Most livestock transactions are conducted informally, without contracts or quality assurance, which reduces market confidence.

Innovative Pathways for the Somali Livestock Sector

To unlock the sector's potential, it is crucial to modernize practices and embrace innovation. Here are five key strategies to revitalize the Somali livestock industry:

1. Improved Animal Health and Nutrition: Investing in veterinary services and quality feed is essential for healthier livestock. Encouraging vaccination and proper feeding can reduce mortality rates and increase productivity, making animals more valuable in both local and export markets.

2. Value-Added Dairy Products: Moving beyond raw milk sales, Somalia can develop a thriving dairy processing sector. Small-scale facilities for yogurt, cheese, and butter could add significant value, meet local demand, and create new export opportunities.

3. Wool and Leather Supply Chain Development: Establishing a local supply chain for wool and leather can diversify income for pastoralists. Creating leather processing units and promoting craftsmanship can boost exports and generate employment.

4. Market Access and Modernization: Integrating livestock markets with digital payment systems and establishing cooperatives can help livestock owners gain better prices and more consistent market access. By using mobile technology, producers can access real-time price data and negotiate better deals.

5. Training and Capacity Building: Offering training on modern herd management, animal care, and financial literacy can empower pastoralists to transition from subsistence-based to business-oriented practices. Educational programs tailored to nomadic communities can increase the adoption of innovative practices.

A Collaborative Effort for Transformation

Unlocking the potential of Somali livestock requires a multi-stakeholder approach. Government bodies, international development agencies, and private sector players must collaborate to invest in infrastructure, research, and training. Building partnerships between universities and pastoral communities can foster innovation tailored to local realities. Moreover, community-driven initiatives, supported by NGOs and regional development organizations, can help scale successful models.

Why Innovation Matters Now

With global demand for organic and ethically sourced animal products rising, Somalia's livestock sector is well-positioned to meet international market trends. However, without modernization, the sector risks falling behind. Investing in innovation now can ensure that Somali livestock products gain a competitive edge in both regional and global markets.

Conclusion

The Somali livestock sector holds immense potential, but realizing this potential requires a shift from traditional practices to modern, innovative approaches. By improving animal care, investing in value-added products, and modernizing market access, Somalia can transform its livestock industry into a dynamic economic driver. With concerted efforts from the government, private sector, and pastoralist communities, the livestock sector can not only sustain but thrive—creating jobs, enhancing food security, and boosting economic growth. Now is the time to innovate, invest, and unlock the untapped potential of Somali livestock.



**Zeinab
Mohamud Mohamed**

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ARTICLE

10

The Application of UX/UI Design could supercharge the success rate of Startups

Abdirahman Abdullahi Omar



The Tale of Two Entrepreneurs

In the bustling heart of Mogadishu, two young entrepreneurs, Abdi and Ikran, stood at the crossroads of their business journey. Both had a vision to thrive in Somalia's growing digital economy, but their approaches were as different as night and day. Abdi, a determined and passionate innovator, started his online retail store with a keen focus on his products. His shelves, both physical and digital, were filled with colourful textiles, handmade crafts, and traditional Somali attire. He believed that the quality of his products would speak for itself. Ikran, on the other hand, approached her mobile service startup differently. She spent countless hours not just developing her app but designing it with the user in mind. She knew that in the digital world, the journey mattered as much as the destination. Her app was simple, visually appealing, and tailored to how Somalis interact with their phones—often on the go, with limited data.

The Camel Caravan Metaphor

Think of their businesses as camel caravans crossing the arid Somali landscape. Abdi loaded his camels with fine goods, certain that they would sell because of their value. However, his caravan lacked clear signs or a reliable guide, often getting lost in the vast desert. Customers, intrigued by the promise, could not find their way to his marketplace.

Ikran, on the other hand, led her caravan through well-marked paths, with resting stations where people could taste a bit of what was to come. Her caravan moved smoothly, stopping at well-planned intervals, guided by clear and attractive banners. People followed not just because of the goods but because of the journey itself.

The Power of UX/UI

Abdi soon realised his mistake. Although his products were good, customers found it challenging to navigate his online store. Pages took time to load, and buttons were not clearly labelled. Frustrated, many left without making a purchase. Meanwhile, Ikran's mobile service app flourished. The design was intuitive, allowing users to pay bills, send money, and access customer support with just a few taps. She had invested in UX/UI, user experience and user interface design, and it made all the difference. Users appreciated how the app understood their needs, offering a seamless experience.

Lessons Learned: Designing for Success

Abdi learned that just like guiding a caravan through the desert, building a successful business requires thoughtful planning, clear direction, and making the journey pleasant. After consulting with Ikran and seeking advice from UX/UI experts, he redesigned his online store. Navigation became easy, products were better organised, and the checkout process was simplified. Sales soon picked up.

Why UX/UI Matters for Somali Startups

The story of Abdi and Ikran teaches a powerful lesson: In a rapidly digitising Somalia, startups cannot rely solely on product quality. The way users interact with their digital platforms is equally crucial. UX/UI design helps companies like Ikran's thrive because it makes interactions smooth, intuitive, and enjoyable. Somali startups, like a well-planned caravan, must guide their users through a smooth journey, ensuring they do not feel lost or overwhelmed. By investing in good UX/UI practices, businesses can build stronger customer relationships and ensure sustainable growth. For Somali entrepreneurs, the digital economy is an open field of opportunities. Just as a well-led caravan reaches its destination efficiently, a well-designed digital platform can guide users to the heart of the business. Embracing UX/UI design, startups can ensure their journey is not just about getting to the destination, but enjoying the path along the way.



**Abdirahman
Abdullahi Omar**



Why Somalia Urgently Needs a Commercial Arbitration Court

Ismail Abdalla Ali

In the bustling streets of Mogadishu and the quiet offices of Somali diaspora investors abroad, a familiar question echoes: What happens if a business deal goes wrong? In Somalia today, the answer is not reassuring. Investors—both local and foreign—find themselves tangled in a web of outdated laws, overburdened courts, and informal mediations that lack enforceability. With no specialized commercial arbitration system in place, resolving business disputes is slow, uncertain, and often costly. That uncertainty is silently stifling the country's economic resurgence.

Yet Somalia stands at a moment of promise. Its untapped natural resources, youthful population, and renewed engagement with international financial institutions are opening the door to investment opportunities long considered out of reach. But opportunity without confidence is fragile. What Somalia urgently needs now is not just investment incentives or infrastructure—it needs a modern Commercial Arbitration Court, a dedicated institution that can resolve complex business disputes quickly, fairly, and transparently.

A Broken System in a Fragile Economy

Today, when a commercial dispute arises—whether over a cross-border contract, joint venture, or financing arrangement—Somali businesses face a fragmented and fragile legal system. Dispute resolution typically falls to either customary xeer systems rooted in oral agreements, Sharia courts with limited commercial jurisdiction, or a formal judiciary still recovering from decades of conflict, lacking both efficiency and capacity. As a result, most disputes drag on for years or are resolved informally, without written rulings or legal safeguards. The absence of a reliable arbitration process has become a bottleneck for growth—and a red flag for serious investors.

Even the U.S. State Department's latest investment climate report noted Somalia's inadequate legal mechanisms for enforcing contracts and settling disputes. Without robust dispute resolution, businesses hesitate to invest, fearing lengthy and unpredictable legal battles that can erode profits and stall projects.

