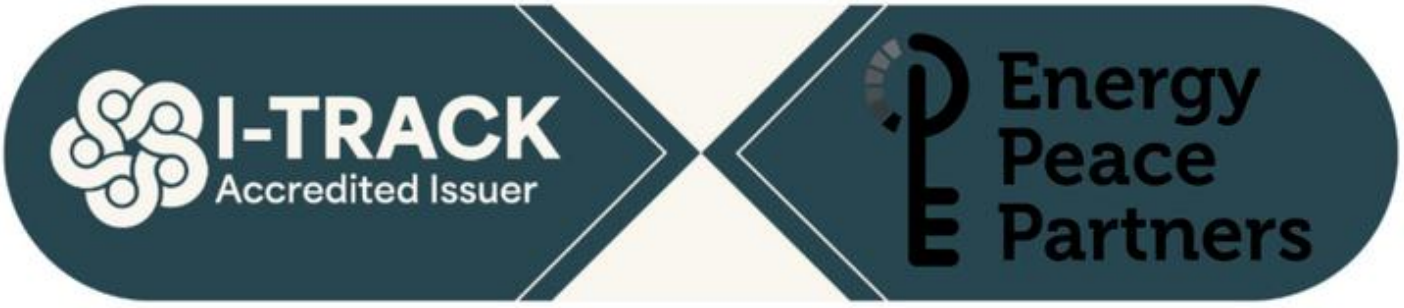

SOMALIA COUNTRY ASSESSMENT REPORT

Version: 2.0

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Contents

1.1 Country Assessment Report Template

Country Name	Somalia
Introduction	Somalia, located in the Horn of Africa features Africa's longest coastline. The population is estimated at approximately 19.7 million as of 2025, with a median age of 15.6 years and 46.6% urbanization (UN DESA, 2024). This extremely youthful demographic profile creates substantial pressure on infrastructure and employment generation. Somalia faces severe energy access challenges constraining economic development. The national electrification rate is approximately 49%, with rural access at only 30% (Power Africa, 2024). Approximately 70% of Somalis live without electricity connection (World Bank, 2022), making Somalia among the least electrified countries globally. The energy sector is completely decentralized with no national power grid. Autonomous private electricity service providers operate diesel-powered mini-grids serving roughly 30% of the population at among the world's highest rates (World Bank, 2022). Tariffs range from $0.50-$1.25 per kWh compared to $0.15/kWh in Kenya and $0.06/kWh in Ethiopia (U.S. Department of Commerce, 2024). Despite these challenges, Somalia possesses exceptional renewable energy potential. Solar power could generate in excess of 2,000 kWh at full capacity, while onshore wind could generate between 30,000 to 45,000 MW (U.S. Department of Commerce, 2024). Installed photovoltaic capacity reached 41MW, contributing 11.9% of total electricity generation. National policy frameworks increasingly prioritize renewable energy deployment. The Government enacted the Electricity Act of 2023, establishing the National Electricity Authority and providing legal and regulatory frameworks for electricity development. The transition to renewable energy is essential for improving energy access and supporting Somalia's youthful, growing population toward sustainable economic development.

1.2 Electrical Generation and Demand

Generation	**Technology**	**Capacity (MW)**
	Wind Hydro Fossil/Thermal Biomass Solar	3.5 4 303 0 51 Sources: IRENA, 2025; WEC, 2025
	Total	361.5
Demand	**Sector**	**Demand** (GWh)
	Residential Commercial/Service/Public Sector Transport Industrial Primary Activities	260 100 4 24 12 Source: AFREC, 2022
	Total	400

Electrical Generation

- Somalia's total installed and operational electricity generation capacity in 2025 is estimated to be approximately 361.5MW. Approximately 303 MW of this is powered by diesel and other fossil-based thermal sources. In comparison, 58.5 MW is derived from renewables, primarily solar and wind, with smaller contributions from hydropower (WEC, 2025).

- The government is heavily promoting a transition to renewables, with national plans targeting 50% renewable energy usage by 2028 and continued expansion of solar PV, wind, and hybrid mini-grids.

