



Center for Democracy & Governance
"Holding Power Accountable"

Reevaluating and Realigning United States Foreign Aid: A Focus on Africa and Somaliland

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country-director@cdgsom.org
www.cdgsom.org



+252 63 4425849
+252 63 4425849



Badacas, behind Statehouse, IDPs.
Hargeisa, Somaliland.

ABOUT THE AUTHOR



Abdirahman Warsame Nour is the Country Director and the founder of Center for Democracy and Governance-CDG. Mr. Warsame earned his bachelor's degree in economics and political science and holds triple Master's degrees Master of Development Studies, Master of Peace and Conflict Studies and Master of International law and Diplomacy.

He has more than fourteen years' experience of Peace and Conflict studies, community development projects, mentor of conflict analysis and peace building.

He acquired field experience working alongside multiple counterparts in Somaliland and Somalia. International organization, local organizations and security governance specialist.



Reevaluating U.S. Foreign Aid Strategy: Strengthening Engagement in Africa and Somaliland

The United States government is undergoing a significant reevaluation of its foreign aid policies to adapt to the evolving geopolitical landscape. For the past 40 years, U.S. foreign assistance programs have remained relatively static, failing to address emerging global challenges effectively. With China's growing influence in Africa through extensive infrastructure investments and economic partnerships, the U.S. must recalibrate its approach to foreign aid. This shift is critical not only to counterbalance Chinese influence but also to strengthen America's presence in key regions, particularly in Africa. One such region that demands special consideration in this strategic realignment is Somaliland.

Despite declaring independence from Somalia in 1991, Somaliland remains unrecognized by the international community. However, its strategic location along the Gulf of Aden and its commitment to democracy and stability make it an essential partner for the United States. Unlike many of its neighboring states, Somaliland has maintained peace and democratic governance, presenting a unique opportunity for direct U.S. engagement. By reassessing its foreign aid strategy to support Somaliland, the U.S. can advance its economic, security, and geopolitical interests in the Horn of Africa.



2.The Geopolitical Landscape: China's Expanding Influence in Africa

Over the past two decades, China has emerged as Africa's leading foreign investor and development partner. Through its Belt and Road Initiative (BRI), China has provided extensive infrastructure loans and economic assistance, establishing a dominant presence in the region. African nations, including those in the Horn of Africa, have increasingly turned to China for financial support, often due to the limited and inconsistent engagement from Western nations, including the U.S.



China railway in Africa: The new train station in Addis Ababa, Ethiopia

China's investments in ports, railways, roads, and telecommunications have significantly increased its leverage over African economies. While these projects have spurred economic growth, they have also created concerns about debt dependency, governance issues, and the erosion of local industries. Somaliland, with its strategic Berbera Port, has also witnessed growing external interest, particularly from Gulf states and China. The U.S. must recognize the implications of these developments and adopt a proactive approach to reinforce its commitment to Africa and mitigate China's monopolization of regional influence.



STRATEGIC IMPORTANCE OF SOMALILAND

0.1

GEOPOLITICAL AND ECONOMIC SIGNIFICANCE

Somaliland occupies a critical geographical position along the Gulf of Aden, one of the world's busiest maritime trade routes. Its strategic location offers immense potential for regional and international trade, making it a valuable partner for U.S. economic and security interests.

The Berbera Port, which has undergone significant modernization with investments from the United Arab Emirates, presents a crucial opportunity for the U.S. to establish a strategic foothold in the region. A well-developed port in Somaliland could serve as an alternative to Chinese-controlled ports across Africa, providing a gateway for U.S. and allied commercial interests while ensuring secure trade routes.

0.2

SECURITY AND COUNTERTERRORISM COOPERATION

The Horn of Africa remains a volatile region plagued by terrorism, piracy, and instability. Neighboring Somalia continues to grapple with the persistent threat of Al-Shabaab, an extremist organization responsible for numerous attacks across East Africa. Unlike Somalia, Somaliland has successfully maintained stability and prevented extremist infiltration through strong governance and effective security measures.

