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# LOCAL ECONOMIC DEVELOPMENT PLANNING AND STRATEGY

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Garowe 2014- 2016,  
revised in April 2016

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## Contents

Executive summary .....	3
Introduction .....	4
Summary of SWOT analysis in Garowe .....	5
LED Forum members for Garowe .....	7
Mission, Vision and planning goals for Garowe.....	7
Vision.....	7
Mission.....	7
Goals .....	7
Resource mobilization to actualize the strategic plan.....	9
Monitoring and evaluation framework.....	10
Responsibility and accountability of leadership .....	10
Managerial Hierarchy of LED forum-Garowe: .....	10
Monitoring and audit of projects.....	11
Reporting .....	11
Achievements (2013-2015) and priorities for 2016-2017: .....	11
Matrix of key planning activities .....	13
Annex 1. Local economic assessment for Garowe.....	15
III. <i>Electricity supply &amp; distribution:</i> .....	18
IV. <i>Water &amp; Sewerage:</i> .....	18
V. <i>Telephone/Internet:</i> .....	18
VI. <i>Social facilities:</i> .....	18
VII. <i>Energy:</i> .....	18

## **Executive summary**

Development in the local economies of Puntland state districts was found important for the survival of the people of Puntland state. Business is the only way to create wealthy hence the academic emergency of the business management in earlier of 19 century through the work of Henry Fayol, Max Weber, and F.W Taylor. Somalia has free market economy in its tradition, and due to this capitalism and private ownership of properties, the barter system of trading played very important role in the late of 17 and earlier of 19 centuries. Getting down, Puntland state has very historic trading relationship with Yemen and the Arabian Peninsula. Puntland freely traded its frankincense resources with the Arab countries in exchange for consumable goods for years during the Sultanet of Isman, during the 1800 century. In addition, the livestock which is the most imperishable stock is currently the most exporting resources to the Arab countries such as Saudi Arabia. Secondly, Puntland has the largest coastal area in Somalia, lack of capital equipments, lack of knowledge of marine resources and UUI fishing hinders the possibility of improved marine resources exports. Improved exports of the marine resources will generate huge financial resources which will have better effects on the balances of the payments for Puntland state economy.

Truthfully and generally, the country, Somalia, has suffered from prolonged political and tribal confrontations with half a million of lives gonna and there is no doubt the need for economy resilience. Besides, the political instability, Somalia gained the cheapest and most affordable GSM services in Africa, abundant trading enterprises, and remittance companies across the whole world, these businesses were run without rules and regulations in earlier of 1990s. More than 20 years, the country remained under the control of factions based on clans divisions with very higher conflict of interests and that refused the emergence of viable rule of law for business control and competition regulations. Only recently, the Somali Federal Government and member states came with initiatives regarding public private dialogue to improve the local economy to escape from becoming starving nation. The Local Economic Development initiative emphasizes the importance of the formation of a group of representatives whose work will be the development of any economic unit domestically. This doctrine begins with the concept that in the existence of elite group in the coordination of the government, the civil society and the private sector or businesses will exert plenty of ideas and joint efforts (power) to implement fruitful sustainable projects targeting the activation of all productive sectors in an economy. And through the process, in some projects, the government and the private sector may find very vital to execute in partners availing the opportunity to provide valuable commodity and services to the public. In short, the only way to create business enabling environment in any economy is to mainstream the government, private sector and civil society efforts in such a way factors hampering business development are simply removed. Then there comes the need for economic reform, “business associations must advocate for reforms, business association stimulate the creation of goods and services and the jobs that accompany them. Therefore, their voices needs to be heard in the policymaking if it is to be truly democratic”, said by John D. Sullivan, Executive Director for CIPE.

## Introduction

Formed by businesses and local authorities the LED Forums were constituted and supported to provide vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area. They are a vehicle to deliver Government objectives for economic growth and decentralization as stipulated in the NDP, whilst providing a means for local authorities to work together with businesses in order to promote local growth.