Demand Generation

- Latest international statistics indicate that Somalia's annual electricity consumption is approximately 400GWh as of 2023. A detailed sectoral breakdown of electricity use is not published for Somalia; therefore, the distribution by sector is estimated based on mini-grid customer structure and typical usage patterns in comparable fragile states.
- The residential and commercial sectors dominate electricity demand in Somalia. Based on the latest World Bank and Ministry of Energy data, national electricity consumption is skewed toward urban centres; about 80% of urban households and only 24% of rural communities have access, leading to disparities in both per capita consumption and sector reliance.

1.3 Electrical Interconnection and Import/Export

Connected country	**Capacity** (MW)	**Annual import from country** (GWh)	**Annual export to country** (GWh)
N/A	0	0	0

Additional information

- Somalia currently has no operational international electricity interconnections, and thus, no annual imports or exports. All power supply is generated and distributed within its borders by private and local operators. There is no national power grid infrastructure in Somalia; electricity is generated and distributed through isolated, privately-owned diesel-powered microgrids.
- The country is a member of the Eastern Africa Power Pool (EAPP), which it joined recently to facilitate future regional power trade.

Ethiopia-Somalia Interconnection (Under Development):

- The World Bank is preparing to approve funding for a 400kV transmission line that will connect Ethiopia and Somalia. This $700 million project, with $230 million already secured, will construct a 350-kilometre transmission line linking Ethiopia's Jijiga to Somalia's Hargeisa and Berbera.
- This will form Somalia's first national electricity backbone, giving the country access to affordable, cleaner energy from Ethiopia.
- Scheduled for completion by 2031, this landmark energy project is set to boost electricity access, create jobs, and stimulate economic growth in both countries.

Regional Integration Plans:

- The Ethiopia–Somalia power interconnection plans two 230 kV lines connecting to Mogadishu and northern Somalia.
- Somalia joined the Eastern Africa Power Pool (EAPP) to facilitate regional electricity trade although there are no immediate electricity import and export plans with Kenya, which it shares a long border with.

1.4 Market Structure

Market Structure Overview

Somalia's electricity market is characterized by a highly decentralized, privately-owned structure operating without a national grid. The Government enacted the Electricity Act of 2023, establishing the National Electricity Authority and providing legal and regulatory frameworks for electricity development (Power Africa, 2024). However, the regulatory framework remains in early implementation stages, with the Ministry of Energy and Water Resources (MoEWR) coordinating

sector reforms and registration.

Generation

The generation sector is dominated by diesel and thermal capacity of approximately 300 MW, representing 75% of total installed capacity, with renewables—especially solar PV—providing the remainder (U.S. Department of Commerce, 2024). Several private utilities and independent power producers (IPPs) operate small solar farms, hybrid mini-grids, and wind turbines. Major electricity service providers (ESPs) include:

- Benadir Energy Company (BECO) - Somalia's largest electric utility, covering approximately 80% of Mogadishu and serving multiple cities across Jubbaland, Southwest State, and Hirshabelle (BECO, 2024)
- Somali Energy Company (SECO) - serving parts of the Banadir region in Mogadishu (Wikipedia, 2024)
- NECSOM (National Electric Corporation of Somalia) - serving Puntland, particularly Garowe
- SOMPOWER - operating in Hargeisa (Somaliland)
- Additional smaller providers including Blue Sky, CECO, BEC, Solargen, Delta, and Baidoa Electric Company.

Many ESPs emerged through consolidation of mini-grids operating in overlapping areas, which enabled operators to reduce costs through network consolidation and pool resources for infrastructure investment (Power Africa, 2024).

Distribution and Retail

The market features vertical integration, with companies generating and selling power directly to consumers. There is no centralized transmission network or public grid operator.

Electricity Trading and Pricing

Electricity sales are conducted via direct retail arrangements including pay-as-you-go systems, prepaid meters, and monthly metered contracts. Tariffs range between $0.50 and $1.00 per kWh, among the highest in Africa.

There is currently no wholesale market, power pool, or cross-border electricity trading. Bilateral contracts dominate transactions between private utilities and large commercial customers. Regional interconnection projects with Ethiopia are advancing for implementation beyond 2030 (World Bank, 2022).

Market Liberalization

Somalia's electricity market is liberalized through easy private market entry with minimal government control. Private firms lead generation, distribution, and customer service. However, weak regulatory enforcement, limited sector oversight, and fragmented networks present significant challenges (Power Africa, 2024). ESPs have invested considerable capital in generation capacity to meet growing electricity demand, including investments in renewable sources such as wind and solar.

