

# WAVERLEY GATEWAY GUIDE

*Connecting International Capital with Emerging & Frontier Markets*

## SOMALIA

Africa East

Dialogue | Trust | Partnership

[office@lordwaverley.com](mailto:office@lordwaverley.com)

[www.lordwaverley.com](http://www.lordwaverley.com)

## WHERE AND HOW TO ENTER

### KEY INVESTMENT LOCATIONS

| Location / Region                                    | Strategic Importance                                                                                               | Priority Sectors                                                    |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Mogadishu (Benadir)                                  | Federal capital, financial and telecom hub                                                                         | Banking, mobile money, telecommunications, trade services           |
| Mogadishu Seaport (Turkish-managed)                  | Primary maritime trade gateway                                                                                     | Port operations, logistics, import-export                           |
| Offshore exploration blocks (Indian Ocean coastline) | Oil and gas exploration frontier; first offshore drilling campaign underway in 2026                                | Upstream exploration, seismic survey and drilling services          |
| Puntland (Bosaso)                                    | Livestock export and fisheries corridor                                                                            | Livestock export to Gulf states, fisheries, port development        |
| Jubaland (Kismayo)                                   | Agriculture and regional trade                                                                                     | Agriculture, cross-border trade, livestock                          |
| Somaliland (Berbera / Hargeisa)                      | Self-administered trade and port corridor (DP World-developed Berbera Port); international legal status unresolved | Port and logistics, livestock export                                |
| Shabelle and Jubba river valleys                     | Agriculture and food-security investment                                                                           | Irrigated agriculture, sorghum and maize, climate-resilient farming |

### INVESTOR ENTRY ROUTES

- **FEDERAL REGISTRATION VIA THE MINISTRY OF COMMERCE AND INDUSTRY:** The standard route for FDI entry at the federal level
- **TELECOM / MOBILE-MONEY PARTNERSHIP:** Joint venture with established operators such as Hormuud, the most liquid and bankable private-sector channel in the country
- **LIVESTOCK EXPORT LICENSING:** Via federal and state veterinary and export-certification authorities for Gulf-bound livestock trade
- **OIL AND GAS PRODUCTION-SHARING AGREEMENT (PSA):** Via the Somali Petroleum Authority, following the 2026 offshore bidding round and the country's first offshore drilling campaign
- **PORT CONCESSION / LOGISTICS JOINT VENTURE:** Structures comparable to the Turkish-managed Mogadishu Port or the DP World-developed Berbera Port in Somaliland
- **DIASPORA AND DEVELOPMENT-FINANCE CO-INVESTMENT:** Leveraging remittance-linked diaspora capital alongside IFC, World Bank and AfDB blended-finance vehicles

### MARKET-ENTRY OBSERVATION

Somalia's fiscal turnaround is genuinely significant. The country reached its Heavily Indebted Poor Countries (HIPC) Completion Point in December 2023, eliminating roughly 99% of its external debt and cutting the debt-to-GDP ratio from 64% in 2018 to under 6% by end-2023. Further bilateral cancellations followed - Russia forgave USD 684 million in 2023, the Paris Club cancelled USD 2 billion in March 2024, and the United States cancelled over USD 1.1 billion more recently - while the IMF has raised its growth forecast to around 4%, driven by agriculture, livestock, fisheries and diaspora remittances.

That fiscal progress sits against acute, current political fragility. President Hassan Sheikh Mohamud's term expired on 15 May 2026; constitutional amendments passed in March 2026 extended presidential and parliamentary mandates by one year, a move opposition leaders, former presidents, and the federal member states of Puntland and Jubaland call unconstitutional. Clashes between government forces and opposition-linked militias spread across several Mogadishu districts in June 2026. Investors should treat the debt-relief story and the governance story as two separate tracks moving in opposite directions right now.

