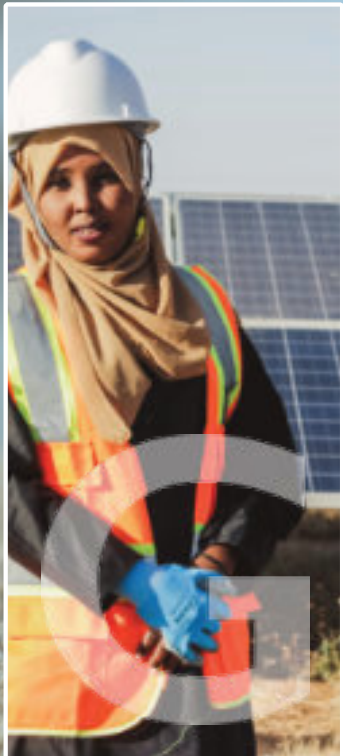




USAID
FROM THE AMERICAN PEOPLE



Empowering an Economic Ecosystem in Somalia

2016-2021

The USAID/Somalia

Growth, Enterprise, Employment & Livelihoods Project 2016-2021

Mashruuca, Kobicinta Dhaqaalaha,
Ganacsiga, Shaqaaleynta iyo
Hab-Nololeedka

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GEEL Economic Activities In Somalia

This map has been developed by USAID's Growth, Enterprise, Employment and Livelihoods (GEEL) project to showcase its activities across Somalia. The data boundaries and names of designations used on this map do not imply official endorsement or acceptance by the United States Agency for International Development (USAID).



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Opening Statements

MOHAMED HUSSEIN ROBLE,

PRIME MINISTER OF SOMALIA:

Our country's entrepreneurs are persistent, resilient, and motivated. The USAID GEEL project stands out for its support to critical business growth in productive sectors, and the revival of the Somali economy. GEEL has brought new technological capabilities, new investments, and export opportunities, and has encouraged the participation of women, youth, and marginalized groups in our economy. Thanks in large part to GEEL, Somalia will once again show the world not just our economic potential, but our triumphs.

KHALIF ABDI OMAR,

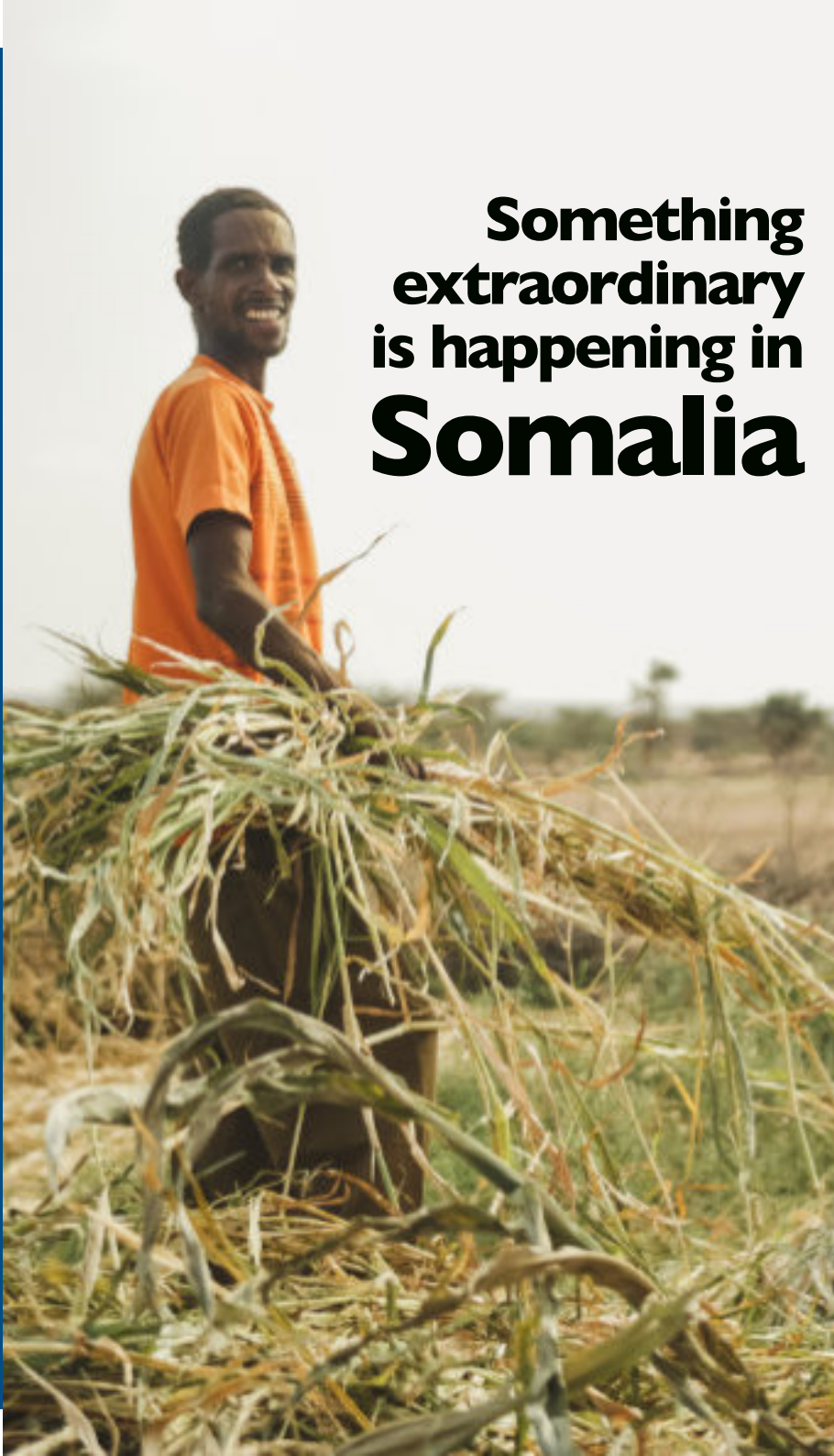
MINISTER OF TRADE AND COMMERCE:

We are proud of Somali businesses for their contributions to the wellbeing of our people, from providing jobs to providing fresh food for Somali families. The USAID GEEL project has expanded productivity and potential in Somalia's private sector. We have new policies to protect our resources, and new technologies and renewable energy that have increased profits and income and led to new jobs. We look forward to continuing this sustainable growth and to abundance and stability for future generations.

LIIN HASSAN MOHAMMED,

**SOMALI CHAMBER OF COMMERCE
REPRESENTATIVE:**

The USAID GEEL project and its achievements show commitment from the Government of Somalia to economic expansion for the benefit of the Somali people and its homegrown businesses. GEEL and its partners empowered the private sector to address some of Somalia's most pressing challenges and they have shown that economic self-reliance is within reach. With the help of GEEL, we have increased profitability and adopted new technologies which have not only led to numerous new jobs but also supported our ability to sustain ourselves, ensuring a brighter and more prosperous future.



Something extraordinary is happening in Somalia

The country's long history of enterprise is known to few beyond the Somali community. Prosperous trade along its coastline stretches back centuries to the far corners of the world. As recently as the 1970s, international tourists flocked to bustling hotels that dotted the beaches of Mogadishu. Despite instability over the last few decades, the livestock trade—a longstanding economic pillar—has soldiered on: millions of goats, sheep, and camels are exported yearly. The Growth, Enterprise, Employment and Livelihoods project, funded by the United States Agency for International Development (USAID), leveraged the Somali spirit of enterprise that has waned but persisted over 30 years of protracted conflict, political fracture, and climate-related hardships. The project's acronym, GEEL, is a nod to the country's economic backbone; it is the Somali word for camels.

The GEEL story is one of partnership and connection, which Somalia's fragmented economic, political, and social landscapes call for urgently. Over six years, the project worked not merely with but through the Somali private sector, collaborating to create economic self-reliance alongside partner businesses and entrepreneurs. In a unique and effective arrangement, GEEL tethered its co-investments to contributions by partner businesses towards their growth and the growth of the larger value chains of which they are a part. The success of these partnerships is evident: Somali businesses have leveraged over \$33.5 million in private capital investments and created more than 23,000 primary, secondary, and seasonal jobs since the project's start.



By prioritizing the high-potential agriculture, livestock, and fisheries sectors, GEEL contributed to a resilient future wherein Somali resources benefit the Somali people. And by building capacity, GEEL offered private sector partners the means and a path to growth. Since 2016, GEEL has brought together market actors to foster learning and investment, introduced new technologies and renewable energy solutions, built local and international sales relationships, and forged public-private partnerships to strengthen and protect Somalia's economy.

Pivotal to enterprise and economic growth is access to the finance that makes production and job creation possible. GEEL transformed Somalia's investment landscape by attracting the country's first international private investments and designing new, inclusive financing models. GEEL made important strides in improving loan quality and built capacity among Somali banks and microfinance institutions who had been long neglected in the financial marketplace.

The project's breadth of impact on target value chains is remarkable. A fisherman heads out to sea with his crew, on one of an estimated 10,000 boats that GEEL enabled to return to profitable waters, while a project-supported draft law on export quality standards awaits review in the Somali parliament. Listening to a radio broadcast of a GEEL-produced student agriculture competition, an IDP camp resident tends to high-value tomato plants in his new greenhouse, while laboratory technicians tend to Somalia's first banana plant tissue cultures, made possible by USAID co-investments and technical assistance. Dozens of narratives of transformation accompany the project's impact figures; a selection is shared here.

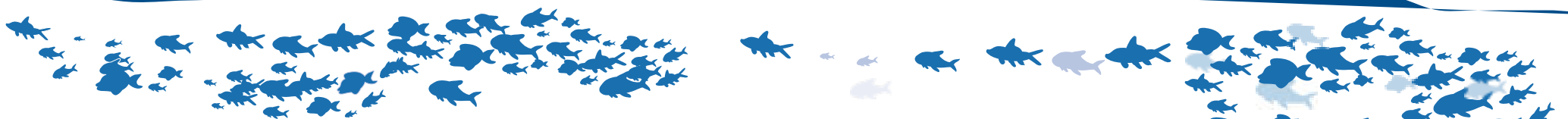
In concept, the GEEL project is straightforward: support the private sector to build a robust economic engine that will increase incomes, boost employment, drive progress, and disincentivize violent extremism. Yet the reality of implementation is challenging in a frail political, social, and security environment. The Somali context presented significant barriers to private sector growth, from absent physical and financial infrastructure to low literacy rates and,

telecommunications aside, technological development that stalled in the 1990s. The project also faced unforeseen challenges like the COVID-19 pandemic, a desert locust invasion, and crippling constraints on agriculture supply and demand in Bay and Bakool Regions. In the face of these challenges, the project and its partners persevered to meet emerging needs. Following a rapid survey of 150 businesses to understand the impacts of COVID-19, GEEL strategized with partners and stakeholders to respond to new vulnerabilities and to ensure business continuity. And in some of the country's most insecure and vulnerable areas, GEEL worked with private agriculture companies to bring an estimated 60 tons of high-quality seeds and technical support to 6,000 smallholder farmers. Preliminary data shows a 300 percent increase in yield and a 70 percent reduction in post-harvest loss, bolstering both immediate food security and long-term resilience.

USAID understood a fundamental truth about Somali entrepreneurs: already present are the resilience, motivation, creativity, and faith in a better future that are necessary to economic survival in fragile environments. For all its accomplishments, GEEL has proven a crucial point about the country's development: Somalia is ready for investment and growth.

Something extraordinary is happening in Somalia:

The private sector—once casual, stymied, incoherent—is maturing into purposeful, adept, and tech-forward economic ecosystem.



Introduction

Somalia

is not an easy place to do **business**; yet, the hum of commerce persists

from tea shops to markets to farms to the jetties that welcome fishing boats at the end of the day. After decades of conflict, a wearied economy shows a low gross domestic product and high unemployment, especially among young people.¹ The country's entrepreneurs are constrained by a host of challenges like poor physical infrastructure, recurring climate-driven shocks including drought and floods, areas of conflict and insecurity, and a high cost of production due to steep energy tariffs, transportation constraints, and taxation at multiple levels.



As a result, some of the basic components of business building are virtually unattainable, like cold chain storage or water for irrigation or the ease of transport that brings fresh products to market. The private sector has also struggled to achieve the fundamentals of commercial operations like efficiency, hygiene, or production at scale that lower costs, improve quality, and drive demand and revenue. In this frail state context, weak policy and regulatory frameworks have been hindered by years of political instability and violence, and a nascent financial infrastructure that largely lacks formal banking and accessible loans.