Neighbors Show What's Possible

Somalia doesn't need to reinvent the wheel. Just across the border, Kenya's Nairobi Centre for International Arbitration (NCIA) has become a regional model, resolving cases in months at low cost. It provides tribunals the power to allocate legal fees fairly and is backed by strong bilateral investment treaties. Further east, Dubai's DIAC and DIFC-LCIA centers have turned the UAE into a dispute-resolution hub. In 2023 alone, DIAC handled over 300 new arbitration cases, collectively valued at more than \$1.5 billion USD.

What these countries understand—and Somalia must realize—is that confidence in the rule of law is not just about the constitution. It's about what happens when contracts break down. And that's where arbitration shines.

A Somali Model That Respects Tradition

Some will argue: But Somalia is different. We have our own systems. They are right. But a Somali Commercial Arbitration Court doesn't need to erase tradition. In fact, it can build on it. Imagine a hybrid model—one that:

- Adopts the globally recognized UNCITRAL Model Law as a legal backbone.
- Builds on Somalia's Investor Protection Act of 2023, which already references international arbitration norms.
- Integrates Sharia principles and xeer traditions, ensuring contracts are both fair and culturally grounded

Such a system wouldn't just meet international expectations—it would feel Somali, too. It could offer rulings that respect Islamic finance values while ensuring enforceability under international conventions like the New York Convention and ICSID—once Somalia accedes to them..

Building It Won't Be Easy—but It's Possible

Creating a Somali Commercial Arbitration Court will require legislation, training, and investment. But it is within reach. Here's a roadmap:

- Legal reform: Draft a modern arbitration law by 2025, harmonized with UNCITRAL and Somali investment policies.

- Capacity building: Train Somali judges, arbitrators, and lawyers in dispute resolution techniques, in partnership with UNDP and legal networks.
- Institutional setup: Establish an independent arbitration center with transparent procedures, digital case management, and a fee structure tailored to local realities.
- Public awareness: Educate the business community—both at home and in the diaspora—about the advantages of arbitration.

Arbitration Is an Economic Necessity

This isn't just a legal fix. It's an economic imperative. Arbitration cuts legal costs and time—disputes can be settled in months instead of years. It provides expertise—arbitrators trained in commercial law, Sharia, and xeer deliver consistent and fair rulings. It boosts investor confidence—companies are far more likely to invest when they know disputes can be resolved swiftly and impartially.

Beyond legal efficiency, establishing such a system could make Somalia a regional leader in harmonizing plural legal traditions with global standards—a pioneering voice among post-conflict economies.

The Time to Act Is Now

For Somalia to unlock the full potential of its economy, it must build a foundation of trust—and that begins with justice. Without a reliable, respected system to resolve commercial disputes, every business deal carries too much risk. A Somali Commercial Arbitration Court is not a luxury. It is the infrastructure of confidence.

If we are serious about attracting investment, supporting Somali entrepreneurs, and building a stable economy—then we must get serious about dispute resolution. The first step is clear: Somalia must establish a Commercial Arbitration Court. And the time to do it is now.



Ismail Abdalla ALI

Unlocking Opportunities: The Role of Business Incubators in driving MSME and Startup Growth and Success in Somalia

Ali Farah



Introduction

Somalia has more than 16 million individuals and is found close key shipping courses within the Horn of Africa. This makes it a incredible spot for businesses needing to develop globally. Since 2012, Somalia has been working to ended up a center for trade and commerce within the locale. They are attempting to make occupations and offer assistance the economy develop. The Somali National Bureau of Measurements says that most of the individuals within the nation are youthful, making up 75% of the populace. These young people face many problems like being very poor, political problems, and a high unemployment rate of 86%. These issues lead to social unrest, people moving away, and violence.

Even though Somalia's business sector is strong and helps new startups grow, it has challenges like lack of funding, inadequate infrastructure, and weak laws. The lack of awwariness of bsuines owners on the the Important of incubation facilities and acceleration programs are a major obstacle that prevents businesses from growing and realizing their full potential. This article emphasizes how important business incubators are to Somalia's MSME and startup growth and success.

An in-depth analysis of business incubators

Business incubators are organizations that offer services like marketing support, networking, market research, and business principles to start-ups and entrepreneurs. They link companies to higher education, strategic partners, angel investors, and venture capital while offering access to tools including financial management, loans, funding programs, and high-speed internet.

Incubators frequently offer advisory boards, mentorship, business training, and assistance with technology commercialization and regulatory compliance. In order to promote companies' growth and success, they also offer crucial infrastructure, such as workspaces, administrative assistance, office supplies, and knowledgeable advice.

Business incubators are crucial for assisting businesses and entrepreneurs in overcoming their first obstacles by cutting expenses, obtaining capital, offering managerial advice, and creating networks. They support local industrial growth and minority entrepreneurship while also promoting economic diversity, job creation, technological commercialization, and community revitalization.

While some incubators concentrate in certain businesses, several offer "mixed-use" services across industries. Incubators are divided into five categories by the National Business Incubation Association (NBIA): corporate, academic, independent ventures, and combinations. In order to help firms grow and succeed, some programs give open-ended support, while others, like accelerators, operate within a predetermined timeline.

In addition, There are numerous incubators and accelerators in Somalia that assist the startup ecosystem and foster the growth of new enterprises. Among the major participants are SIMAD iLab in Mogadishu, Harhub in Hargeisa, and iRise Hub in Mogadishu.

Business Incubators' Contribution to MSMEs' Startup growth and Success

To help businesses in their early stages, which are essential for the growth and success of startups, business incubators provide a range of services. They give people access to shared resources that minimize costs while encouraging innovation and education. In addition to resources, incubators assist companies acquire essential skills and knowledge by offering mentorship and training from seasoned advisers. There are networking opportunities both inside and outside the incubator that link businesses with industry experts and possible investors.

In addition, by evaluating business feasibility and promoting long-term success, cultivating entrepreneurial environments, and assisting diverse and minority-owned enterprises, incubators minimize risk and advance sustainability. Incubators ultimately help companies develop into lucrative, long-lasting businesses that can prosper on their own.

Additionally, incubators are essential for fostering new businesses in Somalia. To assist entrepreneurs succeed, they offer a variety of services, networking opportunities, and mentorship in addition to cash. These incubators are essential to the Somali startup scene because they provide local entrepreneurs with the resources, direction, and assistance they need to grow their companies and promote regional innovation.

Business Incubators' Challenges and Criticisms

Business incubators, while beneficial, face criticism for being selective, creating an impression of exclusivity. Limited resources can make the selection process seem biased. Time constraints often pressure startups to grow quickly, which may not align with their development stage. Additionally, startups risk becoming overly dependent on incubator resources, impairing their independence. Some incubators also require equity stakes, forcing entrepreneurs to relinquish partial ownership.

Business incubators in Somalia are essential for encouraging entrepreneurship, but they also deal with a number of localized issues and criticisms:

- **Limited Access and Selectivity:** Many promising entrepreneurs may be turned away by Somali incubators since they are frequently very selective and concentrate on particular industries or firms. This exclusivity could be the result of capacity and resource constraints.
- **Limited Funding:** A lot of incubators in Somalia have trouble getting enough money to help a variety of companies, which restricts the size and reach of their influence.
- **Infrastructure Issues:** Incubators and its businesses have operating issues due to Somalia's brittle infrastructure, which includes erratic internet and energy connectivity.
- **Limited Timeframes:** Given the difficulties in obtaining funding and markets, the set lengths of incubation programs may not be enough for Somalian businesses to launch long-term operations.
- **Dependency on External Support:** Because there is a small entrepreneurial environment outside of incubators, startups frequently grow dependent on incubator resources, which makes it challenging to move to independent operations.