### Productive Sectors in Puntland

- i. **Livestock:** Pastoralism remains a key driver of economic activity. As per the official estimates, it contributes to 40 percent of GDP, 60 percent of employment, and about 80 percent of foreign exchange earnings. The livestock sector is dominated by sheep and goats, which have a niche market in the countries of the Arabian Peninsula. The sector not only provides livelihoods but also a strong food market for rural and urban areas. Yet the sector operates in a fragile environment with no permanent rivers, severe droughts, and a poor infrastructure that badly serves the burgeoning exports of livestock and livestock products.
- ii. **Fisheries:** The fisheries sector has substantial untapped potential along the 1,640 km coastline of Puntland State of Somalia, which makes up about half of Somalia's overall coastline. Studies show that the potential has never been tapped beyond 7 percent, at peak
- iii. **Agriculture:** Agriculture makes a relatively small contribution to the GDP in Puntland State of Somalia. Among the producing areas in Puntland State of Somalia, Iskusciuban, the largest district, produces tomatoes, onions, hot peppers, guavas, lemons, limes, etc. Vegetables and fruits are also grown in Galgala, Nugal, and Dharor valleys, the Sanag highlands, and Kubo (Gardo). The best agricultural method involves irrigation using two natural springs near Iskusciuban.
- iv. **Industry:** Today, the sector comprises mostly privately owned manufacturing and construction subsectors. The industrial enterprise base is at its embryonic stage of development, mainly composed of a growing number of recently established, small-scale manufacturing factories. While a vibrant group of entrepreneurs owns most of these factories, others are established under the strict ownership and management of cooperatives formed by local communities. The construction boom is clearly seen in towns like Bossaso, Garowe, Galkacyo, Las-anod, Badhan, Armo, and Buhodle.
- v. **Physical Infrastructure:** Infrastructure in Puntland State of Somalia is limited to an international port, a paved road, some airstrips, and a network of access routes to the seashore, where fishing communities have settled. Towns have electricity and telephone facilities. Water provision services operate privately, as do air, sea, and land transportation services. Puntland State of Somalia has good international airline connections to its main urban centres – Bosasso, Garowe, and Galkacyo.

- vi. **Services:** Private sector services have expanded, while public services lag behind due to meager fiscal resources and low capacity. Private sector services comprise wholesale and retail trade, hotels, restaurants, transport and communications, financial services, etc.
- vii. **International Trade:** Trade has survived state failure to become an important sector of the Puntland State of Somalia economy. The growth of remittances, financial services (as a substitute for commercial banking), and the telecommunications sector has helped to drive trade. The importance of trade for the economy is underlined by the current efforts of the authorities to establish an Investment Promotion Centre and an Export Promotion Centre. Key exports are related to livestock, as well as fishery and agriculture

## Summary of SWOT analysis in Garowe

SWOT Analysis of Garowe District	
<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>✓ Garowe connects the three regions of Somalia, namely Somaliland, Puntland and the South Central</li> <li>✓ Garowe is the capital city of Puntland State and also the seat of parliament.</li> <li>✓ Confirmed mineral and oil deposits</li> <li>✓ Five functioning universities: East Africa Universities, Puntland state University, Garowe Teacher's college, Bosaso University, and Admas University.</li> <li>✓ One Airstrips</li> <li>✓ Good town planning and internal road networks</li> <li>✓ Livestock development and good agricultural land</li> <li>✓ Developing use of Solar energy</li> <li>✓ Lights industries</li> <li>✓ Developing small businesses</li> <li>✓ Good security</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>✓ Increased trade with Ethiopia and other parts of Puntland – imports of onions, garlic and potatoes</li> <li>✓ Livestock exports via Bosaso port to the Middle East countries</li> <li>✓ Enhanced hospitality industry including hotels, restaurants and transportation services will boost the district income.</li> <li>✓ Developing civil society networks</li> <li>✓ Harmonization of Education syllabus</li> <li>✓ Alternative energy initiatives as the current sources are unaffordable to the majority of the population</li> <li>✓ Exploration of minerals and oil reserves</li> <li>✓ Two research (Think tankers) institutes, PDRC and SIDRA.</li> <li>✓ Ongoing construction of an airport</li> </ul>
<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>✓ Expensive living costs</li> <li>✓ Lack of sewage and drainage systems</li> <li>✓ Lack of recreation centres</li> <li>✓ unaffordable electricity costs (Expensive)</li> <li>✓ Substandard quality education due to the shortage of teachers and other educational resources</li> <li>✓ Limited healthcare services and facilities</li> <li>✓ Lack of strategic policy and Institutional framework</li> <li>✓ Poor Public transport system</li> <li>✓ Lack of municipality services such fire department and emergency services</li> <li>✓ Poor revenue collection processes and systems</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>✓ Political instability and intermittent security lapses in the south and central parts of Somalia</li> <li>✓ Risks associated with the large number of illegal immigrants in the district and increasing human trafficking.</li> <li>✓ Land ownership conflicts among pastoralists especially during the dry season</li> <li>✓ The large number of unemployed young people can have a negative impact on the economy of the district.</li> <li>✓ Poor health and WASH facilities</li> <li>✓ Droughts</li> <li>✓ Climate change and global warming</li> </ul>

