



POLICY BRIEF

Somaliland–UAE Strategic Partnership: Economic Development and Regional stability

February 2026

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Laasgeel Institute for Policy Studies and Research Analysis (LIPS) is an independent think tank that promotes good governance, democratic institutions, and foreign affairs by advocating for Somaliland’s recognition through research, policy analysis, and strategic advocacy to inform Somaliland’s decision-makers.



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1. Executive Summary

Somaliland and the United Arab Emirates (UAE) maintain a growing strategic partnership built on trade, investment, security cooperation, and diplomatic engagement. Somaliland's geostrategic location along the Gulf of Aden and the Bab El-Mandeb Strait makes it a critical gateway linking Africa, the Middle East, and global maritime trade routes. A cornerstone of this cooperation is the modernization of Berbera Port, led by Dubai Ports World (DP World), which underscores the partnership's economic and strategic significance. This paper examines the evolution of Somaliland–UAE relations, highlights key areas of collaboration, including economic development, trade, security, humanitarian support, and green energy initiatives, and explores the broader benefits for regional stability and Somaliland's pursuit of international recognition.

2. Historical Background

Somaliland and the UAE have a long history of diplomatic relations and trade. In recent years, Somaliland's growing economic and political stability has fostered closer ties with the UAE, with both sides focusing on mutual interests in trade, investment, and regional security.

Somaliland occupies one of Africa's most vital strategic regions, situated along the Gulf of Aden near the Bab El-Mandeb Strait in the Red Sea. This location serves as a bridge between Africa and the Middle East, providing access to global maritime trade routes and the oil-rich Persian Gulf. For over 150 years, the region has been a theater of strategic power competition, underscoring its significance in global politics and security.

In addition to its strategic location, Somaliland is endowed with substantial natural resources, including rare minerals, oil, gas, marine resources, livestock, agriculture, fisheries, and

renewable energy potential. It also offers opportunities in tourism and logistics infrastructure.

It's approximately 850 kilometers of coastline, including the deep-water Berbera Port and smaller ports such as Sela, Hiis, Lughaya, and Maydh, which present substantial opportunities for trade, logistics, tourism, and foreign investment.

The partnership with the UAE reflects these strategic and economic potentials, particularly through infrastructure development projects that enhance regional trade, connectivity, and security

3. The New Chapter of Somaliland–UAE Relations

Under President Ahmed Mohamed Mohamoud (Silanyo), Somaliland achieved notable success in its foreign policy through accelerated diplomatic and economic engagement with the UAE, considered one of his administration's most significant achievements. Sustained diplomatic efforts culminated in a landmark 2016 agreement between the Government of Somaliland and Dubai Ports World (DP World) to expand and modernize Berbera Port, aiming to transform it into a strategic regional trade and logistics hub. In return, the UAE secured access to Somaliland's territory to establish a military facility, reflecting the broader strategic dimensions of the partnership.

In May 2016, the former Chairman of DP World, Sultan Ahmed Bin Sulayem, and the former President of Somaliland, Ahmed Mohamed Mohamoud, signed a Memorandum of Understanding (MoU) between the Government of Somaliland and the Emirate of Dubai to invest USD 442 million in Berbera Port. (Dredging Today, 2016).

On 1 March 2018, Ethiopia formally joined the Berbera Port agreement as a shareholder, acquiring a 19 percent stake. Under the revised ownership structure, DP World retained a 51

percent share, while the Government of Somaliland held 30 percent. The agreement also included Ethiopia's commitment to finance the Wajaale- Berbera Corridor Road, a critical infrastructure project linking Ethiopia directly to Berbera Port and facilitating cross-border trade and regional economic integration (Duale & Ahmed, 2018).

From the outset, the Government of Somalia opposed the Berbera Port agreement. However, Somaliland is a sovereign state with the right to enter into international agreements. Somalia's efforts to obstruct the project failed, and the modernization of Berbera Port proceeded as planned, significantly enhancing Somaliland's economic and strategic standing in the Horn of Africa.

4. Key Areas of Cooperation

4.1 Economic Transformation and Strategic Investment

The UAE has played an instrumental role in Somaliland's economic development through substantial investments in infrastructure, ports, energy, and security. Somaliland has emerged as a leading African destination for UAE foreign direct investment (FDI), strengthening its role as a regional trade and logistics hub.

A significant UAE-backed initiative is the USD 442 million expansion of Berbera Port, led by DP World. The project has transformed Berbera into a modern port, enhancing capacity and efficiency. It serves as a vital trade gateway for Somaliland and landlocked Ethiopia.

The UAE has also supported the establishment of the Berbera Free Zone, attracted international investors, and stimulated industrial and commercial activity. Furthermore, the Abu Dhabi Fund for Development (ADFD) has contributed to the redevelopment of Berbera Airport and the

construction of the Berbera Corridor Road, improving connectivity and reinforcing Somaliland's strategic position as a logistics link between Africa and the Middle East (Omar, 2025).