- **Lack of Diverse Experience:** Somali incubators would not have access to a large network of industry experts and mentors, which would restrict the range and caliber of support that companies can receive. requirements.

- **Dependency on External Organizations:** Somali incubators encounter difficulties because of their significant reliance on foreign and external organizations, which restricts their capacity for independence and sustainability. since of this dependence, they are unable to grow and become self-sufficient since they do not have enough local support or internal resources. Furthermore, international organizations' shifting goals do not always coincide with Somali companies' unique requirements.

A couple of initiatives have been recommended to increase the impact of incubators. Increasing access and inclusivity for diverse entrepreneurs, expanding funding options through local collaborations, and filling in infrastructure gaps—especially in electricity and internet connectivity—are some of these. In addition, incubators should promote entrepreneurial independence to lessen dependency on incubator resources, increase program lengths to offer long-term support, and establish local mentorship networks to enhance the support offered to entrepreneurs. Incubators may become more self-reliant and sustainable by encouraging local ownership and lowering reliance on outside agencies. This will ultimately support a flourishing entrepreneurial ecosystem that drives Somalia's growth in the economy.

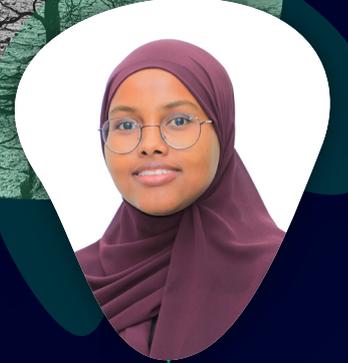
Recommendations and Conclusions

By offering funding, networking opportunities, and mentorship, business incubators in Somalia are essential to the expansion of startups and MSMEs. However, they are less effective because to issues such a lack of money, infrastructure issues, and dependency on outside assistance.



The High Cost of Climate Inaction: Mobilising Collective Action Across Sectors

Samira Abdulkadir Adan



Climate change represents an unparalleled challenge to the global community, with the costs of inaction posing severe risks to economic stability, environmental health, and social cohesion. While governments and communities have traditionally been seen as the primary drivers of climate solutions, the role of businesses as enablers of sustainable practices and innovation cannot be overstated. This paper provides a comprehensive analysis of the costs of climate inaction, emphasising how these challenges can inspire collective action across governments, businesses, and communities. It argues that an integrated approach involving all stakeholders is essential for mitigating the impacts of climate change and fostering global resilience.

Understanding the Global Climate Crisis

The global climate crisis is one of the most pressing challenges of our time, with far-reaching impacts on ecosystems, economies, and communities worldwide. Rising temperatures, extreme weather events, sea-level rise, and biodiversity loss are exacerbating vulnerabilities, particularly in developing nations.

According to the Intergovernmental Panel on Climate Change (IPCC, 2021), these changes disproportionately affect regions with limited adaptive capacity, leading to food insecurity, displacement, and economic instability. The urgency to address these issues has never been greater, as the window to limit global warming to 1.5°C above pre-industrial levels is rapidly closing.

The High Cost of Climate Inaction

The economic impacts of climate inaction are both broad and severe. A report by the Swiss Re Institute (2021) estimates that without significant interventions, global GDP could decline by up to 18% by 2050. This projected loss arises from reduced agricultural productivity, disrupted supply chains, and infrastructure damage caused by extreme weather. In 2020 alone, the United States faced \$95 billion in losses from 22 large-scale climate disasters, highlighting the economic repercussions of inaction.

Some sectors are disproportionately affected, such as agriculture and energy. Sub-Saharan Africa, where agriculture forms a significant part of the GDP, is already experiencing food insecurity due to unpredictable rainfall and droughts. In Somalia, where agriculture and livestock are key economic pillars, erratic weather patterns and prolonged droughts have led to substantial losses. The energy sector, reliant on fossil fuels, also faces transition challenges. However, moving towards renewable energy offers economic opportunities, as demonstrated by the International Energy Agency's (IEA) findings that renewable transition could create over 42 million jobs by 2050.

Environmental and Social Costs

Climate change's environmental costs are reaching catastrophic levels. Coral reefs, which protect coastlines and support marine biodiversity, are at risk of declining by over 90% if global temperatures exceed 1.5°C (IPCC, 2021). In Somalia, coastal communities face increased vulnerability as sea-level rise threatens fisheries and traditional livelihoods. Additionally, deforestation, a significant issue in Somalia, exacerbates climate vulnerability by reducing natural carbon sinks and increasing soil erosion.

The social impacts are equally dire. Climate-induced displacement is becoming more common, with the Internal Displacement Monitoring Centre (2021) reporting 23.7 million displacements in one year due to climate-related disasters. Vulnerable groups, particularly women and marginalized communities, often face disproportionate hardships during climate crises. In Somalia, rural communities are frequently forced to migrate to urban areas, straining limited resources and social services.

Building It Won't Be Easy—but It's Possible

Creating a Somali Commercial Arbitration Court will require legislation, training, and investment. But it is within reach. Here's a roadmap:

- Legal reform: Draft a modern arbitration law by 2025, harmonized with UNCITRAL and Somali investment policies.

- Capacity building: Train Somali judges, arbitrators, and lawyers in dispute resolution techniques, in partnership with UNDP and legal networks.
- Institutional setup: Establish an independent arbitration center with transparent procedures, digital case management, and a fee structure tailored to local realities.
- Public awareness: Educate the business community—both at home and in the diaspora—about the advantages of arbitration.

Arbitration Is an Economic Necessity

This isn't just a legal fix. It's an economic imperative. Arbitration cuts legal costs and time—disputes can be settled in months instead of years. It provides expertise—arbitrators trained in commercial law, Sharia, and xeer deliver consistent and fair rulings. It boosts investor confidence—companies are far more likely to invest when they know disputes can be resolved swiftly and impartially.

Beyond legal efficiency, establishing such a system could make Somalia a regional leader in harmonizing plural legal traditions with global standards—a pioneering voice among post-conflict economies.

The Time to Act Is Now

For Somalia to unlock the full potential of its economy, it must build a foundation of trust—and that begins with justice. Without a reliable, respected system to resolve commercial disputes, every business deal carries too much risk. A Somali Commercial Arbitration Court is not a luxury. It is the infrastructure of confidence.

If we are serious about attracting investment, supporting Somali entrepreneurs, and building a stable economy—then we must get serious about dispute resolution. The first step is clear: Somalia must establish a Commercial Arbitration Court. And the time to do it is now.



**Samira
Abdulkadir Adan**

The Impact of Remittances on Economic Growth in Somalia

Muna Mohamed Sodal

Imagine a mother in Mogadishu receiving a few hundred dollars from her son living in London, or a young entrepreneur in Hargeisa using remittance money from an uncle in Dubai to open a small grocery store. These are not isolated stories; they are everyday realities for countless families across Somalia. Remittances are a lifeline, keeping households afloat and giving hope to those who dare to dream of a better future. In a country that has faced decades of conflict, instability, and limited job opportunities, these financial transfers play an essential role in sustaining lives and driving economic growth.

Every year, the Somali diaspora—stretching from the United States to the United Arab Emirates—sends home billions of dollars. For many families, these remittances cover essentials like food, rent, healthcare, and education. But their impact goes beyond daily survival. Remittances have become a catalyst for change, supporting local businesses, empowering communities, and contributing significantly to Somalia's GDP. They build resilience, help families cope with crises, and enable economic mobility. In short, they are not just about survival; they are about creating opportunities.

