

Annual Report



Somali
Entrepreneurship
Summit 2025

Theme

Investing in Human Capital Development:

A Key to Gainful Employment, Poverty Reduction, and
Somalia's Economic Transformation.



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1 EXECUTIVE SUMMARY

The 5th Annual Somali Entrepreneurship Summit (SES2025), held on 29 July 2025 at Mogadishu's Jazeera Palace Hotel, signified a critical milestone in Somalia's pursuit of inclusive economic growth and national resilience. Organized by MAAN-DHIS Youth Organization in collaboration with the Federal Government of Somalia, the summit brought together over 320 stakeholders including government officials, private sector leaders, youth entrepreneurs, women business pioneers, diaspora representatives, and displaced community members—under the theme **"Investing in Human Capital Development: A Key to Employment, Poverty Reduction, and Economic Transformation."**

Central to the summit's discourse was the recognition that Somalia's greatest asset is its people particularly its youth and women, who comprise over 80% of the population. Harnessing this demographic dividend through strategic investments in education, skills, innovation, and entrepreneurship is vital for sustainable recovery, job creation, and long-term resilience. While Somalia has made notable progress such as a thirty-fold increase in registered digital enterprises from 3,000 in 2023 to over 92,000 in 2025 and the widespread adoption of mobile money services (used by 73% of adults) significant challenges remain. These include limited access to quality education, gender disparities, health and nutrition deficiencies, youth unemployment, weak institutional frameworks, political instability, and a persistent digital divide. Addressing these barriers is imperative for unlocking Somalia's full human potential.

The summit highlighted innovative sectoral initiatives that directly address peace, climate change, poverty, and food insecurity. Notable examples include solar-powered cold chain facilities in Marka that reduce post-harvest losses, plastic recycling enterprises producing affordable building materials, and women-led urban rooftop gardening projects that improve nutrition while creating green jobs. Youth enterprises were also highlighted for their role in preventing the recruitment of young people into extremist groups by creating jobs and addressing youth unemployment. Every year, Somalia graduates over 10,000 young men and women from universities, many of whom face limited employment opportunities. These efforts demonstrate how Somali entrepreneurs are pioneering peaceful and sustainable solutions that respond to local needs while advancing global sustainability goals.

1 EXECUTIVE SUMMARY

The summit concluded with 11 strategic recommendations aimed at transforming Somalia's economic landscape. Key proposals include establishing a National Entrepreneurship and Innovation Fund to support nascent ventures, institutionalizing multi-stakeholder platforms for public-private dialogue, investing in education and healthcare for vulnerable populations, scaling climate-smart enterprises, and expanding vocational, digital literacy, and financial inclusion programs. In essence, SES2025 transcended the typical conference format, emerging as a catalyst for transformative change. It underscored that Somalia's path to peace, stability, and prosperity hinges on empowering its youth, leveraging diaspora networks, and fostering an inclusive, green, and resilient entrepreneurial ecosystem. This summit laid a robust foundation for Somalia's future anchored in human capital development and driven by innovative, sustainable, and locally-led solutions.



2 INTRODUCTION

Somalia stands at a pivotal juncture in its history a nation transitioning from decades of conflict and instability towards a future defined by reconstruction, resilience, and renewed hope. This emerging chapter is characterized not solely by the challenges that persist but by an unprecedented surge of energy and ambition emanating from within its borders. Despite enduring complex issues such as high unemployment, pervasive poverty, displacement, limited access to quality education, fragile healthcare infrastructure, and the mounting pressures of climate change, Somalia's true potential is beginning to surface through a vibrant resurgence of entrepreneurial spirit.

This awakening is driven predominantly by its resilient youth and women dynamic forces at the forefront of Somalia's transformation. Their ingenuity, resilience, and unwavering commitment are fostering a new narrative of progress that defies traditional limitations. As the country navigates this critical phase of development, the need for innovative, inclusive, and locally led solutions has become more urgent than ever. Somalia's future hinges on unlocking human capital, harnessing local ingenuity, and fostering an ecosystem where opportunity is accessible to all, not a privilege reserved for a select few. In this context, the summit was conceived as more than an annual gathering; it is envisioned as a transformative strategic platform designed to catalyze a paradigm shift in the nation's development trajectory. At its heart, SES2025 sought to reframe economic growth through a people-centered lens—one that emphasizes the power of human capital, particularly among youth and women, as the primary drivers of sustainable recovery and inclusive prosperity. The summit served as a rallying point for redefining Somalia's development pathways, emphasizing innovation, local ownership, and community-led solutions as vital ingredients for resilient growth.

Organized by the MAAN-DHIS Youth Organization—an embodiment of Somali youth leadership—in partnership with the Federal Government of Somalia and supported by a coalition of international and local partners—including IOM, Save the Children, UNHCR, Salaam Somali Bank, Dahabshiil Group, IBS Bank, and Hormuud Telecom—the summit provided a vital platform for dialogue, collaboration, and action. It convened a diverse spectrum of stakeholders—local entrepreneurs, policymakers, development agencies, donors, investors, and changemakers—united by a shared vision: to explore innovative pathways where inclusion, sustainability, and local ownership shape Somalia's economic future.