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## LED Forum members for Garowe

Name of stake holder	Organization focus	Potential role in LED
Mohammed Abdirahman Gure	Consultant	LED forum consultant
Mohammud Ali Said	Business owner	Member
Abdirashid Gureye Karshe	Business Owner	Chairman
Abdikadir Nur Aden	Civil society/youth	Member

## Mission, Vision and planning goals for Garowe

### Vision

By 2018, Garowe will be a thriving economic hub which has an attractive business enabling environment conducive to induce both local and foreign investment and characterized by improved public infrastructure, low unemployment levels and high quality of life for its inhabitants.

### Mission

Establish a voluntary, diverse, dynamic and development oriented association that is committed to pool together their expertise and resources to implement local economic strategies that builds on the local economic potential of the district and address poverty, unemployment and obstacles to enterprise development.

### Goals

- I. **Infrastructure: Infrastructure:** Improve the economic infrastructure of Garowe and make it an investment friendly city .

#### Key objectives

- ✓ Provide cheap and accessible water and electricity
- ✓ Market construction

- ✓ Road construction
- ✓ Provide cheap and accessible ICT services for businesses
- ✓ Land for investment

II. **Employment:** To enhance the skills of local labour force to meet the demands of the job market and attract businesses that will require such skills

**Key objectives**

- ✓ Establish training institutes
- ✓ Further develop the skills of existing labour force
- ✓ Promote the growth of the SME sector
- ✓ Providing BDS for SMES
- ✓ Improving the state of economic infrastructures
- ✓ Providing land for investments

III. **Business environment:** To make Garowe a competitive and attractive destination that will attract both local and foreign investments

**Key objectives**

- ✓ Improved security
- ✓ Improved infrastructures such as roads
- ✓ Greening the city
- ✓ Promoting the growth of local industries
- ✓ Provide land for investment

IV. **Support to SMEs:** Provide an enabling environment that will stimulate the growth of the SME sector

**Key objectives**

- ✓ Promoting local industries/businesses
- ✓ Tax incentives
- ✓ Access to finance
- ✓ Access to markets
- ✓ Investment friendly regulations

- ✓ Skills development
- ✓ Provide BDS to SMEs

## **Resource mobilization to actualize the strategic plan**

### **a. Project based funding**

The municipality has very good relations with many development partners including UN-HABITAT, UNICEF, UNDP, EDC, and ILO. The Municipality of ILO has implemented 19 funds based projects namely: Urban housing construction, water supply system, Garbage collection, Capacity building of Local Government, building small markets, Construction of a Police Station, Construction of Slaughterhouse, Construction of Primary school, Construction of 2MCHs and many others. Garowe municipality has the capacity to implement small and medium sized projects which is penetrating role of development participation. The municipality has vision, mission statements; strategic objectives and plans, the municipality collect taxes from the running economic activities in the district. Administratively, the district council is the ceiling government body in the head district of Nugaal. For local economy development, the LED forum of Garowe was built in the municipality of Garowe, and it is the umbrella where the forum rests on. In other words, the LED forum for Garowe is an independent forum working for the best interest of the business community in Garowe so that in order for the them to be working on harmonized plans the municipality helps the forum to get access to ultimate authority for decision making.