Fueling Dreams and Entrepreneurship

One of the most transformative impacts of remittances is how they inspire entrepreneurship. Imagine Fatima, a young woman in Baidoa, who uses remittance money to set up a small tailoring shop. She not only supports her own family but also employs three other women from her community. Across Somalia, stories like Fatima's are common. Diaspora funds are often the seed capital for microbusinesses—small shops, transport services, or food stalls—that create jobs and reduce dependency on traditional livelihoods like pastoralism.

In cities like Mogadishu and Kismayo, many restaurants and retail stores owe their existence to remittances. This entrepreneurial spirit, fueled by diaspora support, is helping transform urban centers into vibrant commercial hubs. In Hargeisa, young tech-savvy entrepreneurs are leveraging remittance funds to launch digital startups, providing services like mobile money solutions and online retail. This thriving small business ecosystem is not only diversifying the economy but also creating a culture of innovation and self-reliance.

Bridging Financial Gaps with Mobile Money

Remittances have revolutionized Somalia's financial landscape, particularly through the rise of mobile money. Platforms like Somtel E-Dahab and Hormuud's EVC Plus make it easy for families to receive money instantly, even in remote areas. For people like Ahmed, a livestock trader in Galkayo, mobile money means he can buy feed and supplies without traveling long distances with cash. It also means his customers can pay him quickly and securely, reducing the risks of theft.

This digital transformation is a game-changer for financial inclusion, especially for women and rural communities. Instead of relying on cash that can be lost or stolen, families are using mobile wallets to save, invest, and plan for the future. The increased accessibility to financial services empowers people to think beyond daily survival, fostering a sense of economic stability.

Strengthening Agriculture and Food Security

In rural Somalia, where agriculture and livestock are the backbone of the economy, remittances have a profound impact. When drought hits, families like Hassan's in the Lower Shabelle region use remittance money to buy fodder and maintain their herds. This support ensures that pastoralist communities can survive through tough seasons, maintaining their source of income and food security.

Remittances also support modern farming practices. In the fertile areas of the Jubaland region, diaspora funds have been used to install small-scale irrigation systems, enabling farmers to grow crops even during dry spells. This type of investment not only sustains families but also contributes to local food production, reducing dependency on imported goods.

Building Urban Futures

As more Somalis move to cities like Mogadishu and Garowe, remittances are playing a crucial role in urban development. They fund residential buildings, schools, and small shops that shape the cityscape. In Mogadishu, entire neighborhoods owe their transformation to diaspora investments. These urban projects not only provide much-needed housing but also create jobs in construction and retail.

However, this rapid growth also brings challenges. Traffic congestion, unplanned housing, and stretched public services highlight the need for thoughtful urban planning. By directing remittance flows towards sustainable infrastructure projects, Somalia can better manage urban expansion while creating resilient, livable cities.

A Lifeline Amid Challenges

Despite the undeniable positive impact, relying heavily on remittances also poses risks. High transaction fees can reduce the amount families receive. Additionally, political instability and global financial regulations can disrupt money transfers, leaving families vulnerable. Addressing these challenges requires better regulatory frameworks, lower transaction costs, and more secure financial systems.

A Vision for the Future

To fully harness the power of remittances, Somalia needs a strategic approach. Imagine if remittance funds were pooled into a national investment fund to support infrastructure, healthcare, and education projects. Or if mobile money providers partnered with the government to enhance digital financial literacy. Such initiatives could transform remittances from mere survival funds into drivers of lasting economic growth.

Remittances are not just money—they are hope, dreams, and lifelines. As Somalia continues its journey towards stability and development, fostering a supportive environment for diaspora investment will ensure that these lifelines continue to empower families and build a prosperous future.



**Muna
Mohamed Sodal**

ARTICLE

15

How AI is Shaping the Future of Jobs: Balancing Opportunities and Risks

Najma Abdulkarim Nour



Artificial Intelligence (AI) has undoubtedly emerged as one of the most revolutionary technologies of the 21st century. Transforming industries, reshaping economies, and altering the nature of work, AI brings both excitement and apprehension. According to the World Economic Forum, AI and automation could replace 85 million jobs globally by 2025, but simultaneously create 97 million new roles. This dual impact highlights AI's role as both a disruptor and an enabler within the job market.

For organizations, governments, and workers, the rise of AI calls for immediate adaptation. While AI offers opportunities for increased productivity, market innovation, and the birth of new industries, it also presents challenges such as job displacement, skills mismatches, and ethical concerns. This article examines how AI is transforming the job market, explores the opportunities and challenges it brings, and provides practical strategies to navigate this changing landscape.

The Somali Context: AI's Role in the Local Job Market

Somalia, like many developing nations, is at a critical juncture when it comes to integrating AI into the workforce. The country's digital transformation is accelerating, especially in urban centers like Mogadishu and Hargeisa, where internet penetration and mobile usage are rapidly increasing. However, the adoption of AI-driven technologies remains limited due to infrastructural challenges and a lack of digital literacy among the workforce.

The potential for AI to impact the job market in Somalia is substantial. Sectors such as agriculture, which employs a significant portion of the population, could benefit from AI-driven tools for crop monitoring and livestock management. In the banking sector, mobile money platforms and digital banking are already incorporating AI for fraud detection and customer support. Meanwhile, educational institutions are exploring AI to support personalized learning, a crucial innovation given Somalia's young and growing population.

However, the challenges are equally pronounced. With limited access to quality education and training, many workers in Somalia lack the digital skills needed to thrive in an AI-driven economy. Additionally, the informal nature of much of the Somali economy means that many workers are unprotected from the disruptions caused by automation. Addressing these gaps requires a strategic focus on upskilling and inclusive policy frameworks that ensure no one is left behind.

The rise of AI has led to the creation of entirely new industries, demanding expertise that was unimaginable just a decade ago. Roles such as data scientists, machine learning engineers, and robotics technicians are now among the fastest-growing occupations globally, as noted in the World Economic Forum's Future of Jobs Report. In the financial sector, quantitative analysts use AI algorithms to predict market trends. In healthcare, AI imaging specialists enhance diagnostic accuracy. Even creative fields benefit, with AI-assisted designers developing concepts faster than traditional methods.

AI enhances operational efficiency by automating repetitive tasks. In healthcare, AI-powered systems like IBM Watson analyse patient data and suggest treatment plans, while physicians handle complex cases. In manufacturing, automated assembly lines with AI sensors ensure quality control and reduce waste. In retail, chatbots provide instant customer support, improving satisfaction. These innovations not only increase productivity but also reduce operational costs, allowing businesses to focus on strategic growth.

AI's versatility impacts diverse sectors. In logistics and supply chain, predictive analytics optimises routes and minimises disruptions. In finance, fraud detection algorithms save billions by identifying suspicious activities in real-time. In education, AI-powered platforms offer personalised learning, catering to individual needs. Moreover, AI tools empower small businesses and startups to compete with larger corporations by providing affordable data analysis and customer management solutions. Platforms like HubSpot and Tableau enable entrepreneurs to gain market insights without the need for extensive resources.

However, while AI generates jobs, it simultaneously eliminates roles, especially in industries reliant on repetitive tasks. In manufacturing, robots replace assembly line workers, as seen with Foxconn automating 30% of its workforce. In transportation, autonomous vehicles threaten jobs for truck drivers and delivery personnel. In customer service, AI-driven chatbots reduce the need for human representatives. Low-skilled workers are most affected, leading to increased income inequality.

