



PPP Legal Framework

Somaliland's PPP framework creates a clear and investor-friendly environment for public-private collaboration. The law recognizes five main models turnkey, build-transfer-operate, lease, lease-purchase, and joint venture—while also allowing flexible arrangements that fit national policy and project needs. Every PPP follows a defined lifecycle. Projects are screened and documented through an outline business case, followed by feasibility studies and national approval.

Contracts provide certainty on obligations, duration, and exit terms, while procurement is conducted transparently, with competitive tendering as the default. An independent dispute resolution office and regular reporting requirements reinforce accountability. This framework gives investors confidence that projects in Somaliland will be prepared with rigor, implemented transparently, and supported by strong legal safeguards.

Potential Models for PPP

1. **Service Contract**
2. **Management Contract**
3. **Lease**
4. **Franchise**
5. **Joint Venture (PPP - Shareholding)**
6. **Community PPP**
7. **Concession**
8. **BOT - Build-Operate-Transfer**
9. **DBO - Design-Build-Operate**
10. **DBFO/DBFM - Design-Build-Finance-Operate/Maintain**
11. **BOO - Build-Own-Operate**
12. **BBO - Buy-Build-Operate**

“Powering Growth Through Partnership”



A Public-Private Partnership (PPP) is a results-focused contract between government and a private partner to deliver a public asset or service for a defined period, with risks and rewards shared to the party best able to manage them. PPP combine design, construction, operations/maintenance and financing, with performance-linked payments and clear service standards.

Contact Us

Address

Presidential Road, Shacabka, 26 June, Hargeisa, MJ, Somaliland

Phone

+252 63 470465

E-mail

PPP.moiid@sldgov.org
info.moiid@sldgov.org

Website

www.moiid.govsomaliland.org
www.somalilandinvest.com



Wasaaradda Horumarinta Maalgashiga iyo Warshadaha
Ministry of Investment & Industrial Development
وزارة تنمية الاستثمار والصناعة

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YOUR GATEWAY TO INVESTMENT IN THE HORN OF AFRICA





Introduction about Public-Private Partnership

Public-Private Partnerships (PPPs) in Somaliland represent a transformative approach to fostering economic development, improving public services, and building critical infrastructure for the nation's progress. The framework, governed by the Public-Private Partnership Act, under the Ministry of investment & Industrial Development creates a collaborative platform where the government and private investors work together to address infrastructure gaps and service delivery challenges. This synergy leverages the efficiency, innovation, and resources of the private sector while aligning with public interests and developmental goals.

One notable example is the modernization of the Berbera Port, a project undertaken through a PPP model with international stakeholders. This project has significantly enhanced Somaliland's trade infrastructure, cementing its position as a logistics hub in the Horn of Africa. PPPs like these illustrate how public needs can be met efficiently while fostering economic growth and development.

Through PPPs, Somaliland aims to ensure that public services and infrastructure projects meet rigorous quality and sustainability standards. For instance, partnerships in healthcare have facilitated the construction of hospitals and clinics, while infrastructure initiatives include renewable energy installations and road networks. These projects directly benefit Somalilanders by improving access to essential services.

1. **Deliver High-Quality Public Services and Infrastructure**
2. **Establish Transparent and Fair Processes**
3. **Foster a Conducive Legal Environment**
4. **Promote Accountability and Efficiency**
5. **Safeguard Stakeholder Interests**



Priority PPP Sectors

1. Transportation and Logistics

- Roads and Highways
- Railways
- Ports and Airports



2. Social Infrastructure

- Healthcare:
- Education and Housing
- Recreational Facilities



3. Water and Sanitation

- Water Supply
- Irrigation and Wastewater Management
- Sanitation Infrastructure



4. Energy

- Renewable Energy
- Electricity Grid Expansion
- Energy Efficiency



6. Mining and Resource Processing

- Exploration and Processing
- Value-Added Industries



7. Agriculture and Agro-Processing

- Agro-Industrial Parks
- Storage and Irrigation



8. Technology and Communications

- Telecommunications
- IT Infrastructure



Steps for PPP projects

Phase 1: Identification

- Pre-feasibility and PPP suitability/VfM screening.
- Check legal permissibility in the sector.
- Early risk identification, initial commercial/revenue model.

Phase 2: Development (Preparation & Structuring)

- Detailed technical, market, financial and legal studies; economic, financial and affordability analyses.
- Risk allocation matrix (allocate to the party best able to manage; protect lenders from non-commercial risks; define KPIs/output standards).
- Draft procurement plan and contract package (scope, performance regime, payment mechanism, penalties, dispute resolution, termination).

Phase 3: Procurement (Competitive Bidding)

- Issue EOI/REOI, RFQ, then RFP with a draft contract; run a transparent, non-discriminatory process with clear timelines.
- Secure inter-agency approvals in time to avoid delays.
- Name preferred bidder and reach commercial & financial close.

Phase 4: Contract Management & Monitoring (Operations)

- Establishing a Project Monitoring Unit (PMU) and inter-departmental governance; manage performance to KPIs/output specs and payment rules.
- Periodic reporting by the line ministry to the PPP Unit; independent oversight by the PPP Unit; ministerial support to resolve escalated issues.
- Handle variations, disputes, and (at term) hand-back/transfer.