Nevertheless, economic opportunities are ripe. Youth comprise 70 percent of the population² and are eager for employment. Members of the Somali diaspora are returning to invest and bringing new vitality and ideas to the business landscape. Energy companies are showing interest in renewables that increase megawattage and reduce tariffs. Government institutions are prepared to enact policies that will guide sustainable growth. Somalia boasts enviable natural resources; it has the longest coastline in Africa with seafood in global demand, plenty of arable land, and a climate amenable to renewable energy. Despite shocks and stresses, the economy has realized moderate growth in recent years,³ indicating an inherent resilience and potential in the private sector which has been supported by USAID and other donors. In August 2020, the United Kingdom (U.K.) committed £2 million to supporting GEEL's COVID-19 response and value chain resilience activities from then until the end of the project. U.K. support fell under the Supporting Inclusive Growth in Somalia (SIGS) program. The U.K. and USAID partnership in GEEL was based on shared expertise, objectives, and an agreed approach to market development.

The goal of the GEEL project was to create sustainable and inclusive economic growth in Somalia, with a focus on facilitating private sector investments and creating jobs. From 2016 to 2021, GEEL leveraged economic opportunities against challenges, and worked through Somali businesses and entrepreneurs in true partnership to enable private sector transformation.



Priority Sectors & Value Chains

GEEL led analyses to find productive activities that were both geographically accessible and high potential in terms of investment and job creation. The project was centered on the following sectors and value chains:

- 1** **Agriculture**
Banana, sesame and high-value fruits and vegetables

- 2** **Livestock**
Meat and dairy

- 3** **Fisheries**

- 4** **Energy**




What Does Economic Growth Look Like?

Measuring big-picture economic growth indicators like GDP and food security is challenging in the Somali context. However, related and indirect variables show some of the ways in which USAID and GEEL partners contributed to upward trends:

More people have stable, decent-paying jobs.

Directly contributing to household resources and resilience, GEEL project partners created full-time jobs for more than **7,400** Somalis. Following engagement with GEEL, **70 percent** of individuals reported better employment. In addition to full-time positions, GEEL activities contributed to approximately **15,700** secondary and seasonal jobs, such as fishing boat crew members, vegetable vendors, and herders or farmers that participate in camel leasing and farm out-grower networks.

Businesses are growing...

GEEL partners increased production by **32 percent** over the life of the project, bringing **\$14 million** worth of goods to market, representing a **50 percent** increase in domestic sales that boost the availability of locally produced vegetables, meat, dairy, and fish.

...and contributing to Somalia's food security.

GEEL provided food security-related assistance to **300** businesses and facilitated investments of **\$18 million** in agriculture and food value chains. In addition, the project has facilitated agriculture productivity trainings for more than **9,800** individuals.

Export income is increasing.

Together, GEEL partners achieved **\$51.5 million** in exports from 2016-2021, compared to a \$12.9 million life-of-business total for all partners before working with the project. Somali businesses have increased their competitiveness in the global market and enjoy growing interest from buyers.

Jobs are connected to sustainable markets.

By working with partners in high-potential markets, GEEL helped ensure that these new jobs will last and that newly learned practical skills will transfer within and beyond target value chains.

32%

production increase
among partners

\$18m

co-invested in
agriculture

\$51.5m

in export sales

24,600+

primary and secondary
jobs created

APPROACH: Empowering an Economic Ecosystem

For many years, foreign donors have focused on mitigating Somalia's most urgent issues, from drought to famine to terrorism. The result is a pervasive belief in the international community that Somalia is not ready for the levels of investment or private sector groundwork that grow an economy in the medium- and long-term.

Yet, exactly because of these protracted cycles of urgency, the private sector is as vulnerable as any other demographic. Without nurturing, it will not grow. Equally persuasive is the likelihood that a strong economy—with job opportunities, decent incomes, and stable supply and demand—will buffer shocks, disincentivize extremism, and build resilience, including among the very groups targeted by humanitarian aid. Through the GEEL project, USAID showed confidence in the potential of the Somali private sector. Impact data and partner narratives show powerful outcomes.

GEEL proved what some believed was an impossibility: Somalia's private sector is ready for investment and growth.

GEEL also differed from other projects in its approach to partnership with Somali businesses. Business growth can be driven by a simple cash infusion, or by strategic choices that benefit the bottom line while also contributing to a healthier, more inclusive, and more resilient economy. GEEL incentivized and empowered partners to make business decisions to, for example, source farm inputs from local suppliers, hire freshly trained local engineers to maintain new cold storage equipment, co-invest in climate-friendly technologies and, at pivotal moments of growth, train and hire youth and women. What sets GEEL apart from similar projects are these positive ripple effects that led to an impressive breadth of sustainable impact along value chains and brought increased income and resilience to the communities who are implicated in the country's productive sectors. In this way, GEEL worked through the private sector to improve livelihoods and resilience far beyond it.





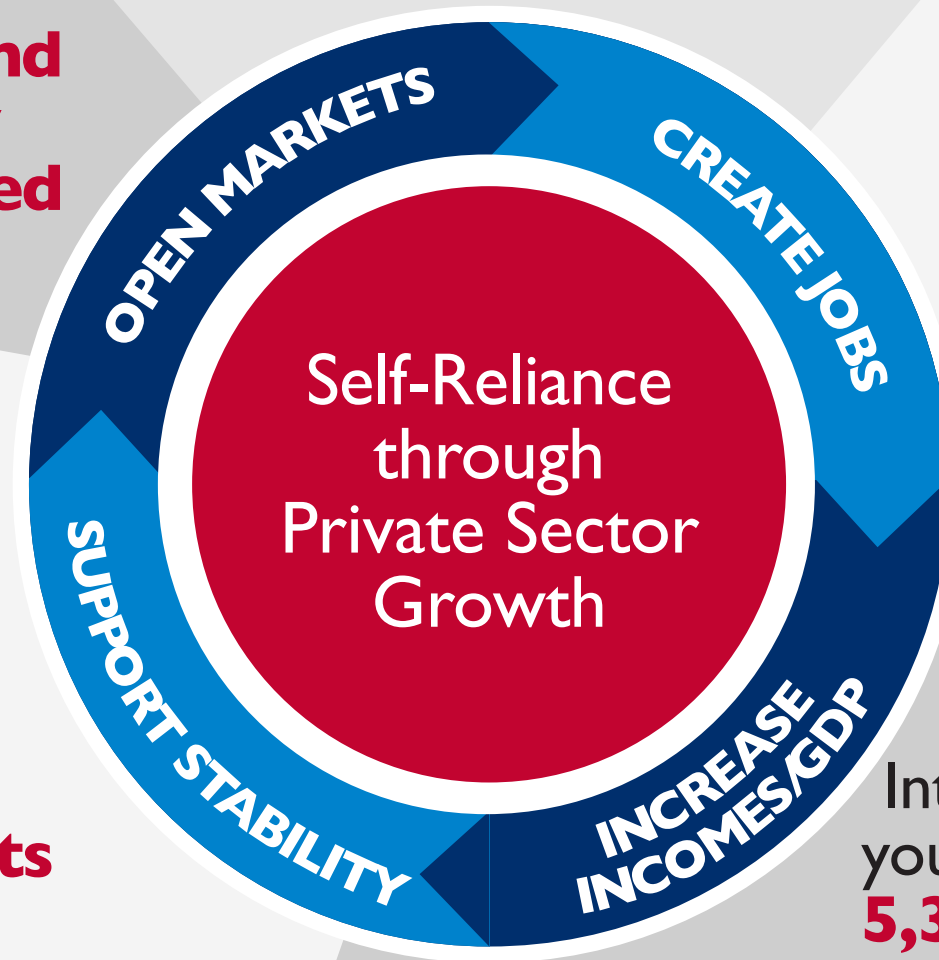
GEEL Approach

Increase production:
24,600
primary and secondary jobs created

Connect local producers to global markets: **\$51.5m** export sales by partners

Build resilience:
131,400 farmers and beneficiaries reached

Support nascent financial sector:
\$33.5m private capital investments leveraged



Integrate women, youth, and IDPs:
5,300 jobs created

GEEL Partnership with Oog Dairy Factory

- In-kind grant for processing equipment
- Technical assistance on dairy farming, processing, and storage

EMPOWERMENT

Linkages with 26 smallholder farmers to boost dairy supply

Cold chain and storage support

INFORMATION ACCESS

Trainings on processing equipment

Value chain learning and trade forums

ACCOUNTABILITY

Support for business management and book-keeping

Trainings on processing and sanitation

TECHNOLOGY

Introduced homogenizers and fast-chill equipment to boost production

Linkages to local artificial insemination support for healthier dairy animals

IMPACTS on Oog Dairy Factory Growth

- **900%** increase in production
- **5x** increase in sales revenue
- **30** new employees
- **Diversified products** such as yogurt, ghee, and cheese, with a longer shelf life
- **\$171,000** of private investment in new technology

IMPACTS on Value Chain Growth


26 new smallholder dairy farmers supply milk to Oog Dairy



60 new shops, restaurants, hospitals, and schools sell Oog Dairy products


70 new women milk vendors sell direct to households


New, better quality dairy products like flavored yogurt reach Somali consumers


Transporters, bulkers, and distributors move more milk from farm to factory to market


Other dairy businesses increase their quality standards to stay competitive


Increased sales of high-quality feed among livestock fodder farmers who supply dairy farms

BUILDING RESILIENCE

against shocks and stresses in the private sector and in communities

MITIGATION

- Stronger, protected supply chain from farmer to consumer
- More proactive decision-making thanks to business management trainings and boosted revenue
- Improved community nutrition through supply of quality dairy products to 150+ retailers
- Increased, stable household resources for 100+ employees, farmers, vendors, and others along the value chain

ADAPTABILITY

- Flexible production thanks to new technologies and increased capacities
- A well-integrated supply chain can cooperatively respond to shocks and stresses
- Direct linkages to schools and hospitals to support food security among vulnerable groups

RECOVERY

- Dairy production quickly resumes thanks to increased staff capacity and technologies
- Increased incomes enable faster business and household recovery
- Stronger stakeholder linkages encourage cooperative learning, strategizing, and planning for the future

Empowering a Path to Growth

Among GEEL's high-impact initiatives was its "one-stop shop" model for agriculture-based businesses. In different cities, GEEL worked with input suppliers to bring to market a comprehensive array of resources that commercial farmers need, like seeds, fertilizers, and tools, and offer them in a single location. These shops simplify procurement for farmers, but also serve as a networking platform where agripreneurs get news, learn about the latest technologies, and engage one another about their livelihoods. Some of the shops provide on-farm training and even offer partial financing on big-ticket products to start-up farms who lack capital. They have become hubs for sector growth.

The one-stop shop is an apt analogy for the GEEL project, which became a hub of resources, access, and information that empowered Somali entrepreneurs. For partners who committed to a benchmark of investments and new jobs, GEEL offered holistic support: investment and business development assistance to lower risk and help qualify for financing, technical expertise to overcome barriers to growth, access to technologies that boost production and lower cost, and platforms for connecting with domestic and export markets. The GEEL project did not limit itself to simply delivering solutions; it worked through partner businesses to create a healthier, self-reliant private sector.

This long-term view of growth also empowered communities and households. Nets become damaged over the course of a fishing season, so GEEL recruited and trained women to repair them and earn income from an inevitable need in a reliable value chain. Sesame farmers like Sidow Omar Biyange have suffered for years from a

"lack of market information...to price our products well to avoid exploitation... [Middlemen] buy from us for very little or no profit. Sometimes this demoralizes the farmers and [contributes to] low productivity." GEEL worked with large, commercial sesame processors to engage networks of thousands of out-grower farmers, train them on best practices, and offer them a fair, guaranteed price for their harvests. This arrangement boosted revenue for the large companies and assures sesame farmers like Sidow that his household, among thousands of others, will have reliable income at the end of the season, enhancing the welfare of communities like his.

Starting or growing a business is challenging in the best conditions; for those with limited access to skills, equipment, or financing, the barriers are prohibitive. Women, youth, and the economically vulnerable, especially in rural areas, lack the capital, collateral, and guarantors to qualify for loans. GEEL empowered these groups to enter the private sector by organizing community events where they engaged directly with banks and microfinance institutions and received assistance from GEEL to create or improve their business plans. GEEL also worked with financial institutions to create accessible, reduced-risk loan packages.





Accountability

“We want to make sure that whatever farm we work with, the sustainability [element] is there,” said Abdihafid Hashi, co-founder of Horn Gardens one-stop shop. “I can simply sell to you [without trainings] and make a profit, but you may not succeed...I would rather see six farms that are very successful than 100 that have failed.” GEEL worked through its private sector partners to help make Somali businesses accountable to the Somali public, the source of market demand. As an entrepreneur, Abdihafid should be oriented to his customer base as a first priority, and GEEL encouraged him to keep his eye on the prize. He said, “Our motto is this: If you fail, we’ve failed. If you succeed, we have repeat customers.”