The rapid evolution of AI demands skills that many workers lack. An OECD report states that 60% of workers globally do not possess the digital skills needed for AI-centric jobs. Traditional educational systems often fail to address these requirements, leaving workers unprepared for the evolving economy. Furthermore, AI introduces complex ethical challenges. Bias in AI recruiting tools can discriminate against minorities and women. Additionally, AI systems collecting and analysing user data raise security and privacy issues. While developed countries harness AI's potential, developing regions face challenges like inadequate infrastructure and limited digital literacy, creating a global divide in AI adoption.

Governments and organisations must invest in lifelong learning. Initiatives like Google's Career Certificates and Coursera's AI specialisation make digital skills more accessible. Collaboration between academia and industry can bridge the skills gap. Moreover, governments must ensure that AI benefits are shared equitably. This can include incentives for re-skilling, such as tax breaks for companies investing in training, as well as social safety nets like Universal Basic Income (UBI) for displaced workers. Additionally, adopting ethical frameworks like the EU's AI Act can mitigate risks.

Partnerships among governments, businesses, and educational institutions are vital for fostering innovation and making AI-driven growth inclusive. Leveraging AI for environmental monitoring, healthcare access, and sustainable practices ensures that technological advances benefit broader society. In the future, human-AI collaboration will shape the workforce rather than machines entirely replacing jobs. Roles such as AI trainers, ethics officers, and human-AI interaction designers will become more common. According to PwC, AI could add \$15.7 trillion to the global economy by 2030, emphasizing the importance of strategic adaptation.

AI's transformative role in the job market presents both vast opportunities and significant challenges. As businesses and societies adapt, reskilling workers, creating inclusive policies, and fostering public-private collaborations will be essential to leveraging AI for positive change. The future lies in finding a balance where AI augments human capabilities rather than replacing them, paving the way for sustainable economic growth.





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Unlocking Prosperity: How Peace and Stability Drive Somalia's Economic Revival

Mohamed Shueib Muse



Somalia, strategically positioned along the Horn of Africa, holds immense potential for economic growth. Its wealth of natural resources, coupled with direct access to major maritime routes, positions the country as a potential hub for trade and investment in East Africa. Yet, the journey toward sustainable economic prosperity is deeply intertwined with establishing peace and stability. Stability is more than just an abstract ideal; it is the foundation for a thriving business environment. It cultivates long-term growth, reduces risks, and significantly bolsters investor confidence. For Somalia, overcoming decades of conflict and political fragmentation is essential to unlocking its economic potential.

Somalia's business landscape has shown remarkable resilience and adaptability in recent years. Key sectors such as agriculture, livestock, and telecommunications continue to form the backbone of the economy, providing employment, supporting communities, and contributing to GDP. Agriculture alone accounts for approximately 60% of Somalia's GDP, while livestock makes up around 80% of total export earnings. Yet, despite these promising numbers, challenges remain.

Political instability, inadequate infrastructure, and security concerns create a high-risk environment that deters foreign investment and limits local entrepreneurship. Somalia's heavy reliance on imports due to limited manufacturing capacity further exposes the economy to global price fluctuations and supply chain disruptions.

Positive developments are, however, emerging, particularly through technological innovations. The rapid expansion of digital payment systems has increased financial inclusion, making transactions more accessible even in remote areas. Today, Somalia has one of the highest rates of mobile money usage in Africa, with approximately 73% of the adult population using these services, according to the World Bank. This progress signals a shift towards modern business practices, driven by tech-savvy youth and a growing entrepreneurial spirit.

Progress in peace and governance is gradually reshaping the business environment. Initiatives focused on conflict resolution and institutional strengthening are creating a more predictable climate for investors. This renewed sense of stability is crucial for attracting investment into sectors with growth potential,

such as renewable energy, infrastructure, and agriculture. The telecommunications sector, for example, has flourished in relatively stable regions. Companies like Hormuud Telecom have become leaders in digital innovation, revolutionizing financial inclusion through mobile money services.

Achieving political stability and peace in Somalia could be transformative for the business sector. Stability mitigates risk, allowing businesses to operate with greater confidence and plan for the long term. It attracts both local and foreign investors, fostering a cycle of economic growth that supports job creation, infrastructure development, and community resilience. A stable governance framework also brings policy predictability, enabling businesses to thrive within consistent regulatory environments.

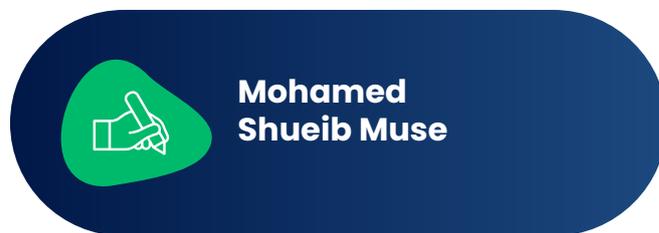
Take the example of Somaliland, a region that has maintained relative stability compared to other parts of Somalia. This peace has attracted investments, particularly in the livestock and port sectors. The African Development Bank noted in 2023 that Somaliland's Berbera Port saw a 25% increase in trade volume, highlighting how stability fosters economic opportunities. Similarly, in stable agricultural regions of southern Somalia, collaborative initiatives between international organizations and local farmers have led to increased crop yields and enhanced food security.

However, challenges persist. Even in relatively stable areas, the risk of localized conflict or political shifts can disrupt progress. To secure sustained economic growth, Somalia needs to focus on reinforcing governance structures, addressing regional disparities, and promoting inclusive peace efforts that involve local communities. Building infrastructure that supports business growth—like roads, ports, and reliable power supplies—is crucial for unlocking the country's full economic potential.

Stability also influences investor confidence in tangible ways. When businesses can anticipate political developments and rely on consistent policy frameworks, they are more willing to make long-term investments. This confidence is crucial for sectors like energy and infrastructure that require significant capital and long planning horizons. For instance, the Berbera Corridor project, supported by international partners, demonstrates how stable governance can facilitate major infrastructure development, boosting regional trade.

Looking ahead, Somalia's economic future hinges on maintaining and expanding stability. By fostering peace, the government can unlock new business opportunities and attract more sustainable investment. With the right policies, infrastructure improvements, and continued conflict resolution efforts, Somalia has the potential to transition from a fragile state to a resilient economic hub in East Africa. Building on successes in digital innovation and leveraging the entrepreneurial energy of its young population can further accelerate this transformation.

The path forward requires commitment from all sectors—government, business, and civil society. Prioritizing peace and governance reforms, investing in critical infrastructure, and empowering local communities to participate in economic planning are essential. By doing so, Somalia can build a business environment where peace and prosperity reinforce each other, creating a brighter future for all its citizens.



How the Somalia–Türkiye Oil Agreement Could Create New Trade Opportunities or New Vulnerabilities

Juweria Garacade



Introduction

In March 2024, Somalia and Türkiye entered into a landmark oil and gas cooperation agreement, granting Türkiye's state-owned Turkish Petroleum Corporation (TPAO) rights to explore and develop hydrocarbon resources in Somalia's onshore and offshore territories. This agreement is part of a broader strategic partnership encompassing defence, infrastructure, and economic collaboration.