In today's rapidly evolving global economy, the role of entrepreneurs has expanded far beyond traditional business creation. Somali entrepreneurs are emerging as problem-solvers, community leaders, and catalysts for social change—driving solutions in climate-smart agriculture, green innovation, financial inclusion, digital entrepreneurship, and social enterprise. The SES2025 embraced this broader vision, spotlighting emerging opportunities that align with global sustainability goals while addressing local needs, thereby positioning Somalia as a dynamic player on the regional and global stage. Most critically, the summit reaffirmed a fundamental truth: Somalia's development cannot be imported or externally imposed; it must be internally generated and locally led. Entrepreneurship in Somalia transcends mere

profit-making—it is a powerful vehicle for restoring dignity, fostering peace, and building a resilient society where every citizen has the opportunity to thrive. This summit marked a decisive turning point—an assertive step toward realizing a self-reliant, inclusive, and future-ready Somalia, where the aspirations of its people are the foundation of sustainable development.

PROGRESS OVER THE LAST FOUR YEARS (2021–2025): CONTEXT



From 2021 to 2025, Somalia entered a period of steady progress defined by resilience, local leadership, and a burgeoning culture of innovation. What began as cautious starts toward recovery has developed into a larger national initiative to rebuild institutions, unlock economic potential, and empower a new generation of entrepreneurs. At the root of this transition lies a fundamental truth: Somalia's greatest asset is its people. Over the last four years, youth and women—once seen mostly as disadvantaged populations—have emerged as the country's most dynamic force for change. Across sectors, young people have been launching firms, providing digital solutions, creating jobs, and leading community projects. Their projects are not just reshaping local economy, but also shifting common notions of what development may look like in Somalia.

Public–private collaboration has also gained momentum. By developing trust between government, civil society, and the business sector, new partnerships have been created to boost access to funds, extend infrastructure, and match policies with local realities. This has opened up opportunities for small and medium enterprises to expand in places that were traditionally economically linked. One of the most noticeable developments has come from the increasing penetration of mobile banking services. In both urban areas and outlying regions, digital wallets and mobile banking have made it easier for small firms to access credit, save, and trade. These technologies have encouraged farmers, merchants, and fledgling firms to participate more extensively in the economy, enhancing family incomes and community resilience.

The Somali diaspora has also played an increasingly active role in this shift—offering not just financial aid and global connections, but mentorship, expertise, and international visibility. Their relationship has been vital in creating early-stage firms, boosting innovation centers, and building the bridge between Somalia's local talent and worldwide opportunities. Most critically, these years have demonstrated that entrepreneurship in Somalia is no longer only a means of survival—it has become a blueprint for national progress. Whether in agriculture, renewable energy, education, or climate resilience, Somali entrepreneurs are solving genuine concerns with creativity and purpose. The way ahead is still full of obstacles, but the foundation constructed between 2021 and 2025 presents a clear story: Somalia is not waiting for change—it is building it from within.

3

SUMMIT OBJECTIVES



The primary purpose of the SES2025 was to bring together different stakeholders from across sectors to discourse on how Somalia's entrepreneurial ecosystem can be utilized for inclusive and sustainable development. The summit intended to serve as a catalyst for innovation, empowerment, resilient, and policy action.

The particular goals of the summit were as follows:

1

Identify Key Challenges and Opportunities:

Pinpoint the primary constraints inhibiting human capital development and discover possible options for long-term growth and improvement.

2

Enhance Access to Quality Education and Vocational Training:

Promote greater enrollment in elementary, secondary, and higher education—particularly among disadvantaged and conflict-affected communities—to build a competent and future ready workforce.

3

Strengthen Healthcare and Social Services:

Improve healthcare infrastructure and delivery systems to support a healthy and productive population that can contribute significantly to economic success.

4

Promote Inclusive and Sustainable Entrepreneurship:

Support the creation of youth- and women-led firms in vital areas such as agriculture, fisheries, renewable energy, and digital innovation to create equitable economic development and decrease poverty.

5

Drive Local Innovation for Climate Resilience and Sustainability:

Encourage the adoption of green technology and locally-driven solutions that address important concerns such as climate change, environmental degradation, and resource constraint.

6

Strengthen Public-Private Dialogue:

Facilitate significant interaction among government officials, commercial sector leaders, development partners, and the Somali diaspora to cooperatively build solutions to Somalia's fundamental economic difficulties.

4 AGENDA ITEMS TOPICS DISCUSSED

The discussions focused on key priority areas, including:

1. Healthcare and social services strengthening.
2. Human capital investment and education access.
3. Inclusive and sustainable entrepreneurship.
4. Climate resilience and green innovation.
5. Public-private partnerships.

5 ACTION ITEMS

1. Establish Coordination Task Forces linking government, private sector, and diaspora.
2. Expand financial literacy and youth challenge funds.
3. Strengthen vocational/entrepreneurial training aligned with labor markets.
4. Support community-led climate-smart SMEs.
5. Translate summit recommendations into actionable policy frameworks.

6 KEY DECISIONS MADE



1 Financial institutions committed to youth and women SME financing:

Somalia's leading financial institutions—including Dahabshiil Bank, Salaam Somali Bank, and IBS Bank—collectively pledged to expand access to finance for youth and women-led SMEs, particularly in rural and post-conflict regions. This decision addresses one of the country's most persistent barriers to entrepreneurship: lack of affordable and inclusive credit. Institutions agreed to design tailored microfinance products, reduce collateral requirements, and introduce gender sensitive lending practices. By prioritizing marginalized groups, this commitment lays the foundation for a more inclusive entrepreneurial ecosystem that empowers vulnerable populations to actively contribute to national economic recovery.