GEEL instilled a sense of fiscal accountability among partners who lacked business experience by

bringing financial planning and loan access to nascent businesses. The opportunity to borrow and the obligation of loan payments was its own kind of business discipline learning tool, especially for youth who have grown up in a cash economy and lack credit histories. And by tying support to investment and job creation commitments by partners, GEEL created a framework for partners to become accountable to their own expansion, to reinvest their profits for long-term growth.

The project also prioritized youth, women, and vulnerable demographics for trainings, internships, job placement, and access to financial services, insisting on accountability among partners to engage marginalized communities in ways that benefit people, businesses, and the private sector.

“*Today I found out that we have locally owned companies...that are producing all this technology and services for farmers.*”

Kinsi Hussin, Farm Owner

Information Access

Access to knowledge and up-to-date information allows for strategic decision-making and leads to better business outcomes. In 2018, toward the end of Somalia’s gu’ springtime rainy season when farms were nearly ready for harvest, GEEL hosted a first-of-its kind event: a Climate-Smart Technology Forum for Somali agribusinesses. Commercial farmers from all over Somaliland arrived in Hargeisa for two days of exchange, networking, panel discussions, and a tour of a demonstration farm featuring new technologies for sale. Vendors and microfinance lenders lined the forum hall with booths and demonstrations in a marketplace-style set-up. Farmers perused mini-greenhouse models, solar-powered irrigation systems, and business financing options all in a single venue tailored to the viability of their livelihoods. Farm owner Kinsi Hussein said “Today I found out that we have locally-owned companies, owned by youth who graduated in Somaliland, who are producing all this technology and services for local farmers.” GEEL organized more than two dozen similar events over the course of the project, some tailored to specific value chains, some supporting women or youth, and others dedicated to new enterprise. GEEL also supplied partner businesses with technical knowledge through trainings and individual consultations and provided technical and market studies to inform government institutions and sector stakeholders.

Leapfrogging with Technology and Energy Support

Excitingly, GEEL accelerated take-up of the kinds of technologies that bring Somali businesses on par with their regional and global peers. The project introduced technology that has had positive impacts on production, processing, and storage. For example, GEEL partnered with Somali Bovine Genetics to introduce artificial insemination (AI) to Somalia, establishing a liquid nitrogen facility and an AI training center for livestock farmers, students, and animal health technicians. These investments led to a crossbreeding program that has produced climate- and disease-tolerant breeds that yield higher milk volume than the common local breed.

The project co-invested with partners in seed and soil testing facilities and provided technical assistance to Filsan Seed Company for Somalia's first banana tissue culture laboratory, where technicians are producing stronger banana plant suckers with higher yields. These and other kinds of technologies have the added value of attracting young people to enterprise. "Youth are interested in technology and love new things—they don't like the traditional kinds of farming or fishing. The introduction of new technology really interests them, so it was easy to share with them things like greenhouse farming," according to GEEL youth livelihoods team leader Abdikadir Mohamed.

GEEL introduced renewable energy technologies that had immediate cost effects and reduced dependency on fuel. The project integrated solar technology across its value chains, supporting more than 50 businesses to reduce energy costs by as much as 90 percent. Solar energy now powers sesame oil processing

The GEEL project represents a profound shift in how Somalia does business.

equipment, mini freezers mounted on delivery motorcycles, cold storage to keep yogurt, milk, and seafood fresh for customers, safety lights along jetties and on fishing boats, and irrigation systems on vegetable and livestock fodder farms. "Drip irrigation, solar energy, and renewable energy...are important," said farmer Omar Shouiab. "[They] motivate and encourage people...We believe that they will bring a change to the country."

These elements of the GEEL project stand in bold contrast to traditional development approaches. Project partners are empowered to make business decisions based on new technical capacity, access to market and finance information, and knowledge about technological possibilities that are adaptable to their needs. They are also newly connected to an economic ecosystem that offers them local resources, products, and services. Anecdotes from project staff and partners reveal a widespread awakening to Somalia's economic possibility, as businesses and entrepreneurs beyond the project emulate GEEL partners, empowered by the growth they have seen. The USAID GEEL project represents a profound shift in how Somalia does business.







THE POWER of the Private Sector for Change

A strong private sector offers—and requires—the most basic unit of livelihood: jobs. Reliable employment brings a host of benefits, from steady income for households and communities, to savings and investment, to the economic growth that begets more new jobs. A strong economy offers day-to-day continuity and resilience-building for Somali households. Even in the face of political uncertainty, a robust private sector ensures that an employee receives his wages, a shopkeeper has vegetables for her customers, a dairy farmer has fodder for his camels, and a new entrepreneur can count on her next loan installment. In a frail state context where government policy implementation is lacking, the private sector also has heightened leverage to

influence best practices. For example, a major company can refuse to purchase illegally harvested fish while another adopts renewable energy, or hires women graduates, leading other businesses by example.

GEEL harnessed the power of the market by working through the private sector to put business growth front and center, incentivizing the decisions that lead

organically to new jobs and income. To ensure these outcomes, GEEL created buy-in among partner businesses by linking project support to their job creation or investment objectives. As a result, GEEL partners were not merely beneficiaries; they were active and invested collaborators in their own growth and in buoying the national economy.

GEEL partners were not merely beneficiaries; they were active and invested collaborators in their own growth.



Training

GEEL organized a variety of trainings to fit market needs as articulated by producers and businesses with their sights set on growth. Among farmers, fishers, and livestock and dairy producers, GEEL implemented trainings that increased quantity, quality, and efficiency of production. For example, the project reached more than 7,600 sesame farmers with training on good agricultural practices that improved their output by as much as 500 percent. Other trainings led to improved product hygiene and reduced waste, such as among retail camel milk vendors, nearly all women, who make daily sales in busy markets. Still others focused on business management, inventory control, and ethics. According to Abdullahi Ali Yusuf of Al-Mizan sesame processing company in Mogadishu, trainings “had a positive impact on farmers, on businesses like ours, on the well-being of people in this industry, and on the greater economy of the country.”

Investment in Production Capacity

Turning a perishable product into profit requires processing equipment and storage technologies. In many ways, production capacity in Somalia remains as it was in the 1990s when civil war damaged infrastructure and equipment and halted the shipments that delivered inputs. Through GEEL, USAID co-invested in new and upgraded processing equipment, dry and cold storage solutions, value-adding technologies, and renewable energy solutions to increase efficiency and reduce cost.

One of the greatest impediments to production in Somalia’s high-potential fisheries sector is a lack of cold storage—from ice chests on fishing boats to factory blast freezers to refrigerated display cases in retail

shops. “A lot of fish is wasted because there is nowhere to store it,” says Mahad Abdi, Director of Yustan Seafood in Mogadishu. Fisher[folk] lose a lot of time and money, and so do we. Our waters offer great opportunities, but we have to meet them.” Since the start of the project, GEEL has encouraged seafood companies and fishing communities to invest in cold chain equipment by providing facility assessments, guidance on international standards, in-kind investments, installation assistance, and trainings for refrigeration technicians to ensure sustainable operations. This assistance has resulted in an enormous advancement for Somalia’s cold chain capacity. The project committed in-kind support for cold chain development that catalyzed far greater investments by GEEL fishing partners—as much as \$12 million—to improve their storage capacities by more than 100 percent.

As a result of these investments, GEEL partners created more than 2,400 full-time jobs in the fisheries sector, increased export sales, boosted domestic fish consumption, and indirectly created as many as 5,500 additional secondary and seasonal jobs in the harvest and service industries, from equipment suppliers and transport drivers to women cooking and selling fish in the street. This new capacity to hold an additional 3.3 million kilos of frozen seafood for six months or more also greatly improves the country’s ability to meet its food security needs. Similar investments in production capacity across GEEL value chains have led to reduced running costs, increased production, and ultimately to growth and job creation.

“*We want to make sure that whatever farm we work with, the sustainability is there...Our motto is this: If you fail, we’ve failed. If you succeed, we have repeat customers.*” - *Abdihafid Hashi, Co-Founder, Horn Gardens*





Private Sector



Linking Market Actors

A single business is limited in what it can achieve, especially in a context like Somalia with constrained infrastructure, technologies, and financing options. Pivotal to GEEL's success was bringing businesses together to create positive ripple effects up and down value chains. For example, to maximize agricultural production in a drought-prone climate, GEEL facilitated farmer access to greenhouses and slow-drip irrigation technologies that minimize water use and ensure healthy, market-ready crops year-round. Instead of simply delivering these solutions, the project supported local suppliers to source, sell, and install the technologies and then train farm staff on operations, building economic bridges between customer and supplier for future engagement. Where farmers struggled to finance these inputs, GEEL worked with banks and vendors to offer accessible loan packages. GEEL empowered businesses by connecting them, providing technical insight, enabling sales, and establishing relationships. These climate-smart greenhouses and irrigation technologies brought farmers in Somaliland a 15 percent production increase of high-value crops

like tomatoes, cucumbers, and onions. Guleid Abdullahi, owner of Muna Farm in Somaliland, became an AgriTech customer thanks to GEEL marketing support for the one-stop shop. According to Guleid, "Agritech helped me with farming knowledge...Whenever I need guidance, I reach out to AgriTech...and now people reach out to me for information, and I help them too."

GEEL also connected Somali businesses to local, regional, and international peers to foment mutual learning and competitiveness, and to enable access to new ideas and solutions to common challenges. To do this, GEEL hosted more than two dozen networking events across Somalia, like a products and services exhibition, business-to-business events, stakeholder workshops, climate-smart agribusiness forums, and many others.



Access to Finance

A critical element of GEEL's approach to private sector development was enabling access by Somali businesses and entrepreneurs to financing, like loans and investments. While the project provided comprehensive support to Somalia's financial sector, it specifically offered partner businesses and start-up entrepreneurs assistance with business and financial planning, preparing pitches for potential investors, reducing risk, and applying for loans from local financial institutions. This assistance enabled financing of certified seeds and tractor hours for farmers, veterinary pharmaceuticals for community animal health workers, cold storage space for dairy factories, boats for fishers, and much more.

GEEL connected lending institutions to marginalized groups by piloting new ways of working to reach unbanked and vulnerable demographics and organized or co-hosted forums to jump-start enterprise among women and youth by providing them access to bank representatives, business consultations, and technical advice. The project stimulated diverse types of investments in Somali businesses and developed creative solutions to bring microfinance to unbanked and vulnerable demographics.

Agritech helped me with farming knowledge...Whenever I need guidance, I reach out to AgriTech...and now people reach out to me for information, and I help them too.

Guleid Abdullahi, Owner of Muna Farm



32%
increase in productivity
among partners

8,400+
businesses reported
improved management
practices or technologies

14,500+
micro-enterprises
supported

49
new technologies
introduced

33
events facilitated to link
market actors

PROFILE

Habo Tuna Factory

At the very tip of the Horn of Africa, a six-hour boat ride from the nearest city, sits Habo Tuna factory. More than three hundred employees, mostly women in bright pink uniforms, pack fresh yellowfin tuna—among the top five varieties in the world—brought in by one of 500 boats that fish nearby waters. Some major roadways into this area of Puntland are controlled by extremist groups, making the factory more easily accessible by sea than by land. Nearby villages depend heavily on fishing and the frankincense trade for income; before Habo Tuna was established in 2010 by a group of diaspora shareholders, unemployment hovered at 80 percent. Without the technical means, the factory struggled to make a profit and closed in 2016.

Habo Tuna created more than 320 permanent jobs, of which 60% are held by women and 70% by youth, two chronically under-employed groups in Somalia.

In 2017, GEEL staff visited the shuttered factory to determine if it could be a viable source of jobs, income, and food security for the local market. The project worked with the shareholders to get the factory open and canning fish by 2018 with 60 seasonal employees. Habo Tuna brought new energy to the area: new cafes, fish net weavers, and transport services sprang up. GEEL envisioned the factory as the heart of the

regional economy and set to work designing a package of support with sights set on expanded production.

The factory faced two major barriers to growth: a lack of cold storage to quickly freeze and store fresh tuna, and the distance between the factory and the seasonal runs where schools of tuna could be found. GEEL engaged Habo Tuna in a typical partnership wherein the company committed to a majority of investments and growth benchmarks like equipment upgrades, new trucks, jobs for local residents, and purchase of a mothership to collect tuna from

isolated communities where schools of fish passed. GEEL provided half of the cost of a cold storage freezer unit, an investment that helped the company qualify for necessary bank loans, along with training on fish handling and processing. The project also trained company staff to collect sustainability data on the fishery which is forwarded to the Puntland government to support policymaking.



