



Working Paper

SOMALILAND'S FOREIGN POLICY RESET: TURNING CHALLENGES INTO OPPORTUNITIES

December 2024

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ISIR INSTITUTE

Off Airport Road, Masallaha Hargeisa

SOMALILAND

Phone: +252 63 6226667

www.isirinstitute.com | info@isirinsitute.org |

 @ISIRInstitute  @ISIRinsitute  @ISIRinsitute  @isirinsitute

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It undertakes impartial policy research, training and analysis to organizations and decision-makers in the horn of African region who are working toward innovative thinking to stimulate formulation of sound public policies leading to positive outcomes in the fields of peace & security, good governance, safeguarding human rights and democracy.



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CONTENTS

I. EXECUTIVE SUMMARY	1
II. SOMALILAND'S INTERNAL POLITICAL LANDSCAPE.....	2
III. STATECRAFT AND STRATEGY: ANALYZING DIPLOMATIC MOVES	2
IV. GUARDED APPROACHES WITH SOMALIA	4
V. HORN OF AFRICA GEOPOLITICS: NEW THREATS AND CHALLENGES	5
V. POLICY RECOMMENDATIONS.....	5
REFERENCES	7

I. EXECUTIVE SUMMARY

As Somaliland enters a new era of leadership under the WADDANI party led by the new President Abdirahman Cirro, reassessing its foreign policy is both timely and critical. It has been thirty-four years since Somaliland declared independence in May 1991, yet Somaliland's quest for international recognition remains unfulfilled despite persistent efforts. Thus, to effectively navigate the complexities of the Horn of Africa and an evolving global geopolitical landscape, Somaliland must adopt a pragmatic foreign policy, grounded in clear priorities and actionable strategies.

Somaliland faces significant internal challenges, including escalating conflicts in the eastern regions and disputes over power-sharing in Awdal, which have hindered state-building efforts, weakened trust in institutions, and threatened national cohesion. These vulnerabilities create opportunities for the external actors, such as Puntland and the Federal Government of Somalia, to exploit. Addressing these issues requires a renewed commitment to inclusivity, nationwide reconciliation, and equitable power-sharing arrangements for regions like Awdal, Sool, and Sanag. Such measures will empower citizens, rebuild trust in public institutions, and address long standing grievances, particularly in the eastern regions, ultimately strengthening Somaliland's domestic foundation and enhancing its external positioning.

Externally, Somaliland enjoys limited international support, which underscores the need for a recalibrated diplomatic strategy. The current shifting regional and global alliances present both risks and opportunities, requiring Somaliland to

carefully navigate these dynamics. One of the strategies that Somaliland could adopt is economic diplomacy, which emphasizes partnerships and investments, and offers a promising pathway to advancing Somaliland's strategic objectives. By fostering foreign investment, promoting trade, and securing support for critical sectors such as energy, infrastructure, and telecommunications, Somaliland can strengthen its case for recognition and establish itself as a valuable economic partner.

The return of Donald J. Trump to the White House presents both opportunities and challenges for Somaliland. His transactional approach to foreign policy could open avenues for strategic alliances, provided Somaliland positions itself as a vital partner in key areas such as security, trade, and regional stability. By emphasizing its role in addressing global challenges, reforming its security sector, and collaborating with the United States on counterterrorism efforts, Somaliland can demonstrate its strategic importance. On the other hand, securing its share of the Red Sea security can further strengthen its case as a mutually beneficial partner for the U.S. and other international actors. The recent motion tabled in the U.S. Congress to recognize Somaliland as an independent country signals a notable shift in Washington's policy, offering a window of opportunity to solidify international support.

This working paper aims to provide actionable recommendations for Somaliland's new administration to address internal vulnerabilities and redefine its foreign policy. By emphasizing the critical

role of domestic policy as a pillar of foreign relations, the paper highlights how national unity and inclusivity can strengthen Somaliland's external positioning and advance its aspirations for international recognition.