## INVESTOR RISK & MARKET ACCESS

### KEY ENTRY BARRIERS

| Issue                                                                        | Potential Impact                                                                                                                               | Possible Mitigation                                                                                                                                                       |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Active constitutional and political crisis over the extended federal mandate | Governance paralysis and a real risk of rupture with the federal member states of Puntland and Jubaland, with potential operational disruption | Avoid contracts wholly dependent on federal-government continuity; diversify engagement across federal member states where feasible                                       |
| Al-Shabaab resurgence and asymmetric attack risk                             | Direct security risk to personnel and assets, supply-route disruption, and reputational exposure                                               | Engage specialised security providers, insure against political violence and terrorism, and avoid high-risk corridors such as Middle Shabelle, Lower Shabelle and Hiiraan |
| Somaliland's unresolved international sovereignty status                     | Legal and jurisdictional uncertainty for Berbera-corridor investments, whose contracts are not federally recognised                            | Obtain specialised legal counsel on dual-jurisdiction exposure before committing capital in Somaliland                                                                    |
| Extreme poverty and climate/drought vulnerability                            | Weak domestic consumer market and recurring drought-driven displacement and food-insecurity shocks                                             | Target export-oriented or donor/blended-finance-backed projects less reliant on domestic demand                                                                           |
| Weak institutional capacity and limited tax collection                       | Inconsistent regulatory enforcement and elevated contract-protection risk                                                                      | Use internationally backed co-investment structures (IFC, AfDB) with enhanced legal protections                                                                           |
| Early-stage, largely unproven oil and gas regulatory framework               | Upstream investors face a nascent licensing and fiscal regime with limited precedent                                                           | Engage the Somali Petroleum Authority directly and structure PSAs with strong international arbitration clauses                                                           |
| Banking-sector informality and limited correspondent-banking access          | Constrained international wire and correspondent-banking relationships complicate capital movement                                             | Use established mobile-money and telecom-linked financial channels and specialised correspondent banks                                                                    |

### INVESTOR RISK NOTE

Somalia currently combines two sharply contrasting realities. On one hand, debt relief has been transformative and the IMF-monitored reform process that produced it is real and internationally verified. On the other, the country is in the middle of an active constitutional crisis: a contested one-year extension of the president's mandate, open rejection of that extension by Puntland and Jubaland, and armed clashes in the capital as recently as June 2026. Coordination between federal and regional security forces has weakened in parallel, and Al-Shabaab has reportedly re-infiltrated previously cleared rural areas and increased pressure on routes toward Mogadishu, despite a record level of US airstrikes against the group in 2025.

Investors should also treat Somaliland as a distinct track: its Berbera port corridor is commercially active and DP World-developed, but Somaliland's self-declared independence is not internationally recognised, and contracts there sit outside federal Somali jurisdiction entirely. Any Berbera-linked investment requires its own, separate legal and political risk assessment rather than being folded into a general Somalia risk picture.

### MARKET ACCESS

The Ministry of Commerce and Industry provides the formal federal entry channel, but in practice the most liquid and bankable private-sector access point remains the telecom and mobile-money sector, led by operators such as Hormuud, which has built financial infrastructure that much of the formal banking sector has not.

Somalia's 2024 accession to the East African Community is a genuine medium-term market-access opening, and development-finance institutions (IFC, World Bank, AfDB) are increasingly structuring blended-finance vehicles that give private investors a materially de-risked route into agriculture, energy and infrastructure projects.

## WHO SHOULD THE INVESTOR MEET?

### INSTITUTIONAL LANDSCAPE

| Actor                                                                               | Why It Matters                                                                                     | Waverley Engagement Angle                                                              |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Federal Government of Somalia / Ministry of Commerce and Industry                   | National investment policy and registration authority                                              | Primary federal contact, though currently subject to significant political uncertainty |
| Somali Petroleum Authority (SPA)                                                    | Oil and gas licensing authority                                                                    | Route for PSA negotiation around the 2026 offshore bidding round                       |
| Central Bank of Somalia                                                             | Monetary policy and banking supervision                                                            | Confirm banking-sector access and correspondent relationships                          |
| Puntland State Government                                                           | Regional administration overseeing the Bosaso/livestock corridor                                   | Parallel state-level engagement for Puntland-based projects                            |
| Jubaland State Government                                                           | Regional administration overseeing Kismayo                                                         | Parallel state-level engagement for Jubaland-based projects                            |
| Somaliland Administration (Hargeisa)                                                | De facto self-governing authority overseeing the Berbera corridor; international status unresolved | Treat as a separate legal and political track distinct from federal Somalia            |
| African Union Support and Stabilisation Mission (AUSSOM) and international partners | Security stabilisation and donor-coordination                                                      | Monitor the security posture and donor-coordinated reconstruction programming          |