For a country emerging from decades of civil conflict, political instability, and underdeveloped institutions, this agreement has been hailed by supporters as a potential economic game-changer. If executed transparently and strategically, it could provide the capital, expertise, and political momentum necessary to exploit Somalia's oil and gas reserves, modernise trade infrastructure, and elevate its geopolitical relevance. However, the terms of the deal have also triggered critical scrutiny. Key provisions allow Türkiye to recover up to 90% of annual production revenues in the name of cost recovery, while profits can be booked and retained offshore. This risks limiting Somalia's fiscal returns in the early phases of production and raises concerns about transparency, revenue leakage, and accountability.

The Türkiye–Somalia Oil Agreement serves as a double-edged sword for Somalia's trade landscape. On one hand, it signals international confidence, potentially attracting foreign direct investment (FDI) and catalysing trade infrastructure development. On the other hand, the agreement's asymmetrical provisions, such as Turkey's ability to recover up to 90% of oil revenues as cost recovery and retain profits, raise concerns about economic sovereignty, equitable resource distribution, and the potential crowding out of diversified FDI. Thus, while the deal could unlock new trade opportunities, it also poses significant vulnerabilities that must be managed through robust governance and strategic economic planning. In what follows, the article explores the key trade-related dimensions of the agreement, including implications for the balance of payments, port and logistics services, FDI inflows, and regional trade integration.

Trade Balance: Emerging in the Global Markets

For the first time in its post-conflict economic trajectory, Somalia is positioned to enter the global oil and gas export market. Under the terms of the agreement, the volume and nominal value of these exports will be

credited to Somalia's trade account, thereby improving headline export statistics and enhancing the country's profile as a resource-exporting state.

However, this statistical benefit masks a critical asymmetry in how the financial benefits of trade are distributed. According to the agreement, Türkiye's state-owned energy company (TPAO) is entitled to recover up to 90% of annual production as "cost petroleum," allowing it to recoup operational, logistical, and security expenses before profits are shared. In practice, this means that while Somalia may appear to be exporting oil and gas in substantial volumes, the majority of financial flows in the early years will be retained by the Turkish entity, not the Somali state. These retained earnings are likely to be booked in Türkiye's income account or reflected in the foreign investment income component of the balance of payments, not in Somalia's fiscal receipts or foreign reserves.

To ensure the trade balance reflects true national gains, Somalia must establish transparent revenue tracking systems and negotiate future agreements that limit prolonged cost recovery periods and allow for early state participation in profit flows.

Moreover, distorting the export side of the trade balance, the agreement could significantly impact the import structure and volume. Somalia is already heavily dependent on imports for essential goods, machinery, fuel, construction materials, and services. The development and operation of the oil sector will likely intensify this trend. This surge in imports, especially if not matched by increased domestic value addition or employment generation, could widen Somalia's trade deficit in the short-to-medium term.

Expansion of Port Trade and Logistics Services: Dual-Use or Sector-Locked Infrastructure?

A less discussed but highly consequential aspect of the Türkiye–Somalia oil agreement is its potential to transform Somalia's trade-related infrastructure. Oil exports will require the construction or upgrading of specialised infrastructure, including deepwater ports, storage terminals, loading facilities, pipelines, and inland transport networks.

These investments may create "dual-use capacity," meaning that the infrastructure built for the energy sector can also support non-energy trade, such as agricultural exports, industrial goods, or regional logistics services. Somalia's ports, especially in Mogadishu and possibly Hobyo or Barawe, could evolve into strategic nodes that serve not only hydrocarbons but also broader regional commerce.

The integration of modern customs systems, enhanced port security, and digitised trade logistics could also improve Somalia's performance in international trade indices and reduce informal transaction costs. This would be a major gain for Somali businesses and international investors alike.

However, there is also a risk of "infrastructure capture," where investments are narrowly tailored to the needs of a single sector or foreign operator, leaving other sectors marginalised. For example, if pipelines and terminals are built solely for crude oil with no consideration for general cargo or container handling, the infrastructure will serve a limited purpose.

Therefore, the Somali government must ensure that infrastructure design is inclusive and strategically aligned with national development plans. The goal should be to create multi-purpose corridors that stimulate broad-based economic growth, not just energy-sector expansion.

Foreign Direct Investment (FDI): Strategic Confidence

One of the immediate effects of the Türkiye–Somalia agreement is the signalling effect it has on international investors. The presence of a G20 country in Somalia's hydrocarbons sector, backed by state capital, political risk guarantees, and security cooperation, may change international perceptions of Somalia's investment climate. This could unlock follow-on investments in ancillary sectors such as infrastructure, services, and manufacturing.

However, FDI is a double-edged tool. If dominated by a single bilateral actor in a capital-intensive sector, it may crowd out other investors. Smaller or more risk-averse entities may be deterred by the concentration of influence Türkiye now holds over a critical sector.



This is especially relevant in Somalia, where state institutions are still developing and regulatory capture remains a concern.

Moreover, the agreement may set a precedent for opaque or lopsided investment deals, which could further alienate potential investors seeking fair and predictable terms. For Somalia to avoid this, it must create a robust investment code, harmonise regulatory frameworks, and offer a level playing field to all foreign and domestic investors.

Intra-African Trade: Regional Model

The Türkiye–Somalia oil deal also has implications beyond bilateral trade. If executed strategically, it could enhance Somalia’s integration into the African Continental Free Trade Area (AfCFTA) by increasing its trade capacity, building cross-border infrastructure, and elevating its role in regional supply chains.

Somalia’s proximity to Ethiopia, Kenya, Uganda, and South Sudan, all of which face energy access challenges, positions it well to become a hub for refined petroleum products, power transmission, or logistics services. This would represent a shift from aid-dependent bilateralism to intra-African commercial diplomacy, driven by mutual trade interests rather than external assistance.

If Somalia leverages the oil sector to develop multi-use infrastructure and connects it with regional corridors, it could strengthen its position as a trade and energy gateway in the Horn of Africa. However, this opportunity requires coordinated diplomacy, reliable governance, and regional agreements to ensure that benefits are equitably shared and politically sustainable.

Resource Nationalism in a Fragile State

A core question raised by critics is whether Somalia can truly exercise sovereignty under the current agreement terms. While sovereignty is not diminished by foreign investment per se, the extent to which Somalia influences decision-making, manages revenues, and monitors compliance will determine whether the agreement is a partnership or a dependency.

Resource nationalism, the idea that natural resources belong to the people and should serve national development, is increasingly popular in African policy circles. In countries like Ghana and Namibia, governments have renegotiated deals or created local content policies to ensure greater national benefit. Somalia may have to follow suit if domestic pressure increases.

Given its institutional fragility, Somalia faces a dilemma: foreign investment is needed to kickstart the sector, but over-reliance on one actor could weaken the state’s ability to govern its resources. Transparency, parliamentary oversight, civil society engagement, and international technical support will be essential in managing this delicate balance.