Environmental Attribute Products

Somalia has been an approved I-REC country since July 2021, with Energy Peace Partners (EPP serving as the authorized country issuer for both standard I-REC(E) certificates and Peace Renewable Energy Credits (P-RECs). Total issuance volumes from Somalia remain modest but are growing and no regulatory barriers or government opposition have been encountered to date.

Carbon Markets

The Somali Carbon Credit Organization (SCCO), also known as Som Carbon, is a non-governmental organization established in 2024 to facilitate the implementation and trading of carbon credits in Somalia. SCCO focuses on identifying, developing, and registering carbon credit projects across renewable energy, energy efficiency, waste management, forestry, and agriculture sectors (Som Carbon, 2024).

1.5 Responsible Government Department

Institutional Framework

Somalia's institutional framework for the energy sector reflects the country's post-conflict reconstruction context and federal structure. While federal institutions provide policy direction, their operational capacity and enforcement mechanisms remain limited, particularly given the sector's evolution under predominantly private sector leadership since the 1991 state collapse.

1. Ministry of Energy and Water Resources (MoEWR):

The Ministry of Energy and Water Resources serves as the principal federal government authority responsible for policy formulation, sector planning, and coordination of the electricity and renewable energy sector. The MoEWR leads the development of national energy strategies, project planning, and renewable expansion targets, including the endorsement of the Optimised Cost Electricity Generation and Transmission Development Plan (OCEDP). It coordinates with international partners on donor programs and renewable energy initiatives and serves as the de facto national contact for environmental attribute schemes such as I-REC(E). However, the MoEWR's regulatory oversight and enforcement capabilities are constrained by limited institutional capacity, funding, and the entrenched autonomy of private electricity service providers that developed during decades of state absence.

2. National Electricity Authority (NEA):

The National Electricity Authority was established as the centralized regulatory body under the 2023 National Electricity Act (Power Africa, 2024). In principle, the NEA is responsible for comprehensive sector regulation, including licensing, tariff setting, technical standardization, market oversight, and regulatory enforcement.

However, the NEA's institutional capacity remains in early development stages. The Authority is gradually building its operational capabilities, developing secondary regulations, and working to establish effective oversight of the already-functioning private sector electricity providers (Power Africa, 2024). The practical challenge facing the NEA is regulating a sector that has operated autonomously for over three decades with minimal government intervention.

3. Federal Member State (FMS) Governments

Somalia's federal structure significantly impacts energy sector governance. Federal Member States—including Puntland, Jubaland, Southwest State, Galmudug, and Hirshabelle—exercise considerable autonomy over energy matters within their territories (U.S. Department of Commerce, 2024). FMS governments:

- Issue local operating permits and licenses to electricity service providers
- Engage directly with ESPs on tariff negotiations and service standards
- Coordinate with development partners on state-level energy projects
- Manage relationships with energy providers serving state capitals and major towns
- Exercise practical regulatory authority over energy infrastructure within their jurisdictions

The relationship between federal institutions and FMS governments in energy regulation remains an evolving dynamic, with federal policy frameworks coexisting alongside state-level implementation authority (MoEWR, 2025).

Somaliland, which declared independence in 1991 (though not internationally recognized), maintains entirely separate energy sector governance through the Somaliland Energy Commission (SEC). The SEC independently oversees regulation, licensing, standards, and renewable energy adoption within Somaliland's territory, operating outside the federal framework.

4. Ministry of Environment and Climate Change

The Ministry of Environment and Climate Change, working in coordination with the Ministry of Finance, is responsible for environmental reviews and Environmental and Social Impact Assessments (ESIA) of energy infrastructure projects. These ministries vet renewable energy activities and ensure compliance with national and donor ecological standards, with the Ministry of Environment and Climate Change playing an increasingly important role in climate finance initiatives and carbon market development.

Regulatory Framework

Legislative Foundation

The National Electricity Act of 2023 represents a landmark effort to establish formal regulatory architecture for Somalia's electricity sector. The Act legally establishes the National Electricity Authority, introduces licensing frameworks for ESPs, sets renewable energy standards, and attempts to formalize governance of a sector that has functioned informally for over 30 years (Power Africa, 2024).