## CURRENT INTERNATIONAL BUSINESS CHANNELS

Turkey is Somalia's most deeply embedded foreign partner, spanning port management, security cooperation and the current offshore oil exploration campaign. The UAE and wider Gulf states anchor the livestock trade, remittance flows, and Somaliland's Berbera port development. The United States remains central to both debt relief and counterterrorism cooperation, while the World Bank, IMF and African Development Bank underpin the HIPC-linked reform process and blended-finance programming.

Somalia's 2024 East African Community accession adds a new regional-integration channel that is still in its early stages of practical effect.

## INVESTOR PROFILE BEST SUITED

Somalia is suited to specialised frontier-market investors comfortable with elevated political and security risk, particularly in telecom and mobile money (already a mature, bankable sector), livestock and agribusiness export, port and logistics concessions, and early-stage oil and gas exploration. Donor- or DFI-backed co-investment structures should be the default rather than the exception.

It is not suited to investors requiring predictable rule-of-law enforcement or consumer-market-scale plays, given current governance constraints, extreme poverty levels, and the active political crisis.

## FROM INTELLIGENCE TO ENGAGEMENT

**STEP 1: Confirm the Jurisdictional Track**

Determine whether the project sits under federal Somalia, Puntland, Jubaland, or Somaliland - each carries a distinct legal and political status.

**STEP 2: Engage the Relevant Authority and a Security Advisory Early**

Open parallel conversations with the Ministry of Commerce, the SPA, or the relevant state government, alongside a specialised security-risk consultancy.

**STEP 3: Structure Through DFI or Blended-Finance Co-Investment Where Possible**

Reduce exposure by routing capital through IFC, AfDB or World Bank-backed vehicles.

**STEP 4: Secure the Licence, PSA or Concession**

Finalise the sector-specific legal instrument with strong dispute-resolution and international arbitration clauses.

**STEP 5: Launch with Contingency Planning**

Begin operations with security, insurance and political-risk contingency plans in place, and monitor the federal political timeline closely.

## WAVERLEY'S ROLE

- Independent due-diligence and structuring advisory across federal, state and Somaliland jurisdictional tracks
- Introductions to Ministry of Commerce, Somali Petroleum Authority and relevant state-government counterparts
- Ongoing monitoring of the federal political crisis and the security situation ahead of any on-the-ground commitment
- Coordination with specialised security-risk consultancies and DFI/blended-finance structuring partners

## INVESTOR CALL TO ACTION

Investors with a genuine frontier-market mandate - in telecom and mobile money, livestock and agribusiness export, port logistics, or early-stage oil and gas exploration - are invited to engage Waverley for a confidential, risk-calibrated structuring consultation.

**INTELLIGENCE → RISK ASSESSMENT → STRUCTURING → MARKET ENTRY**

## **WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE**

Current pipeline items Waverley is tracking include the 2026 offshore oil bidding round and the first offshore drilling campaign now underway with Turkish state-backed support; continued mobile-money sector expansion; livestock-export infrastructure upgrades at Bosaso and Berbera; and the growing pipeline of IFC, World Bank and AfDB blended-finance projects in agriculture and energy that offer a materially de-risked route into the market.

## **POSITIONING**

Waverley approaches Somalia as a genuine frontier market where transformative fiscal progress and acute political-security risk are both real and currently moving in opposite directions.

Our role is to help investors hold both truths at once - capturing the opportunity in telecom, livestock, logistics and early-stage energy while building the security, legal and jurisdictional safeguards the current moment demands.

## **SELECTED SOURCES**

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