“ Since the factory expanded its storage capacity due to support from USAID, all of our work increased, production increased, and we receive overtime payment, which is fantastic as Habo Tuna is our sole source of livelihood.

Fartuun Faysal, Factory Supervisor and mother of five



Habo Tuna’s cold storage unit—Somalia’s largest blast freezing facility—enabled tuna canning at both ends of the seven-month fishing season, turning seasonal jobs into fulltime employment. Fartuun Faysal worked for Habo Tuna when it was first established. After several years of unemployment due to the factory closure, she resumed her work again in January 2018. A mother of five, Fartuun says “it was tough when the factory closed. Now I’m back and have been promoted to a supervisor position; I supervise 30 women in the morning, afternoon, and evening shifts. Since the factory expanded its storage capacity with support from USAID, all of our work increased, production increased, and we receive overtime payment from factory management, which is fantastic as Habo Tuna is our sole source of livelihood.”

GEEL sent product samples to the Société Générale de Surveillance, a global leader in quality assurance, for laboratory testing; the results showed that the tuna met all international import standards, and that taste and texture were second to none. Habo Tuna factory produced one million cans of tuna in 2018,

over two million cans in 2019, and more than five million in 2020, with production steadily increasing to meet demand. With continued focus on the domestic market, the company supplies wholesalers throughout Somalia, and is planning construction of a new tuna cannery in Bosaso at an estimated investment of \$5 million by the company.

Beyond achieving tremendous growth, Habo Tuna is positively impacting local communities. The company created more than 320 permanent jobs, of which 60 percent are women and 70 percent are youth, two chronically under-employed demographics in Somalia. The demand for fresh tuna generated by the factory has gotten 500 fishing boats back into the sea, each with an average crew of four to five members; this means that an estimated 2,250 people are earning seasonal income supplying fresh tuna, and their income boosts household and community welfare. According to Khalid Ali, one of the fisherfolk who supplies Habo Tuna, “without this factory...our lives would be in danger due to lack of opportunities. The factory management gives us cash and fuel in advance so that we can go to the sea and catch the

fish. We use the remaining [profit from our catch] to live and we appreciate everything Habo does for us.” As the only significant tuna cannery in Somalia, the company has made huge strides in boosting national food security using a local resource.

Habo Tuna is evidence that leveraging a relatively modest co-investment of \$250,000 enabled sustainable self-investment of \$4.5 million and led to meaningful, large-scale positive impacts on household and community income, food security, and resilience. And the business is continuing a self-reliant growth journey, recently making its own \$8 million investment in a new production and storage facility in the provincial capital, Bosaso.

In the fisheries industry, GEEL’s private sector partnerships have leveraged more than \$16 million in private investment, generated more than \$2 million in export sales, and benefitted more than 360 microenterprises. Of Somalia’s economic sectors, its fisheries have enormous potential for inclusive, sustainable contributions to the private sector, to domestic food security, and to the country’s re-emergence as a global economic player.

A New Investment Landscape

It takes more than sweat equity to build a business. Finance is crucial to the private sector, but opportunities are limited in Somalia; banks are reluctant to lend, or lend on difficult terms, and personal savings or loans from friends and family simply do not amount to enough productive capital for significant business growth. Entrepreneurs outside the conventional mold, like women, youth, displaced people, and rural business owners like farmers have almost no access to finance. Somalia's federal and regional governments have varying degrees of authority and capacity to provide the kinds of robust policy frameworks that inspire confidence in investors. Adding to these challenges, the international community's humanitarian focus on Somalia has resulted in a dependency on grant funds that inhibit commercial investments, discouraging a competitive and sustainable market economy.

Somalia has never had a functional financial marketplace. GEEL set out to change this.

GEEL has transformed Somalia's investment landscape by drawing in the country's first international private investments and designing new, inclusive financing models, a tall order in a frail state still beset by conflict in some of its most productive areas. The project facilitated more than \$33.5 million in private investments and broadened access to micro-finance and bank loans in a variety of creative ways. GEEL also engaged government institutions to build knowledge and policy capacity that will provide guardrails for private sector momentum and reinforce ideals like equity, innovation, and sustainable resource use.

A "Push" for Strategic Finance

Through the GEEL project, USAID pioneered the move of the international community toward support for sustainable commercial finance in Somalia, working with development agencies and development finance institutions to change their approach and strengthen the private sector's self-reliance. In the past, grant funds have been delivered directly to businesses, sidelining private financial institutions—like local banks and microfinance institutions—from providing finance on a commercial basis. GEEL led the transition to long-term commercial investment by helping to channel investment funds through financial institutions to build their capacities. Now, almost all grants from international organizations to Somali businesses have been replaced by commercial loans, resulting in more viable, sustainable commercial investments.

GEEL's strategy led The World Bank to create the Gargaara investment fund, which provides capital to private financial institutions to on-lend to businesses. This was balanced by GEEL's focus on preparing viable businesses for investment with the

skills, knowledge, and resources that they needed, and helping them to access the new commercial loans. At last, Somali financial institutions were empowered to play their proper economic role.

Investments facilitated by GEEL typically went toward essential business equipment, warehouses, laboratories, vehicles, and cold storage, and brought new technologies to the private sector including climate-smart and renewable energy solutions, irrigation and soil testing equipment, and solar-powered retail kiosks and motorbikes. At the start of the project, all investments were financed solely by business's own limited funds supplemented by grants. By the end of the GEEL project, most investments were being financed wholly or partly by commercial loans, enabling larger and additional investments. The change also channeled investment into commercially viable business projects in which lenders have confidence and buy-in to hone good investment decisions in a competitive and open marketplace.



To amplify impact, GEEL facilitated access to international investors and reduced their risk through groundbreaking investment arrangements, including facilitating Somalia’s first political risk insurance by the Multilateral International Guarantee Agency and the first guarantee facility provided by the U.S. Government Development Finance Corporation.⁴

“Pulling in” Access to Finance for Somali Entrepreneurs

GEEL’s facilitated investments from all angles: financing and building the capacity of private finance institutions, supporting finance institutions to manage and disburse the funds, and coaching a pipeline of businesses—from large commercial enterprises to microbusinesses—to access loans and use them productively. GEEL improved access to finance for marginalized groups including women, youth, and rural entrepreneurs who lacked local bank or microfinance branches in their areas. GEEL enabled bigger, better implemented, and less risky investments through a combination of investment facilitation and technical assistance that also resulted in new jobs for youth and women. GEEL prepared Somali businesses for investment by assisting them with business planning and financial management, loan applications, and pitches to potential investors. Project experts reviewed business

models and ensured that the business activities were technically sound.

GEEL also facilitated several Access to Finance events for women and youth and others focused on the project’s target economic sectors, to help would-be entrepreneurs learn how to finance their ideas and support them in developing strong business plans. By inviting microfinance institutions to those same events, GEEL linked businesses directly to financing opportunities. GEEL also organized or supported investment and competitiveness events, helping to bring international initiatives like the youth-oriented [Global Entrepreneurship Challenge](#) to Somalia, and supporting investment pitches at the [iRise Mogadishu Technology Summit](#).

Even more important than the investment numbers achieved by GEEL partners is the quality: they are invested from private sources into commercially sound projects, and they are facilitated by a sustainable financial marketplace.

\$33.5m
in private capital
investments

223
businesses accessed
loans

\$18m
allocated for small and
micro-enterprises via the
Gargaara fund

92
businesses in GEEL target sectors
received loans via local PFIs with
Gargaara fund capital

GEEL assisted banks and microfinance institutions to design innovative loan products to de-risk and incentivize lending to productive businesses such as those in the agriculture, livestock, and fisheries value chains. The project's highly successful efforts focused on introducing and financing new technologies among Somali businesses and developing scalable business models to integrate them. Initially, eight institutions and technology suppliers enabled investments of more than \$1.4 million; follow-on access to finance efforts enabled additional investments of more than \$3 million. Now, microfinance institutions like Amal Bank are independently scaling these types of programs; a pilot that served 304 women-owned microbusinesses was so successful that the bank is rolling it out nationally and targeting 10,000 women over the next two years.

To ensure sustainability, GEEL put in place enduring third-party processes wherein Somali banks, microfinance institutions, and investment funds provided loans to businesses instead of grants. GEEL facilitated support from a business development service provider for entrepreneurs to become investment ready and make loan applications and supported financial institutions with their lending processes. GEEL's technical experts helped input suppliers bring new technologies to the market and helped businesses to distribute and export more effectively, all enhancing business cases for sound investment decisions.

Private investments facilitated by GEEL have reached \$33.5 million, exceeding the project's \$21 million target and not including additional investments of over \$25 million in non-target sectors, like frankincense or food and beverage retail, that GEEL also enabled through its investment work. More important than the amounts is the quality of the investments: they come from private sources that were not available previously, they are being invested into more commercially sound projects, and they are facilitated by a functioning, competitive, sustainable financial marketplace.

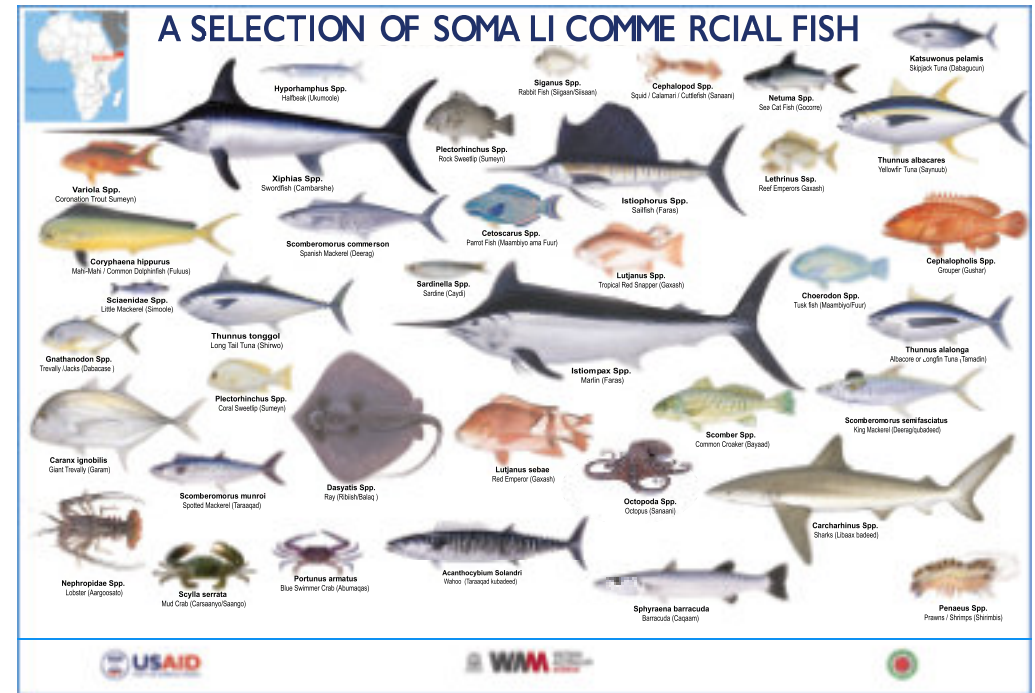


Government Policy Support

GEEL provided technical insight to help bring Somali regulatory frameworks on par with regional and international standards, and to ensure technological and environmental approaches that suit the modern context. The project provided expertise to the federal government and the Ministry of Agriculture and Irrigation to develop the Somali Agriculture Regulatory Inspection Services Act as well as a seed and variety law and a plant protection and quarantine law. In the fisheries sector, GEEL helped to draft export quality standards that are currently tabled in parliament, advised on new fisheries laws that will support sustainable use of Somali waters, and built knowledge and capacity on exporting in accordance with the U.S. Marine Mammal Protection Act.

GEEL also improved technical capacity among government staff, for example by training ministry staff to become seafood quality control auditors, or by co-developing a construction standards manual for Somaliland energy utilities in collaboration with the Ministry of Energy & Minerals. GEEL's fisheries team made tremendous contributions to the development of biodiversity data for sustainable fisheries, including scoping studies, feasibility studies, and an in-depth assessment of Somalia's lobster stock, its single most valuable seafood resource. The project also worked with government to improve the investment climate in productive sectors, which included participation in the National Economic Policy Forum and facilitating workshops with business and finance providers to prepare them to discuss market and investment priorities during events for the U.S. ambassador and USAID Administrator.