2 Introduction of new startup loan programs and Sharia-compliant microfinance models:

In response to the dominance of the informal economy and limited access to conventional banking, banks announced the launch of specialized startup loan schemes. These programs will feature flexible repayment structures, innovative credit assessments using mobile money transaction histories, and compliance with Sharia principles to ensure broad cultural and religious acceptance. The decision also included scaling microfinance models that combine financial products with mentorship and capacity-building support. Such schemes are expected to stimulate grassroots entrepreneurship, promote social cohesion, and encourage the growth of sustainable, community-based enterprises.

3 Proposal for a Green Enterprise Incubator in Somalia:

A landmark decision was the proposal to establish a Green Enterprise Incubator in Somalia through a public-private-academic partnership. The incubator will serve as a hub for supporting climate-smart business models, linking young innovators with mentorship, financing, and market access. It will focus on sectors such as renewable energy, sustainable agriculture, and waste recycling, providing a structured platform to transform small-scale innovations into scalable enterprises. The initiative represents Somalia's growing recognition of green entrepreneurship as a strategic response to climate change, positioning the country as a regional leader in climate resilience and sustainability driven innovation.

4 Government pledge to streamline policies for digital enterprises:

The Federal Government of Somalia committed to reducing bureaucratic hurdles and enacting reforms that facilitate digital entrepreneurship. This includes simplifying business registration, improving legal protections for startups, and enhancing transparency in public-private partnerships. By recognizing that over 92,000 digital enterprises are already registered in Somalia, the government aims to institutionalize support for the digital economy as a cornerstone of modernization and job creation. The reforms are expected to attract both diaspora and foreign investment, boost investor confidence, and formalize the informal digital economy, ultimately contributing to Somalia's integration into global markets.

7 Main Findings / Results

1

Explosive growth in digital enterprises: from 3,000 in 2023 to 92,000 in 2025:



The dramatic rise in registered digital enterprises within a two-year span stands as one of Somalia's most striking development outcomes. This thirty-fold increase reflects both the untapped entrepreneurial potential of Somali youth and the enabling role of government reforms in easing registration barriers. Digital businesses now represent one of the fastest-growing segments of the economy, encompassing fintech services, online marketplaces, e-learning platforms, and digital health solutions. Crucially, this growth has helped formalize what was previously a predominantly informal economy, improving transparency and opening new channels for tax revenue collection. The digital boom has also been fueled by widespread mobile penetration—Somalia has one of the highest mobile money usage rates in Africa—which provides a natural foundation for digital enterprises to thrive. In the global context, Somalia's trajectory mirrors experiences in other post-conflict states such as Rwanda, where digital innovation played a central role in accelerating recovery. However, the Somali case is unique in that it is unfolding amid persistent fragility, highlighting the resilience and adaptability of Somali entrepreneurs. The expansion of digital enterprises not only generates direct employment opportunities but also signals a deeper structural shift toward knowledge-based economic activity that will be vital for diversifying away from dependence on agriculture and remittances.

2

Youth-driven eco-businesses linking entrepreneurship with environmental resilience:



The summit showcased groundbreaking examples of Somali youth enterprises tackling urgent ecological and livelihood challenges simultaneously. In Garowe, youth-led firms are converting plastic waste into affordable, durable building bricks, addressing both environmental degradation and housing shortages. In Marka, solar-powered ice plants have transformed the fishing sector by reducing post-harvest losses, enabling fishermen to preserve catches and expand markets. In Mogadishu, women-led rooftop gardens are supplying organic vegetables to urban households, improving nutrition while generating income in densely populated neighborhoods. These eco-businesses embody "triple-win" solutions—creating jobs, strengthening environmental resilience, and addressing community needs. They are particularly significant in Somalia's context, where climate change has exacerbated drought, desertification, and food insecurity. By investing in circular economy models and renewable energy solutions, Somali youth are positioning themselves at the intersection of local problem-solving and global sustainability agendas such as the SDGs and the African Union's Agenda 2063. Yet, scaling such enterprises requires stronger ecosystems—access to affordable finance, research and development support, and integration into broader value chains. These examples provide proof of concept, but the challenge now lies in transforming them into nationwide drivers of sustainable growth.

3

Inclusion of displaced populations through entrepreneurship training and digital wallets:



A particularly promising outcome of SES2025 is the integration of displaced populations—internally displaced persons (IDPs) and returnees—into Somalia's entrepreneurial fabric. For decades, displacement has been a defining feature of Somalia's humanitarian crisis, with more than 3 million people living in protracted displacement situations. The summit highlighted pilot initiatives where displaced youth and women received tailored entrepreneurship training, digital wallets, and cash-for-business grants in partnership with banks and INGOs. These tools provide not only immediate income-generating opportunities but also build pathways to longer-term resilience by connecting displaced communities to formal financial systems. Unlike traditional aid models, which often foster dependency, these programs empower displaced individuals to become economic actors. For women and youth in particular, such interventions reduce vulnerability to exploitation and marginalization while strengthening social cohesion in host communities.