II. SOMALILAND'S INTERNAL POLITICAL LANDSCAPE

Somaliland's domestic challenges have reached a critical juncture. The political instability in the run up to the Presidential elections, which had initially been scheduled for 2022 and which were delayed until November 2024, as well as the mounting frustrations over economic stagnation and unresolved conflicts in the eastern regions, have eroded public trust in the country's leadership. This erosion of authority reached its apex on August 25, 2023, when government forces suffered significant losses against the SSC-Khatumo forces in Lasanod. This event led to the emergence of the SSC-Khatumo administration which has increasingly aligned itself with the Federal Government of Somalia, declaring self-administered status. This loss seriously undermined Somaliland's past gains as the SSC-Khatumo forces now control large parts of Sool and Sanag, including the administrative city of Lasanod. The ongoing conflict in Sool and Sanag presents a threat to Somaliland's long-standing pursuit of international recognition

The emergence of restiveness in Awdal due to unresolved political grievances and

the existence of deeper divisions further compounds these challenges. The new administration cannot afford the complacency that characterized the regimes of the past three decades; instead, it should undertake immediate and proactive engagement with all regions in order to prevent new divisions from taking root and to address the legitimate concerns in this region.

There are various opportunities that the new administration can leverage to improve Somaliland's political standing. The newly formed SSC-Khatumo administration has so far failed to formally integrate into Somalia's federal system, providing the new administration with the opportunity to open a dialogue process. The new administration must seize this critical opportunity, demonstrating bold leadership and a willingness to prioritize peace and reconciliation. Only through decisive, inclusive, and forward-looking strategies can Somaliland address its domestic vulnerabilities and strengthen its position on the world stage.

III. STATECRAFT AND STRATEGY: ANALYZING DIPLOMATIC MOVES

The new Somaliland administration must prioritize a comprehensive review and overhaul of the nation's foreign policy, which has remained largely unchanged since the declaration of independence. Decades of relentless engagement with

both regional and international actors, seeking support at every opportunity, have yet to achieve the diplomatic breakthrough needed to secure formal recognition as an independent state.

While these efforts have sought to build relationships across borders, they have fallen short of delivering the diplomatic progress Somaliland desperately needs. The continued observance of a "one Somalia policy" by many global and regional actors hampers Somaliland's aspirations, as the international community often recognizes Somaliland as an administrative region within Somalia. This entrenched view has stalled meaningful progress on Somaliland's diplomatic front, and it emboldens the weak federal state of Somalia.

A comprehensive reassessment of Somaliland's foreign policy is not just desirable but imperative. Crafting a more strategic, targeted, and realistic approach will be essential to navigate these persistent challenges. By reevaluating its diplomatic strategies, Somaliland would be better positioned to advance its quest for statehood and redefine its place in the regional and global stages.

a. Seeking New Diplomatic Horizons

After more than three decades, Somaliland is still in pursuit of recognition, yet the AU continues to resist such aspirations, adhering to a policy that opposes recognizing "self-determination entities". AU's position reflects a deeply rooted commitment to preserving the territorial integrity of all its member states to preempt further fragmentation in Africa where local grievances and internal crises are common. At the same time, the AU has overseen the emergence of new states like Eritrea and South Sudan within the Horn of Africa region. This inconsistency highlights the diplomatic incongruity that Somaliland has faced since its declaration of independence. The AU's selective approach exposes the challenges of navigating an organization that has recognized other breakaway states under specific circumstances.

Following Eritrea and South Sudan's footsteps, whereby Somaliland's recognition is contingent upon Somalia's approval, both

African nations and the broader international community appear firmly convinced that Somaliland's aspirations must be resolved through political settlement with the Federal Government of Somalia, requiring mutual agreement for separation or unity. Thus, the position of the international community, which calls upon Somalia and Somaliland to "clarify their future relations", remains unchanged.