Robust, reliable financial and government frameworks instill confidence and continuity in private sector investment, guiding the economy towards sustainability. GEEL re-oriented Somalia's financial marketplace towards more self-reliant commercial investment, an extraordinary feat for a single organization leading the way. The project proved, through investment quality and quantity, that this approach is not only possible, but profitable. Somalia presents a complex administrative tableau, including autonomous regions, tensions over de facto independent states, hostile control of some areas, and many layers of local and regional administration in seemingly constant flux. With Somali leadership at the helm, the project deftly navigated the political landscape to build government capacity, help shape sustainable policies, and complement new private sector potential with more capable public institutions.



GEEL engaged government institutions to build policy capacity that will reinforce ideals like equity, innovation, and sustainable resource use.



PROFILE

The Gargaara Fund

Among its most significant efforts, GEEL collaborated with The World Bank to establish a first-of-its kind investment fund. Unique to the \$100 million Gargaara (“Assistance”) fund is its lending structure, which channels long-term capital through Somali private financial institutions that have been sidelined by urgent relief efforts. Instead of providing direct financial support to businesses, Gargaara circulates capital through local intermediaries that on-lend to businesses, building capacity and strengthening the financial system along the way. As part of its sustainable approach to financing, Gargaara requires institutional development plans of the financial institutions that on-lend its capital, instilling accountability in Somalia’s nascent financial marketplace.

To support the productive implementation of the fund in its target value chains, GEEL facilitated loans of up to \$150,000 each for 92 partner businesses, with a focus on women entrepreneurs, borrowed from the local financial institutions that received capital from Gargaara. This represents \$2.9 million loaned to date to small and micro businesses that not only contributes to business growth but also strengthens Somalia’s financial marketplace. Gargaara fund supporters, including GEEL, are

actively seeking additional capital. The World Bank initially invested \$15 million from its International Development Association (IDA) fund and is planning an additional investment of \$25 million. Other international development agencies and development finance institutions are also planning to invest.

Gargaara is the way forward for Somalia’s financial sector. Although short-term funding by the humanitarian sector serves a purpose, it competes with indigenous financial institutions and therefore must be balanced with support for long-term investments that encourage financial institutions to serve their role in the economy. The Gargaara business model supports financial sector actors to provide commercial capital in a competitive marketplace and incentivizes them to improve their capacity and governance. Private sector growth requires a competent and sustainable financial marketplace that entices investment and lends responsibly and equitably to Somali entrepreneurs. Through GEEL, USAID has initiated a sea change in Somalia’s financial sector and created a sustainable path to economic maturity for investors, financial institutions, and businesses.



for the financial institution. “Today we are more comfortable,” says Farhia. “Our businesses are doing well and we expect more income next year.”

SHG members were not the only ones to benefit from linkages with microfinance institutions. Entrepreneurs in rural areas typically have no access to bank branches and may lack identifying documents to establish themselves as conventional borrowers, discouraging them from seeking loans, while microfinance institutions are unaware of—and unable to access—potential customers. GEEL supported SHGs to act as agents for MicroDahab MFI, identifying and servicing borrowers by leveraging their knowledge and trusted relationships in their communities. Among these new, GEEL-assisted loans, 61 percent were loaned to entrepreneurs in rural areas where MicroDahab MFI did not previously have clients, while nearly half (48 percent) of loans went to women, one-third to youth, and six percent to health businesses responding to the COVID-19 crisis. According to Farhia, enabling women entrepreneurs will uplift the economy. “Somalia is an impoverished, war-torn country...where many households are headed by females. [Supporting] women in business reduces poverty and unemployment and creates sustainable jobs.”

GEEL partnered with multiple financial institutions to pilot this Access to Finance model. Similar projects with four other finance institutions will be replicated on a larger scale in mid-2021. This is the beginning of a movement; with proven results and new linkages to enable confident lending, banks and microfinance institutions have begun independently reaching out to new demographics and creating opportunities to finance formal enterprise. These linkages are crucial to building an inclusive financial sector that embraces—and prospers from—agriculture and other productive rural enterprises, including those led by women and youth.

Bringing Loans to Bosaso Businesswomen

Farhia Shire Aden leads six women in a self-help group (SHG) in Bosaso, Puntland. Like three of the group members, Farhia sells livestock in local and regional markets like Yemen and Oman, while the others run fish and retail clothing businesses. The group has borrowed—and repaid—four rounds of loans, up to \$1,500 per member. With their profits, they contribute to household expenses, like school fees for their children, and plan to grow their market share and hire additional employees next year. On paper, these seven women appear to be typical, successful entrepreneurs. Yet their path to business ownership is rare, not only because they are women of limited resources in Somalia, but because they are part of a groundbreaking loan arrangement.

SHGs are a common loan solution among unbanked and impoverished people around the world who occasionally need funds for household or emergency expenses. Group members typically do not accumulate enough capital to launch businesses, nor do they have the guarantors or collateral required for a traditional bank loan. “Before [we received loans], our businesses only existed as ideas,” says Farhia.

The GEEL project’s Access to Finance effort empowered new demographics of entrepreneurs by collaborating with Somali microfinance institutions to draw them into the formal investment marketplace. In Puntland, GEEL linked [MicroDahab MFI](#) to several SHGs and developed strategic loan packages that replaced the usual guarantor requirement with mutual guarantees by group members, enabling financing for women like Farhia and reducing risk

GEEL and The World Bank established Gargaara, a \$100 million first-of-its kind investment fund that channels capital through local financial institutions. Gargaara is the way forward for Somalia's financial sector.

Inclusive Commerce: Youth, Women and IDPs

Sustainable economic growth must be inclusive or risk alienating vulnerable groups who represent untapped human capital. In Somalia, where marginalization has contributed to conflict and violent extremism, inclusivity has vital implications for the wellbeing of the country.

There are about 2.6 million internally displaced people (IDPs) in Somalia; more arrive to urban centers every year.⁵ Somalia's gender equality indicators are among the worst in the world, and while women represent 70 percent of the informal private sector,⁶ few are engaged in high-return economic activities.

While the project worked to integrate women, who are already critical to Somalia's private sector, youth presented a unique challenge. Comprising 70 percent of the population,⁷ youth represent an enormous potential asset for the economy; yet two-thirds are unemployed, unprepared in technical and soft skills, and therefore vulnerable to migration and criminal activity. Many youths view Somalia's high-potential sectors as old-fashioned in today's digital and globalized world. Although they suffer from unemployment, the idea of weeding a farm, milking a camel, or spending a hot, windy day on a fishing boat may feel like a step backwards. Meanwhile, weak coordination between training institutes, the private sector, and other youth service providers has led to low-quality training programs that are misaligned with economic realities. GEEL coordinated with local youth associations and leaders to understand challenges and needs at a grassroots level.

GEEL led targeted outreach to women, youth, and IDPs to provide mentorship, trainings, and job placement, and to support growth of existing businesses or help would-be entrepreneurs make a solid start. To increase the ability of private sector employers to train and hire youth for existing job openings, GEEL selected 14 partners to provide trainings on literacy, numeracy, technical, and soft skills to over 1,200 youth. The project identified private sector opportunities that leveraged the economic value of these marginalized groups, helped them gain access to financing, and connected them to meaningful income-generating activities that benefit their households, communities, and their own long-term livelihood prospects.



Targeted Outreach and Job Creation

In Somalia's productive sectors, women entrepreneurs commonly find themselves in retail sales. GEEL helped businesswomen maximize their earnings and growth potential by providing trainings on handling, sanitation, and business management along with in-kind grants for cold storage that enabled 47 women to become fish vendors or improve their retail facilities, and enabled more than 300 women to increase income from cottage dairy sales. GEEL assisted women entrepreneurs to develop strong business plans and present them effectively for financing, and supported microfinance institutions to develop packaged loan products for women. Ninety percent of greenhouse kits loaned by MicroDahab MFI went to women, while a product for veterinary retailers developed in partnership with the Women's Veterinary Association was borrowed predominantly by women.

GEEL also supported women to enter the private sector at other points along the value chains, for example by training 70 women to repair or make new fishing nets or by providing in-kind grants for milling machines and sesame oil processing

Agribusiness effort was designed to prepare start-ups and existing businesses for investment by providing technical expertise and business advisory services. GEEL collaborated with local suppliers to source and install 23 greenhouses and 20 drip irrigation kits for 40 IDPs and poor youth in urban Mogadishu. These technologies are expected to produce over 100,000 kilos of fruits and vegetables each season, create more than 50 sustainable jobs, and generate about \$50,000 in new investment. The project facilitated sustainable production trainings led by a local greenhouse consultant and provided guidance and mentoring to the young entrepreneurs, including business registration, bookkeeping, and systems development.

GEEL developed a youth agriculture competition, [Tartan Tacabka](#), that drew millions of viewers and listeners on television, radio, and social media to follow university students who competed for in-kind grants by cultivating their best harvests on urban farms near their school campuses. The 12-episode series followed six teams who received trainings on best practices to grow cash crops for judgement by Somali agriculture experts. It was distributed by local production company Goobjoog to its nine million global viewers and listeners, in addition to social media shares. Mogadishu universities noticed an

In Somalia, inclusivity has vital implications for the wellbeing of the country.

machines for 20 women-owned companies. In total, GEEL contributed to the creation of more than 1,500 jobs for women.

To mobilize youth enterprises, GEEL developed impressive, tech-forward initiatives and peer-to-peer outreach to captivate young people. The Youth in

impact: "Our [faculty of agriculture] enrollment this semester rose by 45 percent, and we believe Tartan Tacabka is a major instigator of this increase," said Yahya Mohamed, a lecturer at Zamzam University. "This translates to more people adopting agriculture as their primary source of income."



5,300+

jobs created for women and youth by GEEL partners

3,500+

women supported through training, investment, or business development services

760+

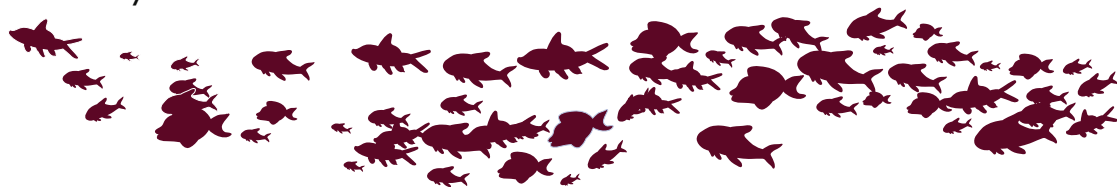
youth provided market-targeted trainings

5 forums

facilitated to promote enterprise among youth and women



GEEL also encouraged its partners to focus recruitment, training, and hiring efforts on youth. Its work in the fisheries sector led to full-time employment of more than 580 women in retail shops and processing facilities. Banadir Electrical Company (BECO), the largest energy company in Mogadishu, was on the brink of expansion in 2020 thanks to GEEL support in establishing a solar component, but the company required additional staff to handle increased energy demand. To link BECO to youth hires, GEEL provided training manuals, technical assistance, and a small amount of training funds; in return BECO was able to train, equip, and absorb 150 new, young employees, among the 1,300 new youth jobs enabled by GEEL.



Trainings and Events

To equip women, youth, and IDPs with skills that will impact their livelihoods, GEEL facilitated trainings that reflected market needs and projections. Project partners invested heavily in cold chain systems, so GEEL trained more than 70 young technicians on equipment installation and maintenance; the trainees now work in seafood sales outlets and processing centers. The fisheries sector is set to grow by leaps and bounds in the years ahead, so GEEL trained more than 1,000 youth—including 50 IDPs—on fishing skills in partnership with four local commercial fishing companies in coastal cities. Meanwhile, GEEL collaborated with Somali National University and project partner Oog Dairy Factory to train 20 youth to provide livestock extension services in their own communities, as well as coaching on management skills and bookkeeping unique to the dairy sector. And in direct response to challenges arising from the Somali context, GEEL developed training modules on countering violent extremism, which included topics such as conflict resolution, decision making, and peer-to-peer mentorship, among others, and delivered them to 100 youth trainees in high-risk locations.

Building on the success of its sector-specific forums, GEEL facilitated networking and learning events dedicated to enterprise among women and youth. In three major cities—Hargeisa, Kismayo, and Mogadishu—GEEL hosted Access to Finance for Women in Business events that brought together value chain experts, microfinance lenders, and businesswomen to empower strategic lending and business development. The Women and Youth Economic Empowerment Event in Puntland, and the Youth Investment Expo in Mogadishu, similarly converged stakeholders from productive sectors to network and find inspiration, tools, and resources for bringing their business goals to fruition.

