

At present, little is known about private sector organizations in Somalia, despite a [mapping exercise](#) conducted by the Center for International Private Enterprise (CIPE) in 2022, identified 38 of such organizations, including business associations, chambers of commerce and several types of cooperatives active in different sectors of the economy. The study shows that despite most of these organizations have basic governance structures in place (e.g., board of directors, constitution or bylaws, a general assembly, etc.), many of them are still not registered with the competent authorities. The registration process also lacks of clarity, and multiple registrations are required, both at federal and State-level, which create complexity. Moreover, a single register of all private sector organizations seems to be lacking in the country.

Yet, the study concludes that in a country with still fragile governing institutions and weak public governance, the private sector can be an important source of growth of the economy. Last year, the private sector already drove investments in the [Gara'ad](#) Port, in the Mudug region. Gara'ad is the only port in Somalia and in the whole Eastern Africa region which has been constructed and is being expanded by relying (at least at the moment) exclusively on local investors, with no presence of foreign ones.

The report therefore recommends the government of Somalia to further support the development of the private sector organizations by creating legal and policy frameworks that encourage their establishment, together with other incentives. Moreover, the government is encouraged to improve the dialogue with such organizations so to leverage on them in order to build a more investment-friendly business environment in the country.

The CIPE study also analyses which services such organizations offer to their members. The main ones include networking events, advocacy efforts, and business development training. On the other hand, the weakest functions where such organizations need support are: strategic planning and management & human resources. The adoption of strategic plans is important for these organizations to set organisational direction, prioritize their tasks, deploy resources, and achieving results. Concerning the human resource management, about 1/3 of them have organization charts with written job descriptions and hire on the basis of professional qualifications.