The negotiations between Somaliland and Somalia, which began formally at the London Conference in February 2012 and continued for more than a decade, have largely been categorized as making slow or no progress due to a lack of structured frameworks, foot-dragging on both sides, and the absence of robust third-party mediation by the international community.

The new administration campaigned on a promise to attempt to revive the dialogue with Somalia. Drawing on lessons learned from past engagements, Somaliland can strategically position itself to succeed in the complex diplomatic landscape ahead. This requires not only a reevaluation of prior negotiations but also an acute understanding of the evolving regional dynamics.

Moving forward, it is imperative for both Somaliland and Somalia to return to the negotiating table with renewed commitment and a reimagined framework for dialogue.

b. Economic Diplomacy

For over three decades, Somaliland has maintained both political and economic autonomy from Somalia. During this time, it has forged trade relations with neighboring countries and established economic ties with nations overseas. These efforts have allowed Somaliland to tap into its substantial economic potential. Notably, in 2016, Somaliland secured a 30-year agreement with DP World to develop and manage the Berbera Port in collaboration with the UAE's Dubai Ports Authority. Additionally, Somalil-

and has entered into oil exploration agreements with various international companies, further enhancing its economic prospects.

Looking ahead, the new administration should recalibrate its approach to international recognition by prioritizing the establishment of robust economic partnerships and fostering foreign investment through carefully structured incentives. This strategic shift should focus on achieving tangible economic outcomes that deliver immediate and meaningful benefits, rather than relying solely on traditional political diplomacy.

Somaliland's path to recognition must now be anchored on the principles of economic diplomacy. By actively encouraging foreign investment, promoting trade, and securing international support for critical sectors such as energy, infrastructure, and telecommunications, Somaliland can position itself as a valuable economic partner on the global stage. Demonstrating its economic potential and fostering mutually beneficial relationships will also reinforce its case for international recognition.

IV. GUARDED APPROACHES WITH SOMALIA

a. Resumption of the Dialogue: The Phase for International Mediation

The Somaliland parliament's decision to lift its long-standing prohibition on dialogue with Somalia in 2012 legitimized formal discussions, providing a legal framework for future negotiations. While previous rounds of talks failed to yield results, the new administration should seek to renew the talks and establish practical, confidence-building measures that serve as steppingstones toward a more meaningful and result driven dialogue.

During the next phase, Somaliland should make it a condition that any future talks include the presence of an international mediator, preferably a neutral third country.

This approach would add credibility and impartiality to the negotiations, increasing the likelihood of meaningful progress. By requiring a mediator, any agreements reached during the dialogue would include guarantees for implementation, ensuring that Somaliland's interests are protected and that both sides adhere to their commitments.

b. Exploring Zones of Cooperation

One potential area for rebuilding trust and cooperation is the revival of the previously agreed-upon joint management of the air

traffic. This arrangement allowed Somaliland partial control and revenue-sharing from overflight fees, benefiting both sides. The dissolution of this agreement has cost Somaliland significant revenue streams.

The new Somaliland administration must thoroughly review the role of its previous negotiators to identify pathways for reviving this agreement. A renewed focus on transparency and mutual management of key sectors, such as aviation and telecommunications (including undersea fiber optics), could strengthen economic ties. By restoring these agreements, Somaliland can reclaim lost revenue while fostering a collaborative economic relationship with Somalia.

c. Development Without Politics: A New Partnership Approach

To address its pressing development needs, Somaliland must prioritize renegotiating the resumption of the Somaliland Special Arrangement (SSA) within the framework of Somalia-Somaliland talks. This arrangement, previously instrumental in supporting development projects, is critical now, given the lack of meaningful developmental activity in Somaliland.

For this to succeed, Somaliland should advo-

cate for the involvement of impartial guarantors such as the US, EU, and international partners. These actors can ensure that aid flows remain untangled from political posturing,

focusing instead on empowering Somaliland to progress independently while maintaining constructive dialogue with Somalia.