Women in Energy

“It was a major challenge to be accepted for internships by the electricity companies because our society is not used to seeing female engineers. Our people are starting to understand that women can also learn and practice engineering...you must be tenacious.”

Awo Muktar, Electrical Engineer

In Somaliland, GEEL contributed to the modernization of electricity infrastructure by collaborating with stakeholders to spur policy change and to prioritize renewable technologies and female employment in the sector. At the nexus of these efforts lies the Women in Energy effort, which promoted technical and career advancement for female electrical engineering students.

GEEL created the Women in Energy group that served as a space for young women to learn, engage in key issues in the sector, interact with industry professionals, and share resources for professional growth. GEEL provided technical and professional trainings, facilitated internships, and developed communication and leadership skills among 15 university students from energy and related engineering fields. GEEL also developed workplace-friendly and culturally appropriate safety uniforms, a seeming detail that in practice had previously sidelined women from working safely and with confidence. To build their career networks, participants were regularly invited to energy sector meetings facilitated by GEEL and attended by government and industry representatives.

Beyond technical skills, the group served as an important forum for professional camaraderie among Somali women in a male-dominated sector. Says Rahma, “Since I was young, I [wanted] to have the engineer title. Through [GEEL’s] Women in Energy program, I have gained self-confidence and met other women who face the same challenges and have the same ambitions. In the future, I want to...prove to my community that women can be engineers!”



PROFILE

For Maximum Return, Invest in Women

An entrepreneur of more than 20 years, Somfresh founder Hersio Abdule knows what it takes to succeed, and she knows where to find it. “Somali women are strong and resilient when it comes to business,” she said. “They are very creative and can easily identify [potential] challenges.” They also face huge barriers to entering and achieving success in Somalia’s formal economy. So, as executive director of a leading agribusiness, Hersio decided to work with women. Hundreds of them.

Like so many women in Somalia’s informal economy, the roots of Hersio’s enterprise are in her kitchen, where she lovingly prepared fresh

vegetables for her children when they were young. Expanded into vegetable supply, buying from out-grower farmers—more than 100 of them women—to keep up with demand.

GEEL worked closely with Somfresh in large part because the company’s growth would enable more purchases from women farmers, and more sales to women retailers, amplifying the project’s efforts towards economic inclusiveness. GEEL support had important ripple effects for community nutrition and food security, and for the participation of women in Somalia’s private sector.

SomFresh founder and executive director Hersio Abdule knows what it takes to succeed...so she decided to work with women. Hundreds of them.

vegetables for her children when they were young. Encouraged by neighbors and visitors who admired her eye for quality and hygiene, Hersio supplied fruit to a steadily increasing customer base until, in 2013, Somfresh was formally incorporated. “I was passionate about it,” she said. “I saw that I could turn the fruits of our country into a good business.” With a warehouse in Mogadishu, Somfresh began supplying dozens of hotels and restaurants and

To secure a reliable supply of fresh produce, Somfresh purchased a 78-acre farm along the Shabelle River using self-raised funds and a \$200,000 loan from Dahabshiil Bank that was facilitated by GEEL. In a cost-sharing arrangement with Somfresh, GEEL provided small-scale infrastructure support, technical assistance to improve processing, and five cold storage facilities to keep produce fresh and hygienic and reduce



waste and expenses. Somfresh is successfully repaying its loan, has opened three new company branches with two more on the horizon, and has hired 130 fulltime employees since its start, when Hersio’s family members were washing and preparing vegetables for sale. The company also employs 80 people part-time, and Hersio estimates that Somfresh contributes to the livelihoods of more than 1,000 people along the value chain, from contracted caretakers at her farm to seasonal harvesters to the trucks that deliver 2.5 metric tons of vegetables and fruit each day.

Somfresh now supplies fruits and vegetables across Mogadishu, improving the quality of produce available in the market. To broaden its sales network, Hersio partnered with more than 200 women retail vendors “who depend on our supply every morning.” Hersio has “seen firsthand that even while doing more [work] than men, they still demean me and turn away my [products]. I came to realize that in every business, women go through what I have been through. I decided to work with women, motivate and empower them, and encourage them to move forward.” Most Somali produce vendors sell in open markets or on sidewalks where hygiene is difficult to maintain and their products are exposed to sun and rain, often resulting in spoilage. GEEL co-invested with Somfresh in modern, portable produce stalls with protective canopies that improve hygiene, quality, and competitiveness. Some vendors reported sales spikes of 200 percent—from \$8 to \$24 per day—contributing to increased household income.

GEEL also supported Somfresh to access global markets. Over five years, the project facilitated attendance by Somfresh at international marketing platforms like the Gulfood Expo in Dubai and CNR Food Istanbul in Turkey as well as linkages with international buyers. As a result, Hersio has undertaken trial shipments of grapefruit, mango and soursop to interested buyers in the Middle East.

Women vendors who work with Somfresh reported 200% sales spikes, increasing their household income.

Despite her full plate, Hersio keeps an eye on the future—not just for Somfresh, but for Somalia’s agriculture sector, where she has made major contributions to the development of the next generation. In partnership with TAAS Enterprise, a local trade company that offers technical support to banana farmers,

Somfresh established Somalia’s first banana technical institute, SOBTI, which offers courses to students from local universities who also benefit from a two-month practicum at the Somfresh farm. Hersio wants to “encourage jobless youth who believe that studying agriculture is useless.



We want to tell them that agriculture is one of the best things that you can study.” She also hopes to cultivate “a well-trained team whom I can rely on in the future” at Somfresh. The graduation of SOBTI’s first cohort of 231 students, including 51 women, was held in January 2021 in Mogadishu.

As for Somalia’s strong, resilient Somali businesswomen, Hersio says they are in dire need of “support, funding, and mentoring.” Hersio strives to leverage her success in support of women entrepreneurs. “I have [personally] mobilized our female farmers; we motivate them, guide them, and...take them to capacity-building seminars.” Hersio established an association to coordinate and support women traders across Somalia’s productive sectors, from pastoralists to fish retailers. “What I have done for Somali women is much more than what I have done for Somfresh.”

Meeting local demand is a significant achievement for Somali businesses, but the opportunities to generate revenue from exports are vast and largely untapped. In a globalized world, the private sector benefits from international linkages to develop markets for Somali goods, like fish and seafood products, meat, bananas, sesame seeds, and other fruits and vegetables. GEEL supported its partners to reach—and in some cases exceed—global quality standards to help re-establish Somalia’s reputation as a reliable purveyor of import-worthy products, as it once was centuries ago. Some are already exporting to markets in the Middle East, Asia, Europe, and elsewhere in Africa. Others are undertaking trial shipments to potential buyers, and several, like Habo Tuna, are newly positioned in quality and production capacity to export at the time of their choosing.

GEEL supported its partners to reach—and in some cases exceed—global quality standards to help re-establish Somalia as a purveyor of import-worthy products, as it once was centuries ago.

Training & Co-investment

GEEL facilitated trainings for more than 100 exporters on improved productivity and enabled co-investments in equipment and facilities to bring partner production and processing up to international standards. A powerful example of impact comes from the fisheries sector, where GEEL linked partners to the [Société Générale de Surveillance](#) (SGS), the world’s leading quality inspection certification agency. SGS trained 25 fish and seafood businesses on quality, safety, and hygiene practices, while GEEL provided 10 major seafood companies with detailed plans to upgrade their facilities. By the end of the project, eight companies were compliant with Hazard Analysis Critical Control Point requirements—the international standard in food safety—making them eligible to export their fish and seafood products worldwide.

By the project’s fourth year, GEEL fisheries partners were exporting regionally and globally. Yustan Seafood Company in Garowe diverted fuel savings generated by a new, GEEL-supported solar panel field to upgrade their vehicles and move fish across the border to Ethiopia. Co-investment in a new flake ice machine installed at Zakia Fishing Company in Berbera provided ice to boats that caught fish for export to Yemen and the Democratic Republic of Congo. Quality control support has

made it possible for many partners to move fish into the United Arab Emirates, Jordan, and Oman. And to break into western markets, GEEL assisted the government to qualify Somalia for the U.S. National Marine Fisheries Services⁸ database of approved seafood import countries, a significant hurdle for exporters.

Before the 1990s, Somalia was one of the world’s largest banana exporters, reaping sales of \$90 million and employing over 120,000 people. As a result of civil war and instability, Somalia’s banana sector collapsed. To contribute to its revival, GEEL helped a new generation of young farmers to build their production and export capacity. In 2018, GEEL facilitated an exchange trip for 20 Somali banana growers in Costa Rica, a country with a comparable climate and a banana value chain model that has contributed significantly to the country’s development. Participants learned from some of the world’s leading banana producers through a customized curriculum developed by GEEL in partnership with [Earth University](#). The farmers returned to Somalia and transferred their knowledge to other banana growers. GEEL’s banana activities have enabled successful trial export shipments to Saudi Arabia and Turkey, leading to renewed interest from overseas markets, including Oman, Qatar, and Djibouti.

In the sesame sector, USAID provided partners with in-kind grants and co-investment for modern machinery and sesame oil processing equipment. In the project's fifth year, despite the COVID-19 crisis, sesame partners continued exporting and impressed global buyers with the high quality of Somali sesame at international exhibitions. These companies demonstrated that the Somali sesame industry is on par with top exporting countries and has achieved a purity level (99.9 percent) that exceeds that of others. GEEL partners are now exporting to the Middle East as well as Germany, Italy, the Netherlands, Poland, and Russia, and Somalia currently ranks 8th in global sesame exporting countries.

“ I didn't know how big [the Dubai Gulfood Expo] was, but now I realize that many people are looking for products from Somalia. There are many companies representing Somalia at [Gulfoods], and we brought products like sesame, oil, lemon, and other seeds, to share with the world.

– Mohamed Bube Abdulle of Darusalam Seed Company, Ltd.

”



Global Exposure and Sales Forums

One of the more satisfying results of the project's global forum facilitation was for participants—Somali entrepreneurs—to see firsthand that their products are impressive and in demand on international markets. “I came [to the Gulfood Expo in Dubai] with three products: red chili, ground nuts, and this season's lime,” said Mohamed Yusuf, a farmer from southern Somalia. “The difference between demand and supply for the products we brought is unbelievable. God gave us fertile land, rivers, and abundant opportunities. It's up to us to utilize them.” From 2017 to 2019, interest from Gulfood attendees resulted in \$8.6 million in exports for GEEL-sponsored businesses.

GEEL facilitated attendance at a range of international expositions and trade shows visited by millions of international buyers, specialists, producers, and policymakers, where project partners represented the breadth of valuable Somali resources and the capacities of their own businesses. GEEL developed the Somali Rising brand and trade booth design, and facilitated travel for dozens of partners to [Dubai Gulfood](#), the world's largest food-based trade show, [Seafood Expo Global](#) in Brussels, the world's largest seafood trade show, the [China Seafood and Fisheries Expo](#) in Qingdao, and Turkey's CNR Food Expo in Istanbul. Representation goes a long way towards changing perceptions about Somalia's economic potential, and the combination of technical assistance, trainings, co-investment, and direct linkages at

international expos has led to more than \$51.5 million in export sales by GEEL partners as well as countless trial export shipments and business relationships in progress.

The project also organized learning and exposure visits for entrepreneurs to see firsthand successful production, processing, and policies, changing the way partners do business. About his experience at a livestock exposure visit to Kenya, SomMilk co-founder Yusuf Abdirahman Dahir says, “Before that [trip], I can't say that I was a real dairy farmer. How we ran the farm before... and how we ran it after were very different... The trip wasn't a seminar; we were visiting dairy farmers on their farms to see how they managed them... That's when I began to make changes.” On the tour, Somali dairy farmers learned about housing, feeding, breeding, and other aspects of managing healthy, high-production herds. “When I came back, my family asked why the cows received more gifts than they did,” said Yusuf, who now operates Somalia's largest dairy production business by volume.

Partners achieved exports of \$51.5m, compared to \$12m combined life-of-business exports before partnering with GEEL.





PROFILE

Somseed Agri Company

For Ahmed Farah, owner of Somalia's largest sesame processing company, exports boil down to one thing: trust. Potential customers must be able to trust your product and, by extension, your company to take a buyer's risk. A hurdle faced by many Somali entrepreneurs vis-à-vis global markets is the country's reputation for conflict and instability, which has created doubt among international buyers about quality and consistent production.

In the course of one year, Somseed created 30 jobs and achieved export volumes of 2,000 tons valued at \$3.3 million, bringing Somali sesame to wholesalers in Germany, Italy, the Netherlands, Russia, and Poland.