Internationally, this reflects a growing shift toward resilience-focused humanitarian-development linkages, positioning Somalia as a testing ground for models that could be replicated in other fragile contexts. The challenge ahead will be ensuring scalability and sustainability—requiring close coordination between government agencies, financial institutions, humanitarian actors, and community leaders.

4

Diaspora capital and expertise as a cornerstone of innovation and SME incubation:



Somalia's diaspora—estimated to remit over USD 1.3 billion annually—remains a cornerstone of national development, but SES2025 underscored that their role has expanded beyond financial transfers. Diaspora investors are increasingly co-founding startups, establishing innovation hubs, and providing mentorship that links Somali entrepreneurs with global best practices. Their expertise in areas such as digital technology, renewable energy, and social enterprise is accelerating the professionalization of Somalia's entrepreneurial sector. Diaspora networks have facilitated knowledge transfer by connecting Somali innovators with international markets, technical training, and cross-border financing mechanisms. For example, diaspora-backed incubators in Mogadishu and Hargeisa are providing seed funding and coaching to startups that would otherwise lack access to early-stage support. This evolution marks a strategic shift from remittance-driven consumption toward investment-led development, with profound implications for sustainability. If properly leveraged, diaspora involvement could bridge Somalia's skills gap, reduce capital flight, and accelerate integration into regional and global markets. However, institutional barriers—such as weak investment frameworks, inadequate legal protections, and governance challenges—must be addressed to unlock the full potential of diaspora contributions.

The summit reinforced the need for policies that institutionalize diaspora engagement through tax incentives, co-investment schemes, and diaspora bonds.

8

Opening Session & Keynote Address



A Catalyst for National Economic Transformation. Keynote Speeches (10:15 – 11:00 AM):

The keynote segment featured steamed influential national and international voices who presented audacious visions and grounded reflections on Somalia's economic transformation.



H.E. Bihi Imaan Egeh

Minister of Finance of Somalia

Announced that Somalia's digital enterprises have surged from 3,000 in 2023 to over 92,000 in 2025, crediting youth innovation as the main driver. He emphasized the digital economy as a cornerstone of Somalia's modernization, fostering jobs, inclusion, and integration into the global knowledge economy.

He noted that mobile money and fintech solutions have created fertile ground for startups even in rural areas. The Minister urged continued investment in skills, regulation, and financing to sustain and scale this digital transformation.



H.E. Farah Sheikh Abdulkadir

Minister of Education, Culture and
Higher Education of Somalia

Emphasized that all individuals are born equal, and that true progress is achieved through effort, vision, and the equitable nurturing of human potential. He commended the fact that the summit was organized by youth, describing it as a clear reflection of Somalia's commitment to inclusive and merit-based development. He underscored that the transformation of nations is fundamentally rooted in the investment made in the human capital of their people. By prioritizing education, skills development, and opportunities for the younger generation, Somalia can lay the groundwork for long-term national renewal and prosperity.



H.E. Mahamoud Sh. Abdirahman Beenebeene

Minister of Planning, Investment and
Economic Development of Somalia

Delivered a heartfelt message to Somali youth, urging them to channel their creativity and energy into building the nation from within rather than risking their lives through irregular migration.

He emphasized that the government stands firmly alongside young people, with open doors and supportive policies designed to create opportunities for innovation, enterprise, and meaningful employment. His remarks reinforced the idea that Somalia's future prosperity depends on the active participation of its youth, whose skills and vision are essential for driving inclusive growth and national resilience.



Hon. Daahir Shire Mohamed

Minister of Petroleum of Somalia

Emphasized Somalia's readiness to harness digital transformation and energy sector innovation as emerging frontiers for youth employment. He underlined that modernizing the petroleum and energy industries through technology and renewable initiatives can generate sustainable jobs, diversify the economy, and position Somali youth at the center of future growth.

He called for stronger public-private partnerships to accelerate investment and capacity-building in these critical sectors.



Ms. Ugochi Daniels

Deputy Director General of the
International Organization for Migration (IOM)

Emphasized the critical need for youth innovation and the importance of including young people in all circumstances—ranging from rural areas to urban centers to prevent displacement. She highlighted that over 74% of Somalia's population is under 30 years old, underscoring the vital role of youth in the country's development.

Ms. Daniels called for increased investment in small businesses led by youth and women, particularly within the informal economy, as a means to foster economic resilience and inclusivity. She reaffirmed IOM's commitment to sustaining its role in this effort, stressing that IOM's involvement in this forum is not merely a token gesture but a genuine commitment to humanitarian and developmental progress. Her remarks reinforced the importance of empowering young Somalis through entrepreneurship and inclusive growth as essential pathways toward stability and prosperity.



Mr. Abdirahman Nour Yusuf

Executive Director
MAAN-DHIS Organization

In his passionate address, Mr. Abdirahman Nour Yusuf emphasized the pivotal role of youth—who constitute over 70% of Somalia's population—in driving the nation's development. He highlighted the Somali Entrepreneurship Summit as a vital national platform designed to unlock the creative potential of Somali youth, laying the groundwork for a self-reliant and innovation-driven economy. Mr. Yusuf underscored the importance of collaborative efforts between the government, private sector, and international partners to tackle pressing challenges such as poverty, unemployment, and displacement. He stated, "We are gathered here to empower Somali community particularly youth—the heartbeat of our nation—by investing in their creativity and enterprise. This summit is a testament to our collective journey toward economic dignity and sustainability. His speech reaffirmed the commitment to harnessing youth energy and ingenuity as catalysts for transformative national progress.