4.2 Trade and Logistics Connectivity

Enhancing Berbera Port as a regional trade gateway has increased trade volumes between Somaliland and the United Arab Emirates. The UAE's development and upgrading of the Berbera Corridor Road have facilitated regional trade and logistics, linking Somaliland directly with Ethiopia. In March 2023, DP World and the Government of Somaliland inaugurated the new Berbera Economic Zone (BEZ), which, together with the Port of Berbera, is transforming the area into a major trade hub in the Horn of Africa. The Berbera Economic Zone aims to create a business-friendly environment that attracts investment and generates employment opportunities for Somaliland (DP World, 2023).

4.3 Security Cooperation

Both governments cooperate on maritime security, counterterrorism, and counter-piracy initiatives. The United Arab Emirates supports capacity-building programs for the Somaliland Coast Guard, reinforcing regional peace and security. In 2018, the UAE launched a training program for local police and military forces, as part of a wider 2017 deal for the building of a military airport in Berbera (ISPI, 2018)

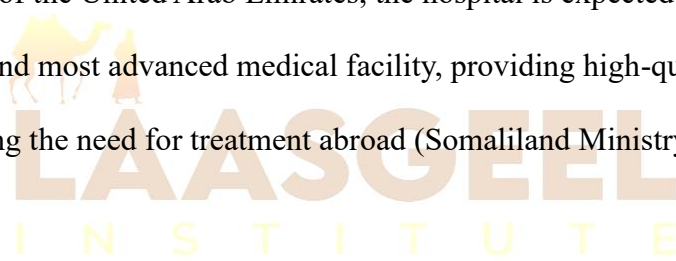
4.4 Social development and Humanitarian support

The UAE has expanded assistance in healthcare, education, water development, and disaster relief. Notably, the Sheikh Khalifa bin Zayed Al Nahyan Hospital in Berbera and a specialized

maternity and neonatal hospital in Burao were inaugurated in 2021 to improve healthcare outcomes (MOFAIC, 2021).

The UAE also funded a housing project in Berbera, Somaliland, featuring 300 durable concrete residential units with paved roads, water, sewage, and stormwater systems, and green spaces. The project, valued at AED 27.5 million (approximately USD 7.5 million), underscores the UAE's long-standing commitment to promoting sustainable development in Somaliland and aligns with UN SDG 11 for safe, resilient, and inclusive cities (Abu Dhabi Fund for Development, 2026).

On August 20, 2025, the President of Somaliland, Abdirahman Mohamed Abdillahi Irro, laid the foundation stone for a modern multi-specialty hospital in Burco. Funded by Sheikh Mohammed bin Zayed Al Nahyan of the United Arab Emirates, the hospital is expected to become Somaliland's largest and most advanced medical facility, providing high-quality specialized healthcare and reducing the need for treatment abroad (Somaliland Ministry of Health Development, 2025).



4.5 Green Energy and Sustainable Development

The Global South Utilities, based in the United Arab Emirates, inaugurated a 5 MW solar power plant in Berbera, Somaliland, launching the Green Berbera Vision to shift the city's electricity system from diesel to renewable energy supported by battery storage.

The project will generate about 10,000 MWh of clean electricity annually, enough to power nearly 28,000 households, while reducing fuel costs, improving energy security, and cutting thousands of tonnes of CO₂ emissions.

Through its partnership with local utility stakeholders, the initiative supports Somaliland's electrification strategy and positions Berbera as a renewable energy hub and competitive regional port economy in the Horn of Africa. (Emirates News Agency, 2026)

4.6 Diplomatic Engagement and Global Positioning

Since restoring its sovereignty on 18 May 1991, Somaliland's primary foreign policy objective has been international recognition. Over the past three decades, it has established a functional state with modern legal and institutional attributes (Eubank, 2012). A significant diplomatic milestone occurred when Israel formally recognized Somaliland on 26 December 2025, marking a shift from decades of diplomatic isolation and advancing its legitimate aspirations for sovereignty.

President Abdirahman Mohamed Abdullahi Irro has strengthened relations with the United Arab Emirates through multiple state visits, reflecting Somaliland's strategic and proactive diplomatic approach. The UAE's global economic and diplomatic influence has further facilitated Somaliland's engagement with international actors, including Taiwan and the United States, expanding its external partnerships

Somaliland and the United Arab Emirates are currently strong allies, maintain economic, trade, security, and diplomatic partnerships, and have opened permanent representative offices in Hargeisa and Dubai. Both nations agree to facilitate people-to-people travel through visa-on-arrival arrangements for passport holders.

5. Recommendations

- 1- The United Arab Emirates should recognize Somaliland's statehood based on its legitimate independence of 26 June 1960, to strengthen long-term strategic partnership and regional stability.
2. Expand security cooperation frameworks focusing on maritime and regional stability.
3. Leverage UAE diplomatic networks to advance international recognition efforts.
4. Diversify investment into renewable energy, fisheries, and tourism sectors.
5. Strengthen regional integration through the continued development of the Berbera Corridor.

6. Conclusion

Somaliland–UAE relations constitute a strategic partnership with substantial economic, geopolitical, and regional stability, including the Red Sea corridor. The Berbera Port modernization project symbolizes Somaliland's transformation into a key trade and logistics hub in the Horn of Africa. Strengthened bilateral cooperation is likely to foster regional stability, promote economic growth, and advance Somaliland's pursuit of international recognition. This partnership reflects long-term strategic alignment built on trust, ports infrastructure development, investment, shared Red Security, and regional stability.

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