### **b. Leveraging the available district resources**

The municipality of Garowe collects taxes from the businesses working inside the district, the revenue collected through these taxation processes are used to fund for the recurrent budgets of the district. Currently, Garowe airport is under construction with the technical and financial support s from development partners. The municipality has plans to fund raise to construct the district infrastructure such as the streets; it has also plans to write proposal to available development partners who are willing to invest on the infrastructure development of Garowe district. The formation of Garowe LED forum is the one of the most important steps taken forward for good public and private collaboration for better Garowe in the near future.

### **c. Sustainable community involvement**

During these much time, the municipality of Garowe has developed couple of community owned projects such as the slaughterhouse, Garowe market, and many other sustainable community owned projects.

Besides, the LED forum implemented couple of community driven projects including micro finance and in coming years there are plans for sustainable community owned projects in productive sectors.

## Monitoring and evaluation framework

### Responsibility and accountability of leadership

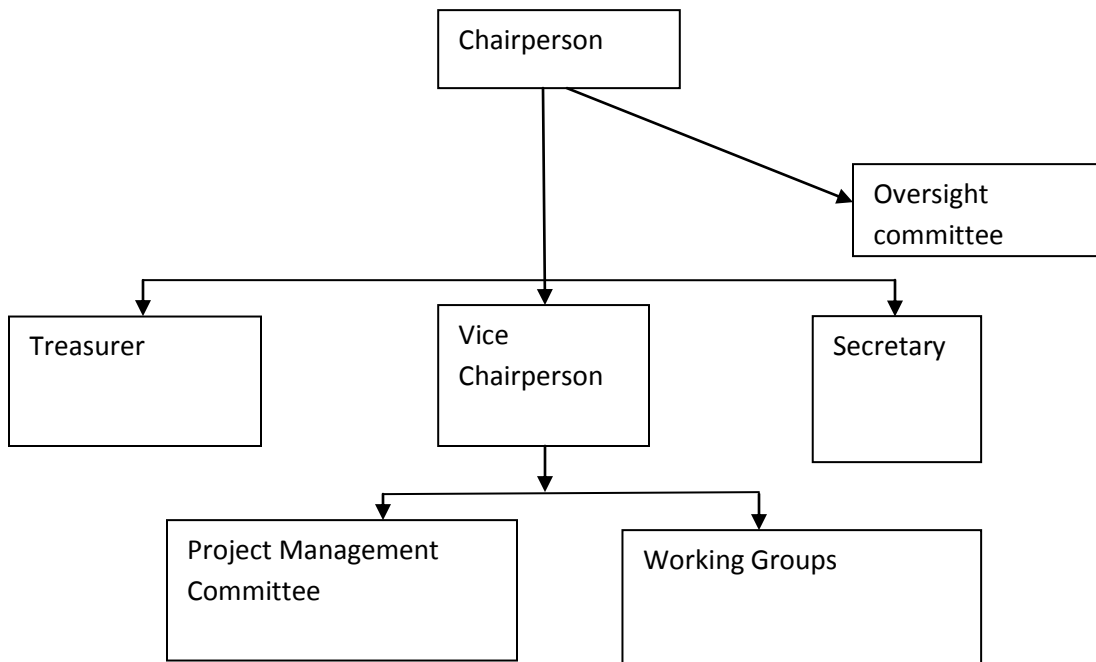
The chairman of the LED-Garowe forum is responsibility for the planning, organizing, staffing, directing, coordinating, reporting and budgeting for the activities of the LED forum in this district. More specifically, the chairman is the head of the board of directors and the rightful leader of the association who has the power to take decisions, implement work/project, dismiss staff, and take remedial actions to correct deviations. Therefore, the chairman is accountable to the general assembly of the LED forum members. (for details, please see LED-Garowe constitution).

**a. Below is the administrative hierarchy of the operating forum and their accountability chain of command:**

1. Chairman
2. Oversight committee
3. Vice Chairperson
4. Secretary
5. Treasurer
6. Project Implementation Committee
7. Working group

(For details see the constitution).