Secondary legislation for 2024-2025 is under development to operationalize the Act's provisions, addressing licensing procedures, grid code compliance, tariff methodology, and environmental and social requirements. However, implementation faces significant challenges given weak enforcement capacity and the need to balance formal regulation with the pragmatic reality of established private sector operations.

Regulatory Capacity Constraints

Somalia's regulatory framework must be understood in the context of severe institutional capacity constraints. The country faces challenges including:

- Limited technical expertise within regulatory institutions
- Insufficient funding for effective monitoring and enforcement
- Competing priorities in a post-conflict reconstruction environment
- Need to balance regulation with avoiding disruption to existing electricity supply
- Fragmented authority between federal and state-level institutions

As a result, regulatory oversight remains weak, with private ESPs continuing to operate with considerable autonomy based on market forces, community relationships, and informal arrangements rather than formal regulatory compliance (Power Africa, 2024).

Renewable Energy Policy Framework

The federal government has established an ambitious policy target to achieve 50% renewable energy by 2028, supported by the OCEDP and related sectoral plans (MoEWR, 2025). This target is supported by international development partners and aligns with Somalia's National Development Plan priorities. However, achievement depends heavily on private sector investment and international donor financing rather than direct government implementation capacity.

Environmental Regulation

Environmental governance for energy projects operates through the Ministry of Environment and Climate Change and the Ministry of Finance, which jointly oversee ESIA processes. Compliance with environmental standards is often driven by donor requirements and international project financing conditionalities rather than domestic enforcement mechanisms, reflecting the broader pattern of development partner influence in Somalia's energy sector governance.

Environmental Attribute Certification

Somalia currently lacks a standalone government agency dedicated to environmental attribute certification and tracking and EPP serves as an independent I-REC and P-REC issuer in the country.

The absence of regulatory barriers to P-REC issuance and trading to date indicates that federal authorities view environmental attribute markets favourably as mechanisms to attract renewable energy investment, even while formal certification infrastructure remains undeveloped. Federal Member States have similarly not impeded certificate issuance from projects within their territories.

De Facto Governance Structure

In practice, Somalia's energy sector governance operates through a hybrid model:

- Federal policy leadership: MoEWR and NEA provide strategic direction and coordinate with international partners
- FMS implementation authority: State governments exercise practical regulatory oversight within their territories
- Private sector autonomy: ESPs retain considerable operational independence developed over three decades
- Development partner influence: Donor programs and international financing mechanisms significantly shape sector development
- Market-based coordination: Competition and bilateral commercial arrangements govern much of sector behaviour

This structure reflects Somalia's unique trajectory—a sector that evolved through private entrepreneurship during state collapse now being gradually integrated into emerging regulatory frameworks while maintaining its fundamentally market-driven character.

1.6 Existing/Planned Legislation

Somalia's legislative framework for environmental attribute products is in a formative stage, characterized by general policy support for renewable energy but lacking explicit provisions for certificate systems. The regulatory environment is evolving rapidly as the country transitions from decades of informal private sector operation toward structured governance. The legislative environment is characterized by permissive ambiguity—neither definitively supportive nor restrictive. General policy alignment with renewable energy combined with absence of explicit restrictions allows voluntary certificate systems to operate, while significant legal uncertainties remain regarding attribute ownership, NDC accounting, and future regulatory treatment. The anticipated 2025 legislation represents a critical juncture that could provide clarity or introduce new complications for environmental attribute markets.

Primary Legislation
National Electricity Act (2023)
This Act represents Somalia's most significant energy sector legislation but does not explicitly address environmental attribute certificates.
Supportive Elements:

- Encourages private investment in renewable energy generation
- Promote competition and innovation in the electricity sector
- Mandates environmentally sustainable electricity development
- Establishes NEA data collection systems that could support certificate tracking

Key Ambiguities:

- No references to environmental attribute certificates or ownership rights
- Unclear treatment of attributes in relation to tariffs, subsidies, or reporting obligations
- No renewable energy mandates or quotas that would create compliance demand
- Silence creates legal uncertainty about future regulatory treatment

Anticipated 2025 Legislation
Policy analyses indicate NEA's authority will be strengthened through forthcoming 2025 legislation, addressing regulatory powers, data systems, licensing, grid codes, and potentially renewable energy promotion mechanisms (World Bank, 2025). While drafts are not yet public, any formal integration of environmental attribute certificates—into compliance targets or utility obligations—would most likely appear in this secondary regulatory layer.