9

VOICES FROM THE PRIVATE SECTOR: SPONSORS' REMARKS:

Leaders from Somalia's financial and telecom sectors reaffirmed their unwavering commitment to nurturing the country's entrepreneurial ecosystem through innovative, inclusive, and strategic support initiatives.



Mr. Abdirahman Ahmed Ali (Dahabshiil Bank) reaffirmed the company's steadfast dedication to empowering youth- and women-led SMEs, particularly in underserved and marginalized regions. He highlighted Dahabshiil's commitment to expanding Sharia-compliant microfinance schemes and introducing co-investment models designed to stimulate grassroots innovation and entrepreneurship. His remarks reflected the bank's broader vision: to build inclusive and accessible financial pathways that allow entrepreneurs to succeed regardless of geographic location or socio-economic background, thereby advancing equitable growth and resilience across Somalia.



بنك سلام الصومالي
SALAAM SOMALI BANK
Making Your Success Simple

Mr. Mohamud Abdulle Awale (Salaam Somali Bank) stressed the importance of stronger collaboration among Somalia's financial institutions to accelerate the growth of youth-led enterprises. He outlined Salaam Somali Bank's introduction of innovative startup loan programs specifically designed for early-stage entrepreneurs, with flexible terms that lower entry barriers.

Mr. Awale urged peer institutions to harmonize procedures and simplify access to finance, particularly for rural entrepreneurs who remain excluded from formal banking services. His intervention highlighted a vision of dismantling structural obstacles and fostering a supportive ecosystem where scalable and sustainable startups can thrive, thereby transforming youth potential into long-term national prosperity.



Mr. Said Abdirzak (IBS Bank) highlighted the transformative potential of innovative credit assessment models and mobile banking tools in extending finance to Somalia's vast informal sector. He described IBS Bank's youth-focused SME portfolio, which includes microfinance products aligned with Sharia principles, reduced collateral requirements, and tailored startup financing schemes for early-stage businesses. Notably, IBS has begun piloting a mobile-based credit scoring system in Galmudug, enabling faster and more inclusive access to finance for digital enterprises and informal entrepreneurs who traditionally lack formal banking histories. In addition, he pointed to a pilot initiative in Baidoa supporting women's cooperatives—an effort that reflects the bank's deliberate commitment to gender-inclusive economic empowerment. By integrating technology with socially responsive lending practices, IBS Bank is positioning itself as a catalyst for bridging financial gaps, strengthening grassroots innovation, and ensuring that women and youth are at the forefront of Somalia's economic transformation.



Mr. Abshir (Hormuud Telecom) underscored the pivotal role of technology as an enabler of entrepreneurship and national transformation. He explained that Hormuud Telecom is committed to strengthening youth innovation by expanding access to advanced digital platforms, affordable cloud services, and inclusive internet infrastructure across both urban centers and remote regions. By doing so, the company aims to bridge Somalia's persistent digital divide, which has long excluded rural entrepreneurs and marginalized communities from fully participating in the digital economy.

Mr. Abshir noted that improving connectivity and digital tools is not simply about expanding communication, but about creating the foundation for scalable innovation. Entrepreneurs, he argued, require reliable internet and digital infrastructure to launch startups, access markets, and integrate into regional and global value chains. By investing in these services, Hormuud is opening pathways for Somali entrepreneurs to compete in areas such as e-commerce, fintech, digital education, and ICT-driven solutions to local challenges. He further stressed that digital inclusivity has a multiplier effect on economic resilience: it fosters financial inclusion through mobile banking, supports climate-smart innovation by enabling access to data and smart technologies, and enhances social cohesion by connecting youth across different regions. Hormuud's pledge, therefore, goes beyond corporate responsibility—it represents a long-term vision to embed digital transformation into Somalia's development agenda, empowering youth to lead the country's shift toward a knowledge-driven economy.

10

PANEL DISCUSSIONS

Theme: Empowering Growth – Enhancing Financial Inclusion and Green Innovation for Women, Youth, and Vulnerable Communities in Somalia's SME Landscape.



The high-profile panel discussion at SES2025 stood out as one of the event's most anticipated moments, uniting a diverse array of leaders from the financial sector, international development partners, youth groups, agricultural entrepreneurs, and resilience initiatives. The session focused on accelerating the integration of Somalia's micro, small, and medium-sized enterprises (MSMEs), particularly those led by women, youth, and displaced populations, into formal financial systems and fostering sustainable, green innovations. Moderated by a distinguished Executive Director of the MAAN-DHIS, the discussion aimed to spark cross-sector dialogue and catalyze concrete actions toward a more inclusive and resilient entrepreneurial ecosystem.

1

To the Banking Sector (IBS, Salaam, Dahabshiil).

Question:

How are your SME lending strategies evolving to address the specific financial constraints faced by women and youth-led firms, especially in Somalia's rural and post-conflict regions?



● Discussion Summary:

Representatives from Somalia's leading banks openly recognized the deep-rooted difficulties in extending credit to informal and underserved enterprises, which make up the bulk of the Somali economy. For decades, the lack of collateral, limited financial records, and weak institutional frameworks have excluded women, youth, and rural entrepreneurs from accessing formal finance, reinforcing cycles of poverty and informality. Yet, the momentum generated by SES2025 revealed a significant shift.

