

REPUBLIC OF SOMALILAND



ENERGY AND EXTRACTIVES SECTOR

NDP III PRIORITIES 2025-2027



MINISTRY OF PLANNING AND NATIONAL DEVELOPMENT



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Abbreviation

CSD	Central Statistics Department
DG	Director General
EEX	Energy and Extractives
ESRES	Energy Security and Resource Efficiency in Somaliland
GVAC	Gemstone Value Addition Centre
HGA	Hargeisa
MD	Ministry / Ministerial Department
MDA	Ministries, Departments and Agencies
MEAL	Monitoring, Evaluation, Accountability and Learning
NA	Not Applicable
NDP	National Development Plan
NPC	National Planning Commission
PPP	Public–Private Partnership
SCF	Sector Coordination Forum
SDG	Sustainable Development Goals
SEAP	Somaliland Electricity Access Project
USD	United States Dollars



1. Introduction

The Energy and Extractives sector is a cornerstone of Somaliland's economic transformation and sustainable development agenda, as articulated in Somaliland Vision 2030 and the National Development Plan III (NDP III). Energy is a fundamental enabler of industrialization, modern service delivery, and improved livelihoods, while the extractives subsector offers significant potential to diversify the economy, create employment, and mobilize domestic and foreign investment. Together, these subsectors form a critical foundation for achieving inclusive growth under Pillar II: Economic Development of NDP III.

Despite the gains this sector has made over the years, challenges persist. Electricity tariffs remain among the highest in the region, customer connections have not grown at the desired pace, institutional capacities are still being developed, and the extractives subsector requires greater investment and stronger legal safeguards. Recognizing the urgency of reducing electricity costs for households and businesses, President Abdurrahman Irro launched a national campaign in September this year 2025 across all Somaliland regions to reduce the price per kilowatt-hour (kWh) of electricity. As a result, tariffs were recently reduced to USD 0.59 in Burao, Gabiley and Borama, and to USD 0.20 in Berbera. This action demonstrates strong political commitment to addressing affordability and

competitiveness in the energy sector, and it reinforces the centrality of energy in achieving NDP III targets.

This **sector booklet** presents the Energy and Extractives sector's contributions to NDP III, including its alignment with national development pillars and SDGs, progress highlights, prioritization rationale, methodology, and agreed priorities for 2023–2027. It also provides an overview of sector monitoring mechanisms, coordination structures, and institutional responsibilities. By consolidating progress to date and clarifying future priorities, the booklet serves as a roadmap for policymakers, development partners, private sector actors, and civil society to jointly accelerate progress in energy access, extractives development, and sustainable resource management in Somaliland.

1.1. Mandate of the Sector

The Ministry of Energy and Minerals (MoEM) hold the mandate to lead, regulate, and oversee the sustainable development of Somaliland's energy and extractive resources. This mandate covers the full cycle of energy and mineral resource governance — from policy formulation and planning to regulation, monitoring, and coordination with national, regional, and international stakeholders.

In the **energy subsector**, the Ministry is responsible for ensuring that Somaliland's citizens and institutions have access to **safe, affordable, reliable, and sustainable**

energy. This includes the development of policies, strategies, and regulations that guide electricity generation, transmission, and distribution, while encouraging the transition to renewable energy sources such as solar, wind, geothermal, and biogas. The Ministry also facilitates public-private partnerships (PPPs), attracts investment, and works to expand electricity access in both urban and rural areas.

In subsector of the extractive, the Ministry oversees the exploration, development, and management of minerals and petroleum resources. Its role is to promote environmentally sound and socially responsible exploration, ensure compliance with national laws and international best practices, and build institutional and technical capacity for value addition. The Ministry also facilitates investments, licenses operations, and ensures that benefits from the extractives sector contribute to broad-based economic development.

Cross-cutting responsibilities of the Ministry include strengthening institutional capacity, building a robust legal and regulatory framework, promoting research and innovation, ensuring environmental and social safeguards, and enhancing coordination across stakeholders.