National Climate Change Policy
The NCCP establishes a strategic framework identifying energy and low carbon development as key mitigation areas. While not explicitly referencing certificates, its emphasis on renewable energy, climate finance, and international cooperation creates a conducive policy environment.

Nationally Determined Contributions (NDCs)
The 2025 NDC 3.0 raised ambition to 34% reduction by 2035, linked to the National Transformation Plan targeting 60% electricity access by 2029 with significantly reduced diesel dependence. The NDCs create significant uncertainty regarding environmental attribute ownership:

- Unclear whether government will claim attributes from renewable projects toward NDC achievement
- No legal framework defines attribute ownership or transfer rights
- Potential for double claiming between voluntary certificates and government NDC reporting

Renewable Energy Target and Planning
Somalia has a policy commitment to achieve 50% renewable energy by 2028, supported by the Optimized Cost Electricity Generation and Transmission Development Plan (MoEWR, 2025). However, this is a policy aspiration rather than legal mandate, with no compliance mechanisms or penalties that would create certificate demand.

The World Bank's ASCENT program supports renewable energy access through private investment but does not explicitly integrate environmental attribute market mechanisms (World Bank, 2025).

Assessment of Legislative Impact
Elements Supporting Certificate Systems:

- Climate policies and the Electricity Act clearly prioritize renewable energy and emissions reductions
- Legislative emphasis on private investment aligns with voluntary certificate markets
- No statutory provisions prohibit or restrict environmental certificates
- No government-run competing certificate schemes exist
- Reliance on international development partners suggests openness to recognized instruments like I-REC

Restrictions and Constraints:

- General licensing and data governance requirements could indirectly affect certificate systems
- Weak enforcement means uncertain protection of system integrity
- Unclear federal-FMS authority could create jurisdictional complications
- Anticipated 2025 legislation outcomes remain unknown

Despite ambiguities, the practical environment has been permissive. Energy Peace Partners has operated as authorized issuer since 2021 without regulatory barriers. P-RECs have been issued and traded internationally without government opposition, and federal and FMS authorities have not impeded issuance.

1.7 Environmental and Renewable Electricity Legislation

This section examines key national laws and regulations specifically targeting environmental protection, climate change mitigation, and renewable energy development beyond those already covered in the preceding sections, assessing whether the legal framework enables or restricts renewable electricity tracking mechanisms or certificate-based support systems.

Key Laws and Regulations

- Somalia Constitution (2012): Article 25 and Article 45 guarantee the right to a healthy

environment and mandate the government to conserve natural resources for present and future generations.
- National Environmental Policy (2017): Sets the strategic direction for managing natural resources, addressing degradation, and integrating climate change mitigation. Emphasises climate-smart agriculture, sustainable management, and improved awareness.
- Environmental Protection and Management Act (2024): Ratified in 2024, this law strengthens the regulation of air/water pollution, land degradation, sustainable forestry, and wildlife conservation. EIAs (Environmental Impact Assessments) are mandatory for large projects, but certificate systems are not directly referenced.
- Forests and Wildlife Law: Regulates Forest use, afforestation, and protection of endangered species, aiming to build resilience against climate impacts and reduce GHG emissions via renewable energy and sustainable land management.

National Targets and Climate Goals
- Renewable Energy: Somalia aims to achieve 50% renewable energy usage by 2028, focusing on solar and wind. Expansion of renewable energy generation and national electrification are core pillars of the National Transformation Plan (2025–2029), aiming for 60% electricity access by 2029.
- GHG Emissions: Under its third Nationally Determined Contribution (NDC 3.0), Somalia has committed to a 34% reduction in greenhouse gas emissions by 2035. This aligns with its enhanced climate commitments under international agreements, including the Paris Accord.

Renewable Electricity Tracking and Verification
- Certificate-Based Systems: Somalia began recognizing I-REC(E) and P-REC certificates for renewable electricity, but there is no explicit legislation mandating their use or establishing a local certificate registry. These systems are enabled via international standards and sector reforms, but domestic law is still catching up with global practices.
- Disclosure/Verification Requirements: No policy yet requires renewable electricity users to disclose or verify certificate use; Environmental Protection law and EIAs focus on project-level compliance, not ongoing electricity tracking.