Banks described how inclusive financial instruments—such as Sharia-compliant microfinance products, flexible lending terms, and group lending models—are being piloted to reach those previously left out. By reducing collateral requirements and tailoring credit products to small-scale enterprises, financial institutions are beginning to dismantle structural barriers that long restricted access to capital. Equally transformative is the adoption of digital financial solutions. Somalia's exceptionally high rate of mobile money usage provides fertile ground for mobile-based credit scoring systems that rely on alternative data, such as transaction histories and savings patterns, instead of conventional banking records. This innovation, banks argued, opens the door for women and youth in remote areas, who often operate informally, to finally access credit and scale their ventures. The dialogue reinforced a wider truth: inclusive finance is not simply a banking innovation but a national priority. By channeling capital to marginalized groups, Somalia can unlock new drivers of job creation, foster equitable growth, and reduce economic vulnerabilities that fuel instability. The session concluded with a shared understanding that inclusive, technology-driven finance is central to Somalia's broader vision of resilience, modernization, and sustainable development.



2

Question for the IOM Displacement and Resilience Coordinator:

Question:

How can financial inclusion and entrepreneurship be integrated into resilience-building initiatives for displaced populations, and what role does collaboration with local financial institutions play?



Discussion Summary:

The IOM representative Mss. Teresa Del Ministro stressed that resilience in Somalia cannot be achieved through short-term humanitarian relief alone; it must be anchored in sustainable, locally driven economic empowerment. He explained that displacement is not merely a humanitarian crisis but also a development challenge, with millions of Somalis—particularly adolescents and women—facing exclusion from formal economic systems. To bridge this gap, IOM has partnered with Somali banks and microfinance institutions to deliver tailored entrepreneurship training, digital wallets, and cash-for-business incentives, enabling displaced populations to transition from dependency to self-reliance.

A central point of emphasis was the importance of trust-building between displaced communities and formal financial entities, which historically have had limited engagement with each other. Establishing confidence in financial systems, he argued, is essential to creating long-term pathways for inclusion. The representative highlighted that community-led finance models—such as group lending schemes and savings cooperatives—can act as entry points, allowing displaced households to gradually integrate into broader financial markets.

By embedding resilience within local partnerships and empowering communities to design their own economic solutions, the IOM approach aims to make livelihoods more durable even amid ongoing instability and climate-related shocks. The intervention demonstrated that when displaced populations are equipped with financial tools, entrepreneurial skills, and supportive networks, they become active contributors to Somalia's economy rather than passive recipients of aid. This paradigm shift reflects a broader move toward humanitarian-development-peace (HDP) linkages, positioning resilience-building as a driver of stability and inclusive growth in fragile contexts.



3

Question for the Save the Children—Mr. Khadar Elmi

Question:

From your experience in youth empowerment, how can development actors effectively promote financial literacy and green entrepreneurship among disadvantaged youth entering the SME space?



Discussion Summary:

Mr. Khadar Elmi (Save the Children) emphasized that youth empowerment must go beyond traditional training and mentorship, insisting that the integration of financial literacy and green innovation into empowerment programs is critical for long-term impact. He argued that equipping young people with financial management skills alongside environmental awareness prepares them not only to create businesses but to build enterprises that are sustainable, competitive, and climate-resilient.

To illustrate this, he cited climate entrepreneurship bootcamps in Kismayo and Hargeisa, which have already produced eco-friendly enterprises such as biodegradable packaging ventures and solar-powered kiosks. These initiatives demonstrate the ability of Somali youth to develop solutions that simultaneously address unemployment, environmental degradation, and energy shortages. By linking livelihood creation to ecological resilience, such models reflect global best practices in sustainable development while being deeply rooted in local realities.

However, Mr. Elmi cautioned that capacity-building on its own is insufficient. Many young innovators, he noted, are unable to expand promising ideas due to lack of financing. He called on NGOs and development partners to move beyond training into direct financing mechanisms, advocating for youth challenge funds and blended finance models that combine grants with concessional loans. Such approaches not only reduce financial risk for first-time entrepreneurs but also create pathways for scalability, allowing young Somalis to transform prototypes into commercially viable businesses.

His intervention underscored a broader theme of SES2025: that youth must be treated as solution-drivers, not passive beneficiaries. By providing the right mix of skills, financing, and supportive ecosystems, Somalia can unlock a generation of climate-conscious entrepreneurs capable of shaping both local economies and national resilience strategies.



4

To All Panelists: Cross-Sector Collaboration.

Question:

Which innovative public-private partnership models do you see as most promising for scaling inclusive finance and green innovation in Somalia?



Discussion Summary:

Panelists collectively agreed that multi-stakeholder co-investment models are indispensable for scaling inclusive finance and green innovation in Somalia. They noted that no single actor—be it government, banks, or development agencies—can address the structural financing gaps alone. Instead, collaborative arrangements that pool resources and share risks are essential to unlock investment for youth and women entrepreneurs, especially in fragile and underserved regions.

One model discussed was risk-sharing partnerships, where donors and NGOs provide partial guarantees on loans extended by banks to rural youth entrepreneurs. By reducing perceived risk for lenders, such guarantees make it more viable for financial institutions to extend credit to first-time or informal entrepreneurs who would otherwise be excluded. This approach not only lowers entry barriers but also ensures that financing flows into high impact areas such as climate-smart agriculture, renewable energy, and waste management.