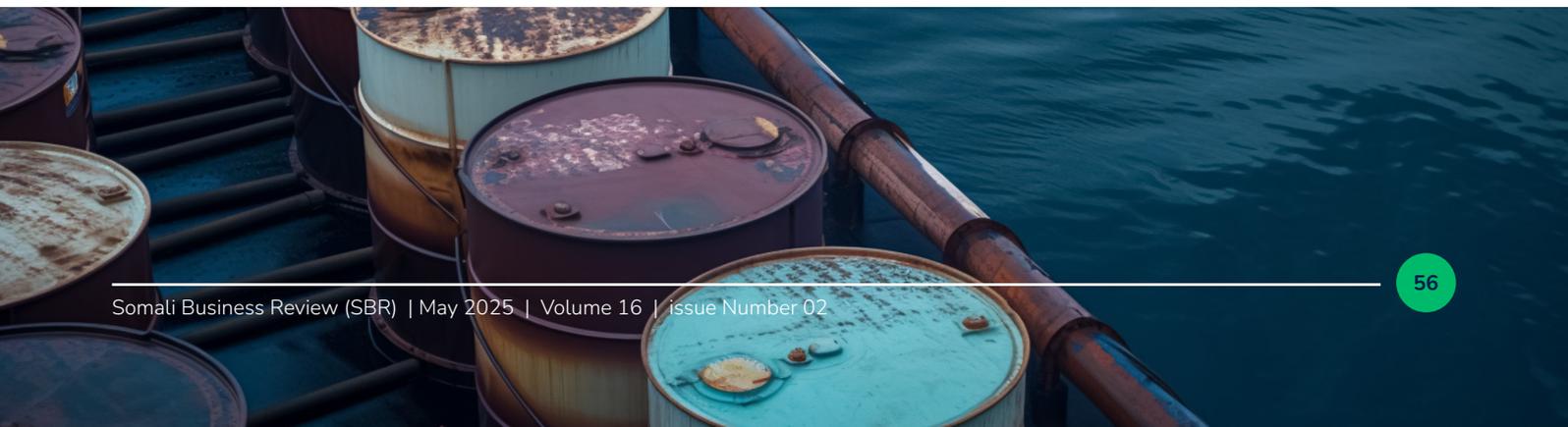
Conclusion

The Türkiye–Somalia oil agreement marks a historic moment for Somalia’s economic trajectory. It represents the first serious step toward monetising the country’s vast, untapped hydrocarbon resources. If implemented wisely, the deal could open new trade corridors, stimulate infrastructure development, and attract broader foreign investment.

But success will not be automatic. The agreement contains structural imbalances that could result in delayed fiscal gains, offshore profit retention, and sectoral capture by a foreign power. Somalia must urgently strengthen its institutional capacity, renegotiate unfavourable terms, and align oil development with national development goals. Ultimately, the difference between opportunity and vulnerability lies in governance. A well-governed Somalia could turn its energy wealth into a foundation for sustainable, diversified trade. A poorly governed one risks repeating the “resource curse” seen elsewhere in Africa.



Juweria Garacade



Enhancing the Success of Online Businesses in Somalia: Challenges and Strategic Solutions

Hafsa Ali

In recent years, the rise of online businesses has significantly transformed Somalia's economic landscape. As the country gradually embraces digital entrepreneurship, both startups and established companies are moving their operations online. The digital shift is driven by the increasing penetration of mobile internet, the popularity of mobile money platforms like EVC Plus, Premier wallet, Rikaab, and ZAAD, and the entrepreneurial spirit of young Somalis. Yet, despite the promising outlook, many online businesses in Somalia struggle to thrive, with a considerable number failing within their first few years. To build a resilient and flourishing digital economy, it is crucial to understand the underlying challenges and devise strategic solutions. This article examines the factors contributing to online business failures in Somalia, focusing on local context and practical examples. It also outlines recommendations to improve the success rate of digital ventures.

Context: Somalia's Online Business Boom

Somalia's online business sector has witnessed rapid growth, particularly in major cities like Mogadishu, Hargeisa, and Garowe.

Platforms such as SomMarket have made it easier for consumers to shop digitally, while mobile money systems like EVC Plus, Zaad, and E-Dahab have revolutionized payment methods. Despite these advancements, the journey to sustainable online business success remains challenging. Issues such as inadequate business planning, limited customer research, poor marketing strategies, and weak digital presence often undermine the growth of these ventures. One of the most successful online platforms, WAAFI App, showcases the potential of digital business when structured and marketed properly. Combining financial services, mobile payments, and e-commerce, WAAFI demonstrates the positive impact of integrating user-friendly design and robust customer engagement. However, not all online businesses have achieved similar success, often due to avoidable pitfalls.

Why Online Businesses Fail in Somalia

Many Somali online businesses face similar obstacles, often stemming from a lack of strategic planning and an unclear business model. Below are some of the most significant challenges:

1. Absence of a Clear Business Identity

Many entrepreneurs dive into digital ventures without defining their business identity. This lack of clarity leads to poor decision-making, unfocused marketing, and resource misallocation. A clear business identity is essential for guiding strategic decisions, building a loyal customer base, and establishing a unique value proposition.

Example: An online clothing store that fails to differentiate itself from competitors, lacks a consistent brand image, and does not communicate its unique selling points effectively is likely to struggle.

Solution: Conduct thorough market research to identify customer needs and preferences. Develop a brand identity that reflects the business's core values and consistently communicate this identity through digital channels.

2. Lack of Business Goals

Another common mistake is not setting measurable and specific business goals. Many online businesses in Somalia aim vaguely to "make money online" without defining clear metrics for success. Without concrete objectives, it becomes difficult to track progress and adapt to changing market conditions.

Example: A food delivery app that only aims to increase orders without specifying targets for customer acquisition or retention may find it hard to sustain growth.

Solution: Establish SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals. For instance, set a target to increase monthly active users by 20% over six months. Regularly evaluate performance against these goals.

3. Inadequate Customer Research

Without understanding the target audience, online businesses risk launching products that do not meet consumer expectations. In Somalia, where consumer behavior is influenced by culture, tradition, and economic conditions, neglecting customer insights can lead to failure.

Example: A new online grocery platform that overlooks rural needs might fail, as its offerings may not match the purchasing habits of local consumers.

Solution: Engage with potential customers through surveys, social media interactions, and community feedback. Use insights to tailor products and services accordingly.

4. Poor Marketing and Limited Digital Presence

Even if a business has a great product, it can fail without effective marketing. Poor visibility on social media and lack of engagement with potential customers reduce online reach.

Example: An online electronics shop that rarely posts updates on social media will struggle to build brand awareness.

Solution: Develop a comprehensive digital marketing strategy that includes social media engagement, paid advertising, and content creation. Use analytics to track campaign effectiveness.

5. Inconsistent Product Planning and Testing

Failing to plan and test products before launching can result in poor customer satisfaction and negative reviews. Many Somali online businesses rush to market without validating demand or ensuring quality.

Example: An online craft store that sells handmade goods without quality control can receive complaints, damaging its reputation.

Solution: Pilot products through limited releases and gather feedback before full-scale launches. Utilize social media polls or focus groups to gauge consumer interest.

6. Heavy Competition and Lack of Differentiation

The digital space is crowded, and new online businesses must compete with established brands and social media influencers. Without a clear competitive strategy, survival becomes difficult.

Example: An online beauty store competing with established local influencers may fail to capture the audience's attention.