Yet, Somalia has been quietly exporting sesame seeds for years, without acknowledgement or the modern technologies that would make the country competitive—or especially profitable—on global markets. Local businesses have long sent raw seeds to places like the United Arab Emirates or India to be processed, packaged, and exported onward as a product of the intermediary country. To sell directly to end consumers, raw sesame requires substantial processing in Somalia to achieve a quality that makes exports both competitive and profitable on the global market. Somali businesses have never been able to obtain the costly and complex equipment, like dehulling, cleaning, and sorting machines, to make this possible. This means no trust—or up-market revenue—for the sesame sector.

Somseed Agri changed the sesame game in Somalia by investing in the country's first seed cleaning and sorting machines to attract interest from more demanding—and more lucrative—foreign markets, like the Middle East. With this capability, Ahmed was



able to skip over middlemen and keep a larger share of profits in Somalia. By 2016, Somseed had perfected the taste and purity of its sesame and gained the confidence of customers who learned to trust the quality and consistency of Somali sesame. But the company was missing out on higher-value markets in Europe and Asia because it lacked modern dehulling machines that produce the creamy white seeds used in bakeries and found on grocery store shelves in those regions.

To boost the reach of Somali sesame seed on the global market, GEEL co-invested with Somseed in modern dehulling equipment that produces the highest-value sesame at a 99.99 percent level of purity, equaling—or besting—what is found globally. The GEEL contribution enabled a total co-investment of \$1.3 million by Somseed. The project also provided technical, operational, and investment support for planned expansions in processing and export capacities. GEEL supported Somalia's sesame value chain to reach new heights; since the arrival of its new equipment, in the course of

one year, Somseed created 30 full-time jobs, more than 100 seasonal and secondary jobs, and achieved export volumes of 2,000 metric tons valued at \$3.3 million, bringing Somali sesame to wholesalers in Germany, Italy, the Netherlands, Russia, and Poland who supply bakeries and confectionaries.

Somseed gained buyer trust from the Middle East to Europe by reliably offering first-rate taste, preferred color, and near-perfect purity. Next, Somseed will seek certification from the world's leading quality assurance organization, the Société Générale de Surveillance (SGS), to reach the highest-value markets like the United States and Japan. In support of this goal, GEEL facilitated an introduction to SGS, and now Somseed is two audits away from certification.

Somseed is now at the forefront of growth in Somalia's sesame value chain, which supplies seeds and oil to the domestic market and has made huge strides in exports, jumping from 12th to 8th on the global market in recent years. As Ahmed says, "[I]f we [only] trade sesame locally, where does new money come from? The local economy is poor [and] sesame farmers cannot buy equipment and fuel if there are no exports. To make farmers strong, hard currency must come so they can buy tractors and water pumps...if we reach high-value markets, [we are] bringing more money into the country. That money will create jobs." Somseed is not only representing Somalia's production and quality potential on the global market; it also serves as a model business for others, proving that strategic investment with technical guidance can grow businesses by leaps and bounds, and keep revenue and new jobs in Somalia.

What does Ahmed envision for the future of Somseed? "The market is huge and increasing every year," he said. "We are going to invest in farmer productivity, to help them improve their knowledge. Before, if we said we are processing to a western standard, nobody believed us. Now, everybody knows."

“ *Before, if we said we are processing to a western standard, nobody believed us. Now, everybody knows.*

Ahmed Farah, Owner, Somseed Agri Company

”



Building resilience





The sum of GEEL investments—in machinery, in camels, and farms and fishing boats, in marginalized communities, in solar panels and in financial infrastructure—amounts to an investment in the future of Somalia. Inclusive private sector growth, the foundational concept of the project, is not an overnight ambition. In nearly every aspect of programming, GEEL considered long-term implications: given Somalia’s unique challenges, how can foreign donors contribute to resilience in the private sector and for the communities, households, and individuals that comprise it? A realistic forecast for the Somali economy predicts a road beset by challenges both predictable and unexpected. GEEL contributed to an enduring commitment among partners and the organizations and institutions it touched over the course of six years to reduce chronic vulnerability to shocks and stresses in Somalia.

Meeting Emerging Needs

GEEL worked to boost adaptive capacity among businesses—and the people they support—to address risk in constructive ways and reduce vulnerability to shocks. Among the unexpected obstacles the project faced, the 2020-21 global pandemic will remain etched in history. COVID-19 created new needs among partners who found financing collapsed and markets paralyzed, while new social distancing protocols posed problems for production. GEEL undertook a survey of businesses across Somalia to understand the pandemic’s impact on financial and operational performance. Large group activities, like trainings and workshops, were postponed, but GEEL continued to provide technical assistance to partners, and the project met or exceeded its benchmarks in most instances. Indeed, GEEL was able to address pandemic challenges in positive ways that could be adapted as resilience models for future challenges, such as disease, climate shocks, or market failures.

The project assisted in drafting a report on the impact of COVID-19 on the finance sector that was widely circulated and supported the federal government and The World Bank to plan a national response. The report revealed that banks had largely stopped lending given market uncertainties, while businesses experienced cash shortages and sales declines. In response, GEEL launched an access to finance effort that supported five financial institutions to resume lending on a

large scale in productive sectors and, for the first time, to businesses owned by women and youth for the first time. GEEL also worked with the financial sector to ensure the financing of essential imported goods to minimize food shortages and continue domestic production and distribution.

In its COVID-19 pivot, GEEL reached more than 150,000 youth with multimedia messaging to help mitigate virus spread and leveraged an urgent new market need—for locally-made masks—to quickly employ youth in Mogadishu. The project partnered with six tailor businesses to train more than 300 young people in basic sewing skills to create protective face coverings. By early June 2020, GEEL handed over half a million masks to Somalia’s Ministry of Health for public distribution. This responsiveness demonstrates the project’s strong relationships with the private sector, and shows that

Market-driven efforts can be rapidly implemented to mitigate crises.



Stability to Withstand Future Shocks

By design, GEEL's market-driven approach instilled long-term capacity among producers, input suppliers, and financial and government institutions. GEEL enhanced Somalia's food security from seed to storage, from fisherman to the corner store, supporting 300 businesses with food security efforts and working with partners who brought \$14 million in agriculture products to the domestic market. The project enabled food and dairy producers to mobilize networks of thousands of out-grower farmers and camel leasers to create vast increases in quantity and quality of fruit, vegetable, grain, and sesame yields produced via an enduring business model. Unpredictable weather and limited water access are critical challenges to food security; productive and resilient agriculture requires a fundamental shift in the way resources are managed. To this end, GEEL trainings and technical assistance helped more than 59,800 small-scale food and dairy farmers to invest in better inputs and better practices for better agriculture outcomes. The dairy sector has introduced strategic fodder reserve centers in Burao, Garowe, and Afgoye through partnerships with livestock input suppliers such as fodder farmers. This has led to safeguarding of lactating herds during dry spells and protection of livestock-based alternative livelihoods.



Meeting Emerging Needs

While Somalia has the longest coastline in Africa, the country's history of nomadic pastoralism has led to a preference for red meat and little demand for its nutritious, abundant fish and seafood. GEEL supported businesses to improve the quality, quantity, and marketing of fish and seafood, not only for global sale but also to cultivate a national appetite for this plentiful resource, boost local demand, and strengthen the available variety and sources of food, especially those rich in protein. GEEL's tremendous achievements in cold storage development mean that, in the event of a food security crisis, Somalia can rely on an additional 3.3 million kilos of frozen fish and seafood capacity, and a stronger chain of cold transport to bring fish where it is needed. The project also worked closely with government to accurately assess and help plan for sustainable management and use of Somalia's fisheries.

The private sector is driven simultaneously by interests in short-term profit and long-term viability; it is therefore uniquely suited to explore renewable resource use. GEEL introduced renewable energy across its target value chains and assisted businesses to access formal funding and make strategic changes. Renewable energy assistance enables resilience against shocks by reducing dependency on diesel fuel, enabling stable production during fuel or traditional energy shortage, and reducing long-term costs. These included solar-powered water pump systems for farm irrigation, energy assessments of sesame processing facilities, and designing solar-powered kiosks and commercial freezers for fish retailers. GEEL supported 54 businesses with renewables assessments and recommendations and facilitated 36 solar energy systems in the private sector.



300 businesses empowered by food security support

\$14 million in domestic agriculture sales achieved by partners

54 businesses supported with renewable energy recommendations

36 new solar energy systems facilitated

22-barrel average monthly reduction in diesel fuel use by partners who transitioned to renewable energy, which translates to...

\$3,500+ average monthly cost savings for partner businesses

PROFILE

Resilient Food Security in Bay & Bakool Regions

To achieve long-term food security, communities require strong agricultural production and resilient, dependable agri-food systems from farm to market to table. Since mid-2019, GEEL has applied its unique market systems development approach to help build resilience in Somalia's South West State, with a focus on long-term food security. Bay and Bakool Regions in particular face an array of challenges to the agricultural production that has been their economic mainstay for generations. Historically known as Somalia's "breadbasket," Bay and Bakool Regions have important agricultural significance for the country, especially for sorghum production. Without rivers, this inland zone depends on rainfed farming, and is therefore especially vulnerable to climate-related shocks like drought and erratic rainfall. Farmers there also suffer from persistently weak agricultural

Resilience Program,⁹ the Building Resilient Communities in Somalia¹⁰ consortium, and the Resilience Learning Activity,¹¹ among others. True to its development approach, GEEL worked through private sector partners in Bay and Bakool like seed producers, distributors, and exporters to strengthen production, storage, and access to finance for farmers.

Although GEEL was introduced to this area amid multiple shocks, including COVID-19 and a recent desert locust outbreak, the project and its partners made tremendous progress in building the resilience capacity of vulnerable agro-pastoral communities. Preliminary field data from GEEL-supported farmer demonstration sites have shown that the use of improved and certified drought-tolerant seed varieties combined with improved

“ *Many years ago we lost hope on cereals production, mainly due to lack of quality seeds. But now, the story is different!* ”
Abdinoor Ibrahim, Farmer

production due to poor-quality agricultural inputs, outdated skills, and limited infrastructure.

While elsewhere in Somalia GEEL worked through the private sector to enable broad-strokes economic growth, in Bay and Bakool the project had a new focus: vulnerable farmers. To reach this demographic with strategic decision-making, GEEL built upon existing humanitarian activities to layer and integrate its efforts by engaging local and international stakeholders like the Somalia

cultivation practices have increased the sorghum yield by about 300 percent, while the use of hermetic storage technology reduced post-harvest loss by over 70 percent.

In Bay and Bakool, GEEL focused on building resilience through access: to improved agricultural inputs, technical knowledge, and market information.



Access to Inputs and Trainings

For businesses who want to maximize their customer reach, distribution capacity is crucial. To bring more seeds to more farmers, GEEL expanded the local seed distribution network by facilitating the establishment of nine new seed vendor shops in the region that brought an estimated 60 tons of high-quality seeds to local farmers. Making sure to reach the most economically vulnerable, GEEL implemented a seed voucher system among 3,000 farmers and partnered with private training and extension services to enhance productivity. Farmer Abdinoor Ibrahim belongs to a local cooperative in Baidoa, the capital of Bay Region. He has plenty of land to farm but has had little success with cultivation. “Many years ago we lost hope on cereal production, mainly due to lack of quality seeds,” he said. “But now, the story is different!” Abdinoor was among the beneficiaries of the seed voucher program and exchanged his voucher for several kilos of improved sorghum, cowpeas, and maize seeds at his local one-stop agri-input shop. He also visited one of the on-farm demonstration plots established by GEEL and local private input suppliers to encourage uptake among farmers of these new, improved seeds. Abdinoor was able to directly observe seed performance and even participate in trainings on correct use, and he credits these demonstrations with convincing him—and many other farmers—to adopt the improved seed varieties. His harvest results fit the average observed to date through monitoring: increased production volume to the tune of 100 to 200 percent from around half of a metric ton per hectare to between one and 1.5 metric tons. Abdinoor kept a portion of his harvest for household consumption, and sold the rest to generate income that his family has used for their children’s education, healthcare, and other essential needs of a resilient household. “There is no household in Bay Region... that can claim to use any other variety [of seed] apart from those brought to us by the USAID GEEL project through [local partners] CSET and Filsan, Inc,” said Abdinoor.

Inputs are also important to the tail end of the growing season when proper storage makes the difference between year-long food supplies and a spoiled harvest. GEEL supported input suppliers in Bay and Bakool to supply top-quality hermetic storage technologies to farmers that are cost-effective and contribute directly to food security and safety by preserving harvests for longer periods than traditional storage.