A particularly forward-looking proposal was the creation of a Green Enterprise Incubator in Puntland, designed as a collaborative venture between government, private sector leaders, and academic institutions. The incubator would serve as a hub for nurturing climate-conscious startups, providing young innovators with business development services, technical mentorship, and access to investment networks. By linking innovation with structured support systems, the incubator could accelerate the transition of grassroots ideas into scalable enterprises capable of contributing to national resilience and global sustainability agendas.

The discussion reinforced a broader consensus that public-private partnerships are not peripheral but central to Somalia's economic transformation. By aligning donor resources, private sector capital, and government policy, such models can generate a multiplier effect: reducing financing gaps, promoting equitable entrepreneurship, and embedding climate resilience at the core of economic development.



5

To Mohamed Muse, CEO of Farmers' Cooperative Enterprise.

Question:

What are the main barriers faced by agricultural SMEs in securing climate smart funding, and how can fintech or cooperative models help overcome these?



Discussion Summary:

Mr. Mohamed Muse (CEO, Farmers' Cooperative Enterprise) highlighted that one of the greatest barriers facing Somalia's smallholder farmers is the lack of formal documentation and banking history, which effectively excludes them from accessing credit from formal institutions. Without land titles, business records, or collateral, most farmers are considered "high-risk clients" by banks, leaving them dependent on informal lenders who often charge exploitative rates. This exclusion perpetuates subsistence-level farming and prevents investment in modern techniques that could increase productivity and resilience.

To address these challenges, Mr. Muse advocated for cooperative financing schemes in which farmers pool resources, borrow collectively, and share responsibility for repayment. By spreading risk across a group rather than an individual, cooperatives create a more secure structure for lenders while strengthening solidarity and accountability within farming communities. Such models, successfully tested in other developing contexts, can provide a culturally appropriate and scalable pathway for Somali farmers to gain access to finance.

He also shared that his cooperative is piloting a digital platform that allows farmers to monitor crop cycles, track yields, and apply for microloans via mobile devices. This innovation integrates financial services with real-time agricultural data, enabling lenders to better assess creditworthiness while helping farmers make data-driven decisions. The platform also connects farmers to local markets, thereby reducing transaction costs and enhancing profitability.

Mr. Muse emphasized that these innovations are not only financial but also environmental. By channeling credit into climate-smart agriculture—such as drought-resistant crops, water harvesting systems, and soil conservation practices—farmers can adapt to the increasing threats of climate change while building resilient livelihoods. His intervention underscored that empowering smallholder farmers through accessible finance and digital tools has a multiplier effect: boosting food security, stimulating rural economies, and fostering resilience against both economic and environmental shocks.



6

To Banks and NGOs Together.

Question:

How can Somalia's financial institutions develop gender- and climate-sensitive financing solutions that accommodate the informal nature of many women- and youth-led enterprises?



Discussion Summary:

Banks and NGOs jointly recognized that conventional credit scoring systems—largely dependent on collateral, formal business records, and banking history—are poorly suited to Somalia's reality, where the vast majority of enterprises operate informally. As a result, promising women- and youth-led businesses, particularly in rural and marginalized communities, remain systematically excluded from formal finance.

To overcome this, banks are experimenting with alternative credit assessment methods, drawing on non-traditional data sources such as mobile money transaction histories, patterns of savings and expenditure, social capital indicators, and collective repayment behavior within group lending schemes. These approaches align closely with Somalia's economic landscape, where mobile money penetration is widespread and social networks play a central role in trust-building and accountability. By integrating such data into risk assessment frameworks, banks can more accurately gauge the creditworthiness of informal entrepreneurs, thereby expanding their customer base while supporting inclusive growth.

NGOs, for their part, urged the adoption of policy incentives to accelerate this shift. Proposals included offering tax breaks or regulatory benefits to banks that prioritize gender-sensitive and climate-responsive lending portfolios. Such incentives would encourage financial institutions to develop products that not only expand access for women and youth but also direct capital into enterprises addressing climate change and environmental degradation.

The dialogue emphasized that strengthening these innovative models could generate a double dividend: increasing financial inclusion for marginalized entrepreneurs while promoting environmentally sustainable economic development. In practical terms, this means channeling resources into renewable energy startups, women-led agricultural cooperatives, and climate-resilient SMEs. By embedding gender equity and climate sensitivity into financial systems, Somalia has the opportunity to transform its informal economy into a driver of resilience, sustainability, and inclusive prosperity.



7

To All: Green Innovation Focus

Question:

Are there successful green business models led by youth or women that could be expanded with appropriate support ecosystems?



● Discussion Summary:

Panelists highlighted a range of innovative, community-driven enterprises that demonstrate how Somali entrepreneurs are already generating solutions with both economic and environmental impact.

In Garowe, a youth-led firm is transforming plastic waste into building bricks, reducing urban pollution while producing affordable construction materials. This initiative not only addresses environmental degradation but also contributes to the housing sector, showcasing how circular economy models can tackle multiple development challenges simultaneously.

In Marka, a solar-powered ice facility is supporting local fishermen by reducing postharvest losses, improving food security, and increasing incomes. By leveraging renewable energy, this project demonstrates how clean technologies can boost productivity in traditional sectors while aligning with global climate resilience goals.