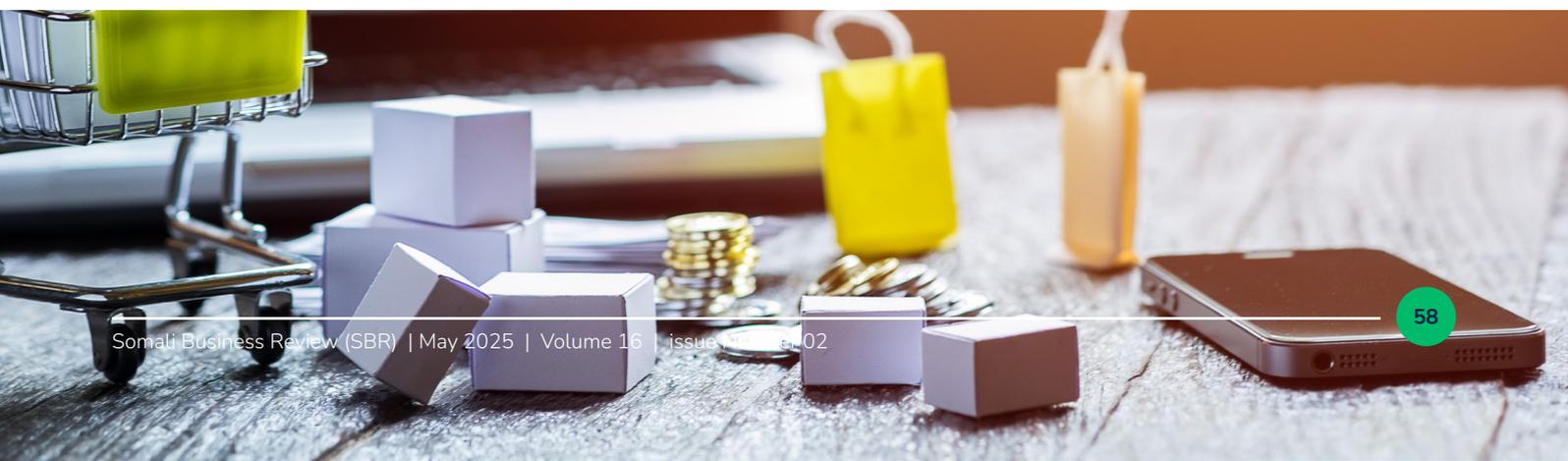
Solution: Differentiate through unique product offerings, personalized services, or community involvement. Partnering with local influencers can also boost visibility.

7. Lack of Maintenance and Technological Upkeep

Many online businesses in Somalia lack consistent maintenance, leading to outdated content, poor website functionality, or broken links.

Example: An online bookstore with outdated inventory and slow page loading will likely lose customers to more agile competitors.

Solution: Regularly update content, fix technical issues promptly, and ensure a smooth user experience. Consider investing in a reliable IT support system.



Strategic Recommendations

- 1. Training and Capacity Building:** Offer digital entrepreneurship training focusing on e-commerce management, digital marketing, and customer engagement.
- 2. Leveraging Mobile Money Systems:** Use integrated mobile payment options to enhance customer convenience and trust.
- 3. Building Collaborative Networks:** Create forums where online business owners can share best practices and strategies.
- 4. Government Support:** Introduce policies that support digital entrepreneurship through tax incentives and training programs.
- 5. Community Engagement:** Utilise community-based marketing to build trust, especially in rural areas.

Conclusion

Online businesses hold significant potential for Somalia's economic growth, especially as the country becomes more digitally connected. However, for online ventures to thrive, entrepreneurs must overcome challenges related to strategic planning, customer engagement, and digital presence. Learning from the successes of platforms like WAAFI and leveraging mobile money systems, Somali digital entrepreneurs can build resilient and sustainable businesses. Building a robust online business ecosystem requires collaboration among entrepreneurs, government bodies, and financial institutions. Addressing the current challenges and implementing strategic solutions, Somalia can unlock the full potential of its digital economy and foster long-term economic growth.



Hafsa Ali



Accelerating the EAC Integration: Why English Proficiency is Strategic for Somalia's Regional Success

Abdullahi Mohamud Osoble



In March 2024, Somalia made history by officially joining the East African Community (EAC), a landmark moment signaling the country's entry into one of Africa's most ambitious regional integration frameworks. As a full member, Somalia gains access to transformative opportunities in trade, investment, mobility, and regional cooperation. The EAC is anchored on four foundational pillars: the Customs Union, Common Market, Monetary Union, and a vision for Political Federation. Together, these elements promote seamless economic and political alignment among member states.

Yet, unlocking the benefits of membership requires more than formal accession. For Somalia, English language proficiency, the EAC's official working language, emerges as a strategic enabler. From effective diplomacy to business negotiations, fluency in English is essential for active participation in EAC projects, regional policymaking, and cross-border ventures. This article explores the critical role of English proficiency in Somalia's regional integration and how Cambridge Linguaskill certification, offered locally through SIMAD University, can support this national objective.

The Language of Integration

English is the formal language of business, legislation, diplomacy, and intergovernmental coordination across the EAC. As such, Somali government officials, business leaders, civil servants, and youth leaders must master English to effectively represent Somalia's interests, shape policy outcomes, and forge strategic partnerships across the region.

Linguistic fluency directly translates into confidence in negotiations, credibility in communication, and professionalism in regional forums. Whether drafting policy recommendations or participating in trade talks, Somali delegates must operate in a multilingual but English-dominant environment where precision and clarity matter.

Facilitating High-Level Engagement

The inaugural East African Community Conference (EACON) held in Mogadishu in June 2024 vividly illustrated this point. Over two days, foreign dignitaries, Somali policymakers, and business actors engaged in deep dialogue—enabled in large part by their shared command of the English language. The conference not only showcased Somalia's readiness to lead within the bloc but also highlighted the value of a common language for consensus-building and technical collaboration.

Language as a Tool for Market Expansion

For Somali businesses seeking to scale operations into regional markets, English proficiency offers a clear advantage. From communicating with regulatory agencies to negotiating distribution agreements and building brand visibility, language competence facilitates trust and market access.

Consider a Somali agri-business aiming to export to Uganda or Rwanda. Sales agents fluent in English can negotiate contracts, comply with foreign regulations, and build rapport with clients, streamlining processes and elevating Somalia's reputation for professionalism and competence.

Across the region, countries like Kenya and Uganda have long leveraged English to fuel business expansion and attract investment. Somalia can emulate and localize this model, empowering its enterprises to thrive in the multilingual yet English-centered East African market.

Enabling Economic Integration Through Language

Investing in language certification yields returns in economic cooperation, ease of doing business, and public sector effectiveness. For instance, Somali telecom or fintech companies entering markets like Tanzania or Burundi will benefit from having English-certified staff who can navigate local laws, manage stakeholder communication, and provide quality customer service.

Cambridge Linguaskill: Certifying Competence, Building Credibility

The Cambridge Linguaskill Test provides a globally recognized, efficient, and comprehensive method to

assess English proficiency. Covering speaking, writing, listening, and reading, the test ensures that Somali professionals meet international standards of communication.

SIMAD University in Mogadishu, as an official Cambridge Linguaskill Test Center, offers Somali civil servants, youth, and private-sector employees a localized pathway to build and certify their English language skills. For institutions, this certification serves as a credible benchmark, signaling preparedness to engage regionally and globally.

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This approach mirrors successful strategies adopted by EAC peers. In Uganda, language-proficient firms have formed joint ventures with Kenyan companies, facilitating efficient cross-border operations and market integration. For Somalia, English fluency and certification can strengthen investor confidence, enhance customer satisfaction, and support inclusive regional development.

Conclusion

Somalia's EAC membership represents a generational opportunity to reshape its economic future through regional integration. But success hinges not only on policies and partnerships, but on people and their capacities. English proficiency is more than a technical skill, it is a strategic asset for diplomacy, trade, and institutional performance.

Adopting the Cambridge Linguaskill certification as a national standard and scaling language training across government, academia, and business sectors, Somalia can accelerate its integration journey. In doing so, it positions itself not merely as a new member, but as a proactive, competent, and credible regional partner in East Africa's shared future.



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