Overall, the sector's mandate is not only to manage natural resources but to transform them into drivers of inclusive growth, poverty

reduction, and improved livelihoods, while safeguarding the environment and ensuring intergenerational equity in resource use.

1.2. Pillar and SDGs Alignment

The Energy and Extractives sector is central to the realization of Somaliland Vision 2030 and NDP III, particularly under Pillar II: Economic Development, which emphasizes inclusive growth, infrastructure development, and sustainable resource management. The sector contributes not only to economic transformation but also to poverty reduction, social development, and environmental sustainability.

In alignment with the Sustainable Development Goals (SDGs), the sector plays a pivotal role in advancing multiple global commitments:

- ❖ SDG 7: Affordable and Clean Energy – Expanding household and institutional access to electricity, increasing renewable energy generation from solar, wind, geothermal, and biogas, and reducing tariffs to make energy more affordable for households and businesses.
- ❖ SDG 8: Decent Work and Economic Growth Attracting private investment in electricity generation and extractives, creating skilled jobs in mining, energy distribution, and renewable installations, and strengthening local enterprise participation.
- ❖ SDG 9: Industry, Innovation, and Infrastructure – Developing transmission

and distribution networks through town-based grids, establishing renewable energy infrastructure (solar, mini-grids, streetlights), and investing in mineral laboratories and geological surveys.

- ❖ SDG 12: Responsible Consumption and Production – Promoting cleaner energy technologies, regulating extractive industries for sustainability, and encouraging efficient energy consumption.
- ❖ SDG 13: Climate Action – Increasing the share of renewable energy beyond the NDP II baseline (from 10% to 16.2%), protecting biodiversity hotspots, investing in soil and water conservation measures, and contributing to national climate resilience.
- ❖ SDG 15: Life on Land – Conserving ecosystems and biodiversity through gazette protected areas, wildlife orphanages, and reforestation and soil restoration projects.

By building on NDP III achievements such as a 35% reduction in average electricity tariffs in major towns, 16.2% renewable energy share of installed capacity, and exploration surveys covering 17% of Somaliland's land mass the sector is positioned to deliver even more ambitious outcomes under NDP III.

The sector's mandate and interventions therefore align with both national priorities (Vision 2030 and NDP III) and international commitments, ensuring that energy access, extractives governance, and environmental

sustainability advance together as drivers of inclusive and resilient development.

1.3. Historic Achievements

During the NDP III period, the energy sector achieved transformative progress in accessibility and affordability. A major nationwide push successfully expanded the electricity grid, bringing power to 80.7% of urban households. This effort was complemented by a significant 35% reduction in average electricity tariffs across nine major towns, an achievement that surpassed set targets and alleviated financial burdens for consumers. Furthermore, the country diversified its energy mix by increasing the share of renewable energy in its installed capacity to 16.2%, decisively exceeding its 10% goal and laying the groundwork for a more sustainable power supply.

Concurrently, the sector was strengthened through foundational governance and strategic exploration initiatives. The landmark passing of the Somaliland Electricity Act and the establishment of the Somaliland Electricity Commission provided a crucial regulatory framework to oversee and guide the growing market. This institutional progress was matched by tangible project implementation, including key renewable energy projects like Energy Security and Resource Efficiency in Somaliland (ESRES), SEAP, and the Berbera Solar Project. Beyond power generation, strategic advancements were made in hydrocarbons and minerals, with petroleum

exploration accelerating through seismic surveys covering 17% of the land mass, while mineral exploration activities were intensified across multiple regions. These efforts were supported by the establishment of biodiversity protections and the advancement of soil and water conservation measures, ensuring that economic development is aligned with the principles of sustainable resource management.

2. NDP-III Progress Highlights 2023-2025

The Energy and Extractives sector has demonstrated significant progress during the first half of NDP III implementation, showcasing both key achievements and persistent challenges. These indicators track progress in areas such as electricity supply, customer connections, renewable energy uptake, tariff reductions, oil and gas exploration, mineral development, institutional capacity building, and investment in value-added activities. There was a total of 39 operational benchmarks planned for the first two and half years. A total of 22 benchmarks were completed becoming 56% of the total.