In Mogadishu, women-led rooftop gardening initiatives are supplying organic vegetables to urban households, providing income opportunities for women while improving urban nutrition and food self-sufficiency. These initiatives also contribute to greener cities by reducing heat stress and maximizing limited urban space.

Panelists also drew attention to the development of a public-private partnership (PPP) framework, currently under parliamentary debate, which is designed to provide a regulatory backbone for such entrepreneurial ventures. This law would formalize PPP arrangements, strengthen accountability, and create pathways for scaling innovations through collaborative financing and service delivery models.

Across these examples, there was a consensus that scaling requires deliberate support from both government and international NGOs. Panelists agreed that with seed funding, structured mentorship, and procurement contracts that prioritize local innovators, Somalia could transform these grassroots experiments into national engines of green growth. Such enterprises embody the summit's vision: that locally driven innovation, when backed by enabling policies and partnerships, can simultaneously advance resilience, environmental stewardship, and inclusive economic opportunity.





11 CONCLUSION

The SES2025 underscored that Somalia's path to sustainable peace and prosperity hinges on unlocking the potential of its youthful population, which makes up nearly 73% of the total demographic. The surge from 3,000 to over 92,000 registered digital enterprises within two years demonstrates not only the dynamism of Somali entrepreneurs but also the transformative impact of mobile money, which already reaches over 70% of adults. These figures illustrate Somalia's rapid evolution into one of Africa's most digitized financial ecosystems, despite fragile governance and recurrent shocks.

Key deliberations revealed that inclusive financing mechanisms—such as Sharia-compliant microfinance, cooperative lending models, and mobile-based credit scoring pilots—are breaking barriers for women, rural communities, and displaced populations. With over 4 million Somalis displaced by conflict and climate crises, integrating these groups into entrepreneurship initiatives is not only a humanitarian necessity but also an economic imperative. Initiatives like digital wallets, youth challenge funds, and cash-for-business incentives demonstrate viable pathways toward resilience.

Sector-specific innovations presented at SES2025 further highlighted how local ingenuity is addressing global challenges. Youth-driven enterprises are pioneering plastic recycling for construction in Garowe, solar-powered fisheries in Marka, and rooftop farming in Mogadishu, offering scalable solutions to urbanization, climate stress, and food insecurity. These examples affirm that Somalia is not merely catching up but is positioning itself as a regional model for green and inclusive entrepreneurship in fragile contexts.

Equally significant is the diaspora's contribution of US\$1.7 billion annually—equivalent to 15% of GDP—which continues to serve as a lifeline for household consumption, SME incubation, and innovation hubs. Harnessing this resource through structured co-investment models, such as diaspora bonds and enterprise challenge funds, could multiply its impact and strengthen linkages between local markets and global networks.

Ultimately, SES2025 reinforced the imperative of multi-stakeholder collaboration, where government, private sector, civil society, and development partners align efforts under a coherent policy framework. By institutionalizing an Entrepreneurship and Innovation Fund, enacting supportive legislation like the pending PPP law, and embedding climate-smart strategies in national planning, Somalia can transform entrepreneurship into the backbone of its economic modernization.

In conclusion, SES2025 demonstrated that the country's future will be determined less by its fragility and more by its ability to invest in human capital, expand inclusive finance, and scale homegrown innovations. If effectively harnessed, Somalia's youthful energy, diaspora capital, and digital momentum can propel the nation from fragility toward a resilient, diversified, and opportunity-driven economy that contributes meaningfully to the wider Horn of Africa and beyond.

12 RECOMMENDATIONS

1

Establish multi-stakeholder platforms.



2

Strengthen entrepreneurial ecosystems (hubs, incubators, accelerators).



3

Expand finance access, especially for youth/women SMEs.



4

Mobilize diaspora networks and digital platforms.



5

Promote climate-smart enterprises.



6

Enact institutional reforms and streamline business policies.



7

Invest in youth capacity and leadership.



8

Build monitoring and learning frameworks.



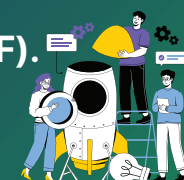
9

Scale public-private job creation programs.



10

Launch a National Entrepreneurship & Innovation Fund (NEIF).



13 Highlights from the Somali Entrepreneurship Summit 2025



THANK YOU

The 5th Annual Somali Entrepreneurship Summit (SES2025); This milestone event was made possible by the collective vision, unwavering commitment, and collaborative spirit of many dedicated individuals and organizations.

We extend our heartfelt gratitude to:

- * Our youth and women entrepreneurs, whose boundless creativity, resilience, and innovative ideas continue to inspire Somalia's journey toward sustainable economic transformation.
- * The Federal Government of Somalia, for its visionary leadership and steadfast commitment to creating an enabling environment that fosters innovation, inclusivity, and economic growth.
- * Our development partners, private sector sponsors, and diaspora communities, whose generous support and active engagement have been instrumental in advancing entrepreneurship, skills development, and human capital growth across the nation.
- * The organizing team, volunteers, and participants, whose energy, dedication, and passion brought SES2025 to life, making it a vibrant platform for dialogue, learning, and partnership.

Together, we are building a resilient, innovative, and opportunity-driven Somalia.





SOMALI ENTREPRENEURSHIP SUMMIT 2025

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