V. HORN OF AFRICA GEOPOLITICS: NEW THREATS AND CHALLENGES

Somaliland's foreign policy objectives must be pragmatic, forward-looking, and outcome based. As it navigates an emerging "new world order," Somaliland's strategic location in the Horn of Africa underscores its geopolitical significance. The region's intensifying big-power rivalry evidenced by military bases in Djibouti operated by the United States, China, France, and others, highlights Somaliland's importance at the crossroads of global trade routes and military interests. Maintaining internal stability amid these external dynamics must be a cornerstone of Somaliland's strategy.

Despite its lack of formal recognition, Somaliland's status as an "unrecognized state" has allowed it to avoid entanglement in regional conflicts, fostering peace and stability compared to its neighbors. This perceived strategic weakness has, paradoxically, become an advantage by shielding Somaliland from the geopolitical rivalries engulfing the Red Sea

and the Gulf of Aden.

However, shifting regional dynamics present new challenges. The October 2024 tripartite defense pact between Egypt, Eritrea, and Somalia, initiated by Eritrean President Isaias Afwerki, has escalated tensions in the Horn of Africa. This alliance undermines Somaliland's Memorandum of Understanding (MoU) with Ethiopia, as Somalia rejected the MoU and reinforced its sovereignty claims over Somaliland. Egypt's increased military involvement and Turkey's naval presence further complicate Somaliland's external relations, amplifying diplomatic pressures.

In this evolving landscape, Somaliland must adopt a calibrated strategy to safeguard its interests. Balancing its recognition aspirations with the need to avoid regional conflicts will require diplomatic agility, strengthened alliances, and a steadfast commitment to stability and autonomy.

V. POLICY RECOMMENDATIONS

This Working Paper offers several recommendations for the new administration to guide its strategic foreign policy directions.

- Addressing domestic policy is essential as a cornerstone of foreign relations. Somaliland must resolve internal challenges, such as constitutional crises, economic stagnation, and regional disparities, to ensure a stable domestic foundation for effective

foreign policy. National reconciliation and equitable power-sharing are critical steps, requiring commitments to ceasefires and sustained dialogue with dissident groups like the SSC-Khatumo. Traditional conflict-resolution methods combined with humanitarian support can foster trust and unity. Furthermore, the establishment of a National Cohesion Commission is recommended to address social and clan

divisions, promote reconciliation, and encourage inclusive civic engagement.

- Reforming Somaliland's foreign affairs is another vital area. The new administration should define phased, outcome-oriented foreign policy goals to move beyond the traditional approaches to international recognition. A streamlined diplomatic framework is necessary to ensure transparency and coordination, reducing reliance on individual-driven efforts. Additionally, conducting audits of diplomatic missions will help identify redundancies, eliminate inefficiencies, and redirect resources toward initiatives with the greatest impact.
- Engaging pragmatically with Somalia is also essential. Structured discussions under international mediation should be resumed to ensure credible and enforceable agreements. Establishing confidence building frameworks will be instrumental in rebuilding trust and addressing contentious sovereignty issues constructively. Agreements such as the Ethiopia Memorandum of Understanding must be reassessed to rebuild trust and align negotiations with Somaliland's strategic interests.
- Regional diplomacy and international engagement require a proactive approach. Somaliland should prioritize economic diplomacy by fostering partnerships in sectors like energy, infrastructure, and telecommunications to highlight its economic potential. Emphasizing its geostrategic role as a stable partner for securing trade routes and promoting regional stability will strengthen its international standing. Maintaining neutrality in regional disputes is crucial to avoid unnecessary entanglements. Moreover, consistent advocacy within the African Union, leveraging precedents like Eritrea and South Sudan, can advance Somaliland's aspirations for recognition and integration into the international community.

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Off Airport Road, Behind the Adam's Inn
Hargeisa, Somaliland
T: +252 63 6226667