Information and Market Access

GEEL facilitated market access for more than 1,000 smallholder farmers through linkages to grain milling companies who negotiated an agreed-upon price in exchange for a set quantity of grain upon harvest in an arrangement that can be sustained season to season. This increases income stability so that farmers are able to save, invest, and plan for the future—and the unexpected.

Information related to climate and market prices is key for crop-producing communities, enabling adaptive decision-making about what, how, and when to grow. GEEL introduced a digital farming tool, called M-Tacab, in partnership with Hormuud Telecom Somalia, the leading telecommunication services provider in the country, reaching more than 3,700 smallholder farmers with timely, seasonal messaging on best practices.

Access to Finance

Financial and investment service providers can help farmers and vulnerable communities—demographics typically sidelined from traditional loans—to access credit for agricultural inputs such as seeds, fertilizers, and farm machinery. GEEL facilitated linkages between IBS Bank and 20 cooperatives in Bay Region who did not previously have access to credit. The project also supported village savings and loan groups (VSLAs) to increase their financial self-reliance by enabling access to savings and credit, linking them to financial institutions, improving microenterprise outcomes, and increasing economic empowerment for women.

In total, GEEL assisted 6,000 of Somalia’s most vulnerable smallholder farmers in Bay and Bakool regions to strengthen their resilience against shocks and stresses by working through the private sector to boost food security.





Reflections

In the course of implementing ground-breaking efforts at significant scale, the USAID GEEL project generated important learnings. Tellingly, GEEL staff, particularly Somali staff who have worked for many years in development and humanitarian fields, have moving reflections about the unique value of this project and of the market-driven approach that enabled drastically greater—and more sustainable—impact than is typical.

Following are some of the challenges faced by GEEL along with solutions, suggestions, and reflections from project implementers to serve Somalia and the international development community as strategic learning for future initiatives.

Challenges

Solutions & Suggestions

<p>1 Transition from short-term humanitarian support to longer-term economic development</p>	<ul style="list-style-type: none"> · A focus on private sector-led market systems development has created the evidence base to confirm that these strategies are effective.
<p>2 Recurrent and unexpected shocks and stresses such as drought, floods, and COVID-19 that affected key value chains.</p>	<ul style="list-style-type: none"> · Flexible and adaptive strategies that pivot activities to protect existing investments while promoting new ones. · Use of a market-driven approach can be effective in crisis scenarios. · Strong buy-in and support from donors.
<p>3 Insecurity has resulted in access constraints.</p>	<ul style="list-style-type: none"> · Work with local partners and established entrepreneurs to identify secure access and logistics options. · Integrate risk mitigation measures through regular security and risk assessments.
<p>4 A significant number of marginalized groups are excluded from the economy.</p>	<ul style="list-style-type: none"> · Analyze the politics and economics of target value chains and share with project teams. · Develop a detailed inclusivity approach for target groups. · Support diverse and multiple partners.
<p>5 Potential partners perceive high risks and have low trust.</p>	<ul style="list-style-type: none"> · Use local networks to source partners. · Support mid-sized, established businesses that can act as role models and early adopters for their peers, especially for vulnerable or start-up enterprises. · Promote co-investments that build confidence by creating ownership in growth.
<p>6 The local mindset does not readily welcome change.</p>	<ul style="list-style-type: none"> · Use demonstration sites and visits to prove the value of new methods and ideas · Support prominent businesses to absorb new technologies and methods as role models · Leverage young entrepreneurs' interest in technology
<p>7 A lack of policies and limited enforcement capacity.</p>	<ul style="list-style-type: none"> · Identify policy gaps and bridge them with private sector-led initiatives. · Provide the public sector with data and other inputs to support policy development.
<p>8 High energy costs are a disincentive to enterprise.</p>	<ul style="list-style-type: none"> · Partner with energy utilities to enable growth and help channel new revenue to grid expansion · Partnerships to leverage private sector investments are critical. · Engage known and established companies who can serve as early adopters.

Reflections

A market-driven approach to development is both adaptive and sustainable.

Entrepreneurs seek both short-term profit and long-term growth, and the most successful businesses are responsive to change. GEEL partners demonstrated a willingness to invest in the long term, and were able to work quickly with the project to meet emerging needs. The private sector is creative, flexible, and worth engaging for both short- and long-term efforts.

Co-investments build confidence.

By co-investing with businesses in their growth, GEEL empowered partners not only with new capacity but also with a sense of trust that inspired them to invest additional funds instead of relying on external, humanitarian assistance. GEEL helped motivate entrepreneurs to embrace their own potential and Somalia's private sector to seize opportunities.

Youth are the key to Somalia's future, and standalone vocational trainings are not enough.

GEEL staff members marveled at the motivation they found among youth, whom they described as dynamic, tech-forward, ambitious risk-takers. Yet, a dozen training completion certificates alone do not necessarily lead to decent income-earning opportunities. In all sectors, young entrepreneurs who were adequately equipped with materials, market demand-based training, and access to finance consistently reinvested earnings to grow their businesses. And many of those who were trained and linked to job opportunities are now competitive on the labor market and being headhunted by competing businesses.

Productive sectors are ready for technology.

While GEEL found that most business owners were willing to consider—and invest in—new technologies to boost income or decrease costs, youth are especially amenable and a low-risk demographic entry point. GEEL also saw ripple effects in target communities, where people replicated new technologies introduced by GEEL using their own resources. Capacity-building is crucial to ensure investments in technology have their intended impacts.

The international community must coordinate for a stronger financial marketplace.

GEEL has instigated a huge shift in the direction of self-reliance and sustainability for Somalia's financial marketplace. Some of the most prominent global donors and stakeholders have taken risks on Somalia's private sector and—with leadership from the GEEL project—been proven right to do so. To continue building on the huge gains already made, the international community must coordinate an inclusive approach oriented toward Somalia's long-term benefit or risk undermining the private sector.

The global market is ready for Somali goods.

At international forums from Brussels to Dubai to China, buyers were impressed by the quality of Somali products and were interested to learn more and initiate trade. International exposure helps Somali industry leaders and government envision an economic future to work toward, as well as gain awareness about new technologies and alternative modes of business to replicate at home.

Sustainability starts now.

The private sector and government institutions are prepared to invest in long-term viability to avoid over-exploitation of natural resources but lack the expertise to develop and execute sustainability plans. International actors need not await a political panacea before providing the investment and capacity to protect Somali resources and leverage renewable energy while ensuring profitability.

Closing Letter from the Chief of Party

Since January 2016, I have had the honor and privilege of leading USAID/Somalia's GEEL project which made some of the most significant investments in recent history into the country's productive sectors. This journey took our team from the coastal cities of Berbera and Bosaso, to the plains of Baidoa, and to the hinterland of Somalia's agriculture potential in Janaale and Jowhar. For me, it was also a personal journey to witness the revival of Somalia's future.

GEEL partnered with Somali businesses to jump-start the economy, enhance recovery of historically productive value chains, like bananas and dairy, and help guide entrepreneurs to lesser known, high-potential sectors like fisheries. Through our collaborations with the private sector, we often found that foundational knowledge, practices, and enthusiasm for production persisted among agriculture and livestock farmers even after the civil war slowed or stopped technological progress and exports. In these cases, the value chains

simply needed reinvigoration, and support to modernize and access finance to do so. Despite its huge potential for the Somali economy, the fisheries sector was small in comparison. GEEL provided comprehensive support to Somalia's fisheries, not only assisting businesses but also creating local demand for fish and seafood productions and working closely with government and communities to enable sustainable fisheries management. The project leveraged the initiative and momentum inherent to enterprise, as well as the long-term view towards viable growth and sustainable revenues that motivates serious entrepreneurs.

Along the way, we confronted our share of challenges, such as the 2017 droughts and flooding that set programming back for a while, a desert locust infestation, and the COVID-19 crisis in that affected Somalia's economy and halted global markets, reduced remittances, and slowed cash flow. GEEL was adaptive in its approach; we developed "crisis modifier" activities to meet urgent and emerging needs, and reprogrammed planned activities to find new ways of meeting project goals and staying true to our partnerships with the private sector.

For GEEL, partnering with the private sector was about more than providing co-investments or in-kind equipment. Bringing water to a farm, bringing freezers to fish vendors, bringing veterinary medicines to an ailing livestock herd – these are simple answers to challenges that cripple commerce, and they are valuable. What sets GEEL apart from solutions-oriented projects is its big-picture view of the private sector that sees empowerment as the vehicle to a resilient

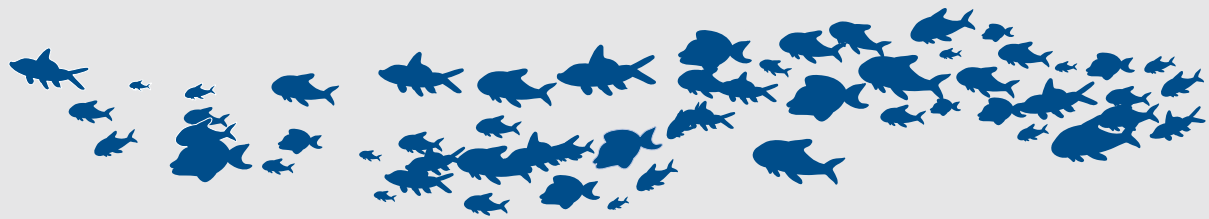
economic ecosystem. Equally, or even more important, than dollar contributions is the confidence that GEEL inspired throughout the Somali economy: among entrepreneurs who are investing vigorously in their businesses and now source products and services from local suppliers they can trust, among consumers who have new awareness and interest in the quality of Somali vegetables, fruits, meat, dairy, fish, and seafood, and among international buyers who are newly awakened to Somalia's significant resources and impressed by the quality of production and processing. The country is emerging from years of conflict; the future is bright but more work needs to be done to improve security, governance, and policies that will offer a fair playing field and encourage inclusive growth.

The GEEL project, and all its successes, would not have been possible without funding from USAID/Somalia. I would also like to offer special thanks to the project team for their hard work and commitment to delivering results for our partners and striving for economic success for Somalia.

Through the GEEL project, USAID has offered Somalia—and the world—a view of a better future where a strong and inclusive economy brings stability and livelihood to its people. On behalf of the GEEL team, it is our hope that the public sector and development actors can learn from our challenges and achievements, and partner similarly with the private sector to create lasting, meaningful change for the country and for the continent.



Mohamed Ahmed Abdinoor



End Notes

- [1] 47% unemployment as a percentage of active population. [The International Labour Organisation \(ILO\) in Somalia, January 2016.](#)
- [2] Figure as of 2016. [The ILO in Somalia.](#)
- [3] 2.9% from 2016 to 2019. [The World Bank.](#)
- [4] The guarantee was first put in place by USAID Development Finance Corporation and is now provided by the U.S. Government Development Finance Corporation.
- [5] [UNHCR, 2019](#)
- [6] [ILO, 2020.](#)
- [7] [ILO, 2016.](#)
- [8] An office of the National Oceanic and Atmospheric Administration (NOAA) within the U.S. Department of Commerce.
- [9] Somalia Resilience Program donors: German Development Cooperation (BMZ), the European Union, the Australian Government Department of Foreign Affairs and Trade, the Swiss Agency for Development and Cooperation (SDC), Swedish International Development Cooperation Agency (SIDA).
- [10] Building Resilient Communities in Somalia consortium donors: UKAid, the European Union, The World Bank.
- [11] Resilience Learning Activity donor: USAID

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Pgs. 5, 7: iZone Production for USAID/GEEL

Pg. 9: Erin Wolgamuth for USAID/GEEL

Pg. 16: Earth University

Pg. 18: Women in Energy participants, Erin Wolgamuth for USAID/GEEL

Pg. 19: Erin Wolgamuth for USAID/GEEL

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Hargeisa Women in Business forum: iZone Production for USAID/GEEL

Horn Gardens Farm: iZone Production for USAID/GEEL

Farming with solar panels: Off Grid Solar

Pg. 24: Omar Faruq for USAID/GEEL

Pg. 28: iZone Production for USAID/GEEL

Pg. 31: Erin Wolgamuth for USAID/GEEL

Pg. 33, 36: iZone Production for USAID/GEEL

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Pg. 45: iZone Productions

Pg. 47: Omar Faruq for USAID/GEEL

Pg. 48: Women fish sales training: Bosaso Fish Cooperative

Pg. 49: Sesame harvest: Omar Faruq for USAID/GEEL

Pg. 50: Farmer in field: Centre for Social and Economic Transformation (CSET)

Pg. 51: iZone Production for USAID/GEEL

Pg. 54: Bottom row center and right: Integration TV

Inside rear cover: Kalahari Communications for USAID/GEEL





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