3. Prioritization Rationale

The Somaliland National Development Plan III (NDP-III) was officially launched in March 2023 to serve as the country's guiding framework for sustainable development. However, the implementation of the plan has faced significant setbacks due to unforeseen national and global events. Delayed elections and

armed conflicts in the eastern Sool region diverted national attention and resources away from planned development initiatives. At the same time, the global economic crisis and subsequent reduction in international aid further constrained fiscal space, limiting the government's ability to deliver on its development commitments.

These challenges have forced the government to reallocate portions of the development budget toward urgent security and election-related expenditures, leaving critical development priorities underfunded or delayed. The combination of political, security, and financial pressures has disrupted the pace and balance of NDPIII implementation, reducing the plan's ability to deliver results as originally envisioned.

Given these realities, a mid-term review was deemed essential to recalibrate NDPIII for the remaining implementation period (2025–2027). The review provides an opportunity to re-prioritize interventions, ensuring that scarce resources are directed toward the most pressing and feasible development needs. It also strengthens the alignment of ongoing initiatives with the country's long-term Vision 2030 while responding to current contextual challenges.

Specifically, the objectives of the mid-term review are to: (i) prioritize outcomes and critical outputs; (ii) refine indicators to allow for more accurate monitoring of progress; (iii) adjust cost estimates to reflect present realities; (iv) reassess potential budget and

financing sources; and (v) address emerging implementation challenges. These adjustments will enhance accountability, efficiency, and impact in the delivery of NDPIII.

In summary, the mid-term review is both a corrective and strategic exercise. It acknowledges the unforeseen disruptions that have constrained progress while providing a clear roadmap for improved implementation. By focusing on realistic priorities, recalibrated costs, and credible financing strategies, the government aims to safeguard the relevance of NDPIII and ensure its continued contribution to Somaliland's socio-economic transformation.

4. Prioritization Methodology

The prioritization methodology was designed to be evidence-based, participatory, and results-oriented, ensuring both technical rigor and broad ownership. The process began with a comprehensive stocktaking of the first 2.5 years of NDPIII implementation. This review identified what had been achieved, what remained incomplete, and where significant gaps persisted. Interventions already delivered were set aside, while unfinished and high-impact priorities became the focus of the review.

Using standardized tools and agreed criteria, interventions were then scored and ranked against dimensions such as strategic alignment with NDPIII and SDGs, urgency, feasibility, cost-effectiveness, and equity. This process

was supported by extensive consultations — including 48 meetings with Ministries, Departments, and Agencies (MDAs), as well as sector-level discussions with development partners — to validate evidence and secure consensus. Once priorities were identified, cost estimates were recalculated, financing options were reassessed, and the results were consolidated into sector-specific booklets. These booklets will serve as the national framework for guiding investment, coordination, and monitoring of NDPIII for the period 2025–2027.

5. Sector Priorities (2023–2027)

The sector's priorities form a comprehensive strategy to build a modern, resilient, and accessible energy system for Somaliland. This roadmap begins with a foundational commitment to strengthening institutional capacities through improved policies, regulations, and human resources, ensuring effective governance. The strategy then focuses on a significant expansion of physical infrastructure, prioritizing the development of robust city and town-based grids to enhance the reliability and safety of electricity transmission and distribution. Central to this vision is the aggressive utilization of indigenous renewable resources, including solar, wind, geothermal, and newly introduced biogas energy, to diversify the national energy mix, reduce dependence on costly imports, and power critical public services like hospitals and schools. This multi-pronged approach is further

supported by targeted efforts to secure financing for both on-grid and off-grid solar solutions and to mobilize community and private sector investment through widespread engagement campaigns, collectively ensuring that the benefits of secure and affordable electricity reach every corner of the nation.