A realigned U.S. foreign aid strategy should include security assistance to bolster Somaliland's counterterrorism capabilities. By enhancing intelligence-sharing, providing military aid, and supporting security sector reforms, the U.S. can strengthen Somaliland's ability to serve as a stabilizing force in the region. Such a partnership would not only protect U.S. strategic interests but also contribute to broader regional security objectives.

ECONOMIC DEVELOPMENT AND INVESTMENT OPPORTUNITIES

0.1

INFRASTRUCTURE AND TRADE DEVELOPMENT

A key component of U.S. foreign aid realignment should focus on economic development initiatives that directly benefit Somaliland's infrastructure and trade capacity. In addition to supporting Berbera Port's expansion, U.S. investment in road networks, energy projects, and digital connectivity could significantly enhance Somaliland's economic potential. Encouraging American businesses to participate in Somaliland's development could also foster long-term commercial partnerships and reduce reliance on Chinese investments.

0.2

EDUCATION AND WORKFORCE DEVELOPMENT

Investing in education and vocational training is another crucial area where U.S. foreign aid can make a meaningful impact. By supporting educational programs in science, technology, engineering, and mathematics (STEM), the U.S. can help Somaliland develop a skilled workforce capable of driving innovation and economic growth. Scholarships, exchange programs, and university partnerships can further strengthen ties between the two nations while promoting a pro-American outlook among Somaliland's youth.

0.3

SUSTAINABLE DEVELOPMENT & HUMANITARIAN ASSISTANCE

Environmental sustainability and climate resilience are pressing challenges for Somaliland, given its arid climate and water scarcity issues. U.S. foreign aid should include initiatives that promote sustainable agriculture, water management, and renewable energy projects. Additionally, targeted humanitarian assistance can help address food security concerns and support vulnerable populations affected by climate change and economic instability.

Policy Recommendations for U.S. Engagement in Somaliland



To effectively integrate Somaliland into its broader foreign aid strategy, the U.S. should adopt the following policy measures:



0.1

FORMAL RECOGNITION AND DIPLOMATIC ENGAGEMENT

While full diplomatic recognition of Somaliland may not be immediately feasible, the U.S. should establish direct diplomatic engagement through a representative office or consulate in Hargeisa.

Increased diplomatic presence would facilitate stronger economic and security cooperation while demonstrating U.S. commitment to Somaliland's development.

0.2

TARGETED ECONOMIC ASSISTANCE

Allocate foreign aid specifically for infrastructure development, trade expansion, and job creation initiatives in Somaliland.

Encourage American companies to explore investment opportunities in Somaliland's key industries, including logistics, energy, and technology.

0.3

SECURITY AND COUNTERTERRORISM SUPPORT

Expand military and counterterrorism assistance to Somaliland's security forces, focusing on training, equipment, and intelligence collaboration.

Integrate Somaliland into regional security frameworks to strengthen its role as a counterterrorism partner.

0.4

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Increase funding for educational initiatives, including scholarships for Somaliland students to study in the U.S.

Foster partnerships between U.S. and Somaliland universities to enhance academic collaboration and research opportunities.



CONCLUSION

Realigning U.S. foreign aid with a renewed focus on Somaliland is both a strategic necessity and a moral imperative. Recognizing Somaliland's stability, democratic governance, and economic potential would enable the U.S. to establish a mutually beneficial partnership that advances shared security and development goals. By investing in Somaliland's infrastructure, economy, and security, the U.S. can counterbalance China's growing influence in Africa while reaffirming its commitment to supporting democratic and self-sufficient regions.

The time has come for a pragmatic and forward-looking U.S. policy that acknowledges Somaliland's significance and actively integrates it into America's broader Africa strategy. By doing so, the United States can reinforce its role as a trusted ally and development partner, ensuring long-term stability and prosperity in the region.



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CONTACT US



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