Enabling and Restrictive Aspects
- Laws enable renewable energy investment and project development, promote climate resilience, and set ambitious national targets.
- The absence of explicit certificate mandates or a detailed regulatory framework for renewable electricity tracking creates ambiguity for robust verification and reporting.
- Future legislation is expected to address these gaps, setting stronger rules for disclosure, verification, and compliance with certificate systems.

1.8 Existing/Planned Certificate or Support Systems

I-REC Status in Somalia
Somalia has been an I-REC-approved country since July 2021, with Energy Peace Partners (EPP) serving as the authorised local Issuer, operating under the I-Track Standard Foundation's governance framework. This establishes a credible, internationally recognised tracking system for renewable energy attributes in Somalia.

Support Schemes
- Somalia's National Transformation Plan (2025–2029) and associated programs (Africa Mini-Grids Program, AMP) are designed to facilitate increased clean energy investment, expand access, and create enabling policy environments. These programs include capacity building, technical standards development, and collaboration among regulators and private sector actors, but do not yet include national renewable energy certificate purchase obligations or fiscal incentives.

Registry Rules and Restrictions

- Issuer Limitation and Labelling: EPP is currently the exclusive issuer for Somalia, with strict application of the peace label (P-REC) on all I-REC(E) certificates. This ensures that certificates are traceable to projects that meet specific impact criteria.
- No Domestic Registry or Mandatory Disclosure: Somalia does not yet have a domestic registry for renewable energy certificates nor policies requiring mandatory disclosure or verification of renewable electricity use tied to certificates. Certificate operations rely on the international I-REC platform and issuer, with local regulatory support expected to evolve in the coming years.

1.9 Extent of Engagement with Government

The I-REC/P-REC system operates without explicit legal authorization but also without legal prohibition or restriction. No barriers exist to registry participation, standard adoption, certificate transfer, or international trading.

Somalia lacks formal renewable energy support mechanisms that would create attribute ownership complexities. There are no feed-in tariffs, renewable portfolio standards, production tax credits, capital subsidies, or green electricity tariffs. This absence means no government financial support programs claim attribute ownership and no subsidy conditions restrict attribute transfer, creating a clear ownership path for private developers.

1.10 Expected Response from Government

Somalia's government has demonstrated permissive support with pragmatic non-intervention toward attribute tracking systems since 2021. Energy Peace Partners has operated as authorized I-REC issuer without government restrictions, with P-RECs successfully issued and traded internationally since 2022.
The permissive environment reflects alignment between certificate systems and government goals (renewable investment, climate finance, electricity access) combined with limited capacity for detailed regulation, creating operational space for voluntary markets while requiring continued relationship maintenance and early engagement on attribute allocation for climate reporting purposes.

Expected Level of Support

- The anticipated position is generally supportive, given Somalia’s strategic priorities around energy access, renewable integration, and international investment.
- Government bodies, especially MoEWR, have participated in technical consultations that have included Energy Peace Partners and endorsed broader energy policy reforms that facilitate frameworks for private sector engagement.

1.11 Proposed Restrictions

Given Somalia’s highly decentralised, largely self-regulated power sector, the following restrictions are proposed to preserve the environmental integrity of the tracking system and avoid any risk of double issuance or double counting.

1. Eligible generation types

Only clearly renewable, non-fossil generation should be eligible for I-REC(E)/P-REC issuance in Somalia:

- Eligible projects will be grid-connected or mini-grid solar PV, wind and small hydro plants that comply with national environmental rules and I-TRACK technical criteria.
- Not eligible projects include pure diesel and the fossil component of hybrid diesel–renewable systems. For hybrid plants, only the renewable output should be certified, based on metering or a conservative allocation methodology.

This aligns with the current generation mix, where most capacity is privately owned diesel, and only a

small but growing share comes from solar/wind hybrids.