The *Energy and Extractives sector* tables are shown in two main formats. The first is the **NDP Outcome table**, which has five columns: *NDP Outcome, Indicator, Unit, Baseline (2021), and Target (2027)*. This table shows the main goals and targets for each level of the sector. The second is the **Critical Output table**, which has ten columns: *Critical Output, Operational Benchmark, Type of Target, Priority, Cost Estimates, the years 2025, 2026, 2027, and the Responsible Institution*).



Energy & Extractive sector

Note: "The following table categorizes the operational benchmarks by priority level, which is defined by our current resource capacity. **High priority** operational benchmarks are those we can achieve with our available resources. **Medium priority** indicates that only some of the operational benchmarks in this category can be accomplished with our present means. Finally, **low priority** operational benchmarks are those we cannot currently achieve given our resource and technical constraints. This classification ensures our efforts are focused on what is immediately actionable."

Priority Interventions in the Energy and Extractives Sector under NDP III (2023–2027)

Sector Objective	<ol style="list-style-type: none"> To Increase access to safe, affordable and reliable energy while reducing inefficiencies. To promote and regulate the sustainable and environmentally sound exploration and exploitation of minerals and petroleum resources for the benefit of all. 							
NDP Outcome	NDP Outcome Indicator	Unit	Baseline (2021)	Target (2027)				
EEX - 1: By 2027, Somaliland urban electricity supply will have been increased by a total of 50 megawatt for a total of 30,000 additional customer connections.	EEX - 1.A: Installed electrical power generation capacity through regulated Electricity Service Providers (ESPs) in the urban areas	MegaWatt	135	185				
	EEX - 1.B: Number of electricity customer connections through regulated Electricity Service Providers (ESPs) in the urban areas.	Customer connections	78,796 + HGA	"Baseline value + 30,000"				
	EEX - 3.B: Average proportion of Energy Service Providers' energy losses.	%	31.9%	27.0%				
Critical Output	Operational Benchmark	Type of Target	Priority Level	Total Cost estimates	The remaining NDP-III period			MDA Resp.
					2025	2026	2027	
EEX - 1.3: Public private partnerships established with the ESPs	EEX - 1.3.a: General PPP framework documents developed and approved	Milestone	Medium	\$250,000	2	46	--	MoEE

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	EEX - 1.3.b: Number of ESPs covered by Berbera PPP agreement.	Accumulated total	Medium	\$200,000	0	1	1	MoEE
	EEX - 1.3.c: Number of ESPs covered by Hargeisa PPP network agreement.	Accumulated total	Medium	\$200,000	0	0	6	MoEE
NDP Outcome	NDP Outcome Indicator		Unit		Baseline (2021)		Target (2027)	
EEX - 4: By 2027, 27 % of Somaliland's land mass will have been explored for oil and gas (Land mass = 177.000 sqkm)	"EEX - 4.A1: Proportion of Somaliland land mass explored for oil and gas.		%		17%		27%	
	"EEX - 4.A2: Surface area of Somaliand land mass explored for oil and gas.		sqkm		30,000		48,000	
Critical Output	Operational Benchmark	Type of Target	Priority Level	Total Cost estimates	The remaining NDP-III period			MDA Resp.
					2025	2026	2027	
EEX-4.1: Oil and gas blocks successfully marketed for exploration by private companies	EEX - 4.1.a: Number of blocks explored for oil and gas	Accumulated total	High	\$ 800,000	2	4	6	MoEE
	EEX - 4.1.b: Number of exploration wells drilled	Accumulated total	High	\$1.5 Million	--	--	--	MoEE
NDP Outcome	NDP Outcome Indicator		Unit		Baseline (2021)		Target (2027)	