2. Grid connectivity and metering

Somalia's electricity supply is dominated by isolated mini-grids and stand-alone systems run by private electricity service providers (ESPs), with no national transmission network and uneven technical standards. To safeguard integrity:

- Only projects with revenue-grade meters (or functionally equivalent) on the renewable generating units should be eligible.
- Minimal, unmetered systems (e.g. pico-solar, basic SHS) should be excluded unless aggregated under a programme with robust, auditable metering or deemed-generation methodologies.
- Each isolated system (mini-grid or micro-grid) should be registered as a separate grid boundary, to avoid confusion over export/import or double counting between ESPs.

3. Attribute ownership and interaction with other instruments

Projects already registered (or seeking registration) under carbon standards remain potentially eligible, but the Issuer should verify that:

  - Environmental attributes used for RE claims (I-REC(E)/P-REC) are distinct from emissions reductions sold as offsets; and
  - No other REC or GO system is claiming the same MWh.
- Publicly funded reconstruction or humanitarian projects should be screened to ensure that donor contracts do not reserve environmental claims that would conflict with I-RECs/P-RECs.

4. Excluded participants

ESPs or entities under active investigation for fraud, serious tariff or metering abuse, or serious ESG violations (forced displacement, conflict financing, etc.) should be excluded until such issues are resolved, consistent with I-TRACK's general Code rules.

5. Geographical and security considerations

Given Somalia's fragile security situation and the heavy reliance on private ESPs in conflict-affected areas, the Issuer should retain the right to require remote monitoring of generation meters in locations where on-site verification and ongoing data validation cannot be done safely and reliably.

1.12 Any Other Relevant Information

RE Market Potential

Somalia possesses exceptional but severely underutilized renewable energy resources. The country has one of the highest renewable potentials in sub-Saharan Africa, with 3,000 hours of annual sunlight yielding 5-7 kWh per square meter daily, and wind power potential of 30,000-45,000 MW suitable for production across 85% of the country. The country plans to triple renewable capacity from 100 MW to 300 MW by 2030 with support from the African Development Bank and Green Climate Fund, potentially generating 788,400 MWh annually. Long-term potential extends to multi-GW scale by 2045, though financing remains the biggest obstacle, with electricity tariffs exceeding $0.50 per kWh compared to $0.15 in Kenya and $0.06 in Ethiopia.

Historical Support and Development

Somalia's renewable energy journey has been shaped by conflict and fragility. Before state collapse in 1991, the country had functional energy infrastructure, but two decades of civil war destroyed institutional capacity. Post-2012 recovery has seen gradual progress and private sector actors have led development. International support through the World Bank, Power Africa (now defunct), UNDP's Africa Minigrids Program ($8.5 million), and Green Climate Fund projects have been critical in shaping this gradual progress.

Political Disruptions and Market Risks

Security risks are the most significant challenge. Project infrastructure is vulnerable to attacks, and verification faces access restrictions. Political fragmentation creates additional complexity, with federal-state tensions and Somaliland's autonomous status requiring separate treatment.

Infrastructure and technical risks stem from shortages of qualified staff, limited metering infrastructure, and poor internet connectivity outside major cities. Humanitarian shocks including Somalia's worst drought in 40 years (displacing 7.8 million people) and recurrent flooding create periodic disruptions to generation facilities and energy demand. Reputational risks from fragile state stigma require exceptionally high transparency standards, third-party verification, and clear safeguards. Overall risk assessment reveals high probability and impact across security, technical capacity, and economic dimensions, but risks are manageable with conservative system design, strong governance, capacity building investments, and clear mitigation protocols.

Regulatory Risks and Carbon Market Linkages
The National Electricity Authority remains non-operational despite the 2023 Electricity Act, with frameworks for independent power producers and technical standards still pending. The current regulatory vacuum features privately owned generation through microgrids with no national grid and minimal oversight.

Recommended frameworks include clear attribution rules where I-REC(E) represents electricity attributes while carbon credits represent emissions reductions, sector delineation directing electricity toward I-REC(E) and forestry toward carbon credits, and choice mechanisms requiring projects to select one instrument per MWh. Somalia's EAC membership creates regional harmonization opportunities but also risks of incompatible requirements or delays. Institutional capacity risks including lack of Direct Access Entities to Green Climate Fund necessitate strong external partnerships, systematic capacity building, possible regional collaboration with Kenya's system, and simplified design appropriate for capacity levels.

1.13 Author

Complete all fields.

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