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EEX - 6: By 2027, Somaliland's capability on minerals laboratory analysis will be enhanced.	EEX - 6.A: The newly established Mineral Analysis Laboratory has analyzed mineral samples according to international standards.	"Boolean(Yes/No)" "% of samples analyzed locally	No 0%	Yes 80%				
Critical Output	Operational Benchmark	Type of Target	Priority Level	Total Cost estimates	The remaining NDP-III period			MDA Resp.
					2025	2026	2027	
EEX - 6.1: Equipped mineral laboratory built according to international standards	EEX - 6.1.a: Approved accreditation report of Mineral Analysis Laboratory.	Milestone	High	\$ 340,000	--	--	--	MoEE
	EEX - 6.1.b: % of mineral samples analysed locally.	Annual	High	\$180,000	40%	60%	80%	MoEE
EEX - 6.2: Improved staff capacity on Minerals analysis	EEX - 6.2.a: Number of Ministry staff trained in mineral analysis	Accumulated total	High	\$200,000	7	9	10	MoEE
EEX - 6.3: Mineral data registry created	EEX - 6.3.a: Total number of mineral samples analysed.	Accumulated total	High	\$ 140,000	236	354	472	MoEE
	EEX - 6.3.b: Total number of mineral samples stored for reference.	Accumulated total	High	\$250,000	?	?	?	MoEE
NDP Outcome	NDP Outcome Indicator	Unit	Baseline (2021)	Target (2027)				

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EEX - 7: By 2027, increase in investments in mining and value addition.		EEX - 7.A: Gemstone Value Addition Centre is operational and serviced provided to local mining companies.			Boolean (Yes/No)	No		Yes
Critical Output	Operational Benchmark	Type of Target	Priority Level	Total Cost estimates	The remaining NDP-III period			MDA Resp.
					2025	2026	2027	
EEX - 7.1: Improved technical capacity of gemstone value addition staff	EEX - 7.1.a: No. of MoEM geologists who are trained and accredited to be professional gemologists.	Accumulated total	High	\$240,000	2	3	3	MoEE
	EEX - 7.1.b: No. of GVAC staff trained in cutting and polishing gemstones.	Accumulated total	High	\$300,000	2	3	4	MoEE
EEX - 7.2: Gemstone industry promoted in Somaliland	EEX - 7.2.a: Somaliland's Gemstone Registry created	Milestone	High	\$280,000	Completed	--	--	MoEE
	EEX - 7.2.b: No. of gemstone-focussed mineral exhibitions organised	Accumulated total	High	\$500,000	2	3	4	MoEE
	EEX - 7.2.c: Number of gem investors attracted/licensed	Accumulated total	High	\$400,000	3	4	5	MoEE
EEX - 7.3: Proper Gem identification equipment operational	EEX - 7.3.a: Number of Gemstones identified	Accumulated total	High	\$200,000	200	400	600	MoEE

6. Annex

6.1. Annex 1: NDP III MEAL Calendar (2025–2027)

Type of report	Action	"Year N "(This is the Implementation year)												" Year N+1"						By whom?	
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J		J
Quarterly Progress Report	Submission to DG	31			30			31			31										All PSDs of all MDAs
	MDA internal validation		15			15			15			15									
	Sharing with SCF-chairs		20			20			20			20									
	Compilation for the whole year												28								
Sector Outcome Progress Report	Data collection												28								PSDs of sector lead MDAs
	Outcome targets																				
	Submission to DG													15							
	Analysis and validation w/SCF													31							
Annual Operational Progress Report	Sharing with MoPND/CSD													5							PSDs of sector lead MDAs
	Compilation of Annual Report														10						
	Submission to DG															15					
	MDA internal validation															30					
	Sharing with MoPND/M&E																15				
	Sharing with MoPND/CSD																15				
National Progress Report	Sharing with relevant SCF chair															15					MoPND (M&E dept. and CSD)
	Compilation of all MDA reports																30				
	Outcome data check by CSD																		10		
	Submission to DG of MoPND																		25		
	Analysis and validation NPC																		31		
Report dissemination																					

Annex 2: Sector coordination structure and calendar

SECTORS COORDINATION MEETING CALENDAR in 2025

Sectors	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Energy			15-16			15-16			15-16			15-16

6.2. Annex2: Sector MDAs list

- Ministry of Energy and Extractives