### Managerial Hierarchy of LED forum-Garowe:



## **Monitoring and audit of projects**

- b. At the beginning, projects are designed in log frames so that monitoring and evaluation plans are built into the project proposals. The chairman of the LED forum will assign someone to closely monitor the ongoing projects and report back in the forum sessions before the big monitoring and auditing is scheduled. At the end of every project, Representatives from the donor organization, representatives from the LED forum and the municipality must visit the project sites to make sure that things were implemented as shown in the predetermined plans. Controlling and monitoring are used in this case interchangeably. Thus, checklists are used to monitor field works and the reports produced by the assessment team will be used as baseline information for later project extensions in the same fields in the future.

## **Reporting**

Reporting is the basic information sharing and the rightful communication channel of the LED forum with the rest of the LED stakeholders. The forum has a lead officer who handles all reports and proposal writing assignments communicating to all partners. The forum will prepare weekly, monthly, progressive and yearly reports and submit these reports to the concerned parts such as ILO and the municipality of Garowe such as the Mayor, the deputy mayor and the permanent secretariat.

## **Achievements (2013-2015) and priorities for 2016-2017:**

Garowe LED forum was established in earlier of 2013, the LED forum has implemented couple of development projects including the construction of 7 markets (2013) composed of new constructions and expansions, 50% of the budget for the construction of the markets came from ILO whereas the rest of the budget line was covered by the Forum through local fundraising. In 2014, Micro finance project for small business owners, 12 new graduate students were invested on their entrepreneurial ideas, 15 other graduates were attached to local companies as interns with their salaries covered from LED forum donation account, the forum has also constructed Business and career development centre at East Africa University in Garowe, and highly arranged public private dialogues were held for the private sector, the local government of Garowe, and the civil society. In 2015, the forum has achieved to construction center for Business and career development at Puntland State University (PSU), 30 graduate students received job placement for 6 months, 26 other graduate students from East Africa and Puntland state Universities got

awards investments for their entrepreneurial ideas, and 90 businesswomen were trained on business management and entrepreneurship ideas development in five days training sessions. In earlier of this year, the forum attended Association Management Workshop held in Entebbe, Uganda by CIPE/ILO. Moreover, in 2016, Garowe LED forum plans to hold Business Association Forum for the local Local Economic Development stakeholders including the local government of Garowe, Micro finance project for graduates from technical schools such as electricians, motorist, carpentry, and so on, also the forum prefers to include in the beneficiaries of the micro finance small business owners who are in need for funds for expansion and innovation and investment for entrepreneurs who need kick start to own businesses. Besides, the forum intends to help pastoralists whose livestock was eradicated by the latest droughts and need restocking to maintain their livelihoods and financial support to farmers who have livestock herding skills is also very important. In 2017, there are very large number of university gradulators who are collecting their first university degree in every year due to the poor employment from the currently labor market the forum wants to introduce heavy job placements for the university graduate to reduce the increasing youth immigrants to the outside through the risky desert of Libiya and the sea. The LED forum proposes to fundraise for the employment of the university graduates by launching 1 dollar campaign.

## Matrix of key planning activities

Garowe summary matrix										
Vision	Strategic goals	Operational objectives	Priority projects	Key activities	Source(s) of funds	Budget allocation				
						YR1	YR2	YR3	YR4	YR5
	<b>Infrastructure:</b> Improve the economic infrastructure of Garowe and make it an investment friendly city	<ul style="list-style-type: none"> <li>✓ Provide cheap and accessible water and electricity</li> <li>✓ Market construction</li> <li>✓ Road construction</li> <li>✓ Provide cheap and accessible ICT services for businesses</li> <li>✓ Land for investment</li> </ul>	<ul style="list-style-type: none"> <li>✓ Attract other investors to tap into alternative sources of energy such as wind</li> <li>✓ Construction of markets in the estates</li> <li>✓ Construction of strategic inner township roads</li> <li>✓ Cheap, affordable and reliable ICT services</li> </ul>							
	<b>Employment:</b> To enhance the skills of local labour force to meet the demands of the job market and attract businesses that will require such skills	<ul style="list-style-type: none"> <li>✓ Establish training institutes</li> <li>✓ Further develop the skills of existing labour force</li> <li>✓ <b>Promote the growth of the SME sector</b></li> <li>✓ Providing BDS for SMES</li> <li>✓ Improving the state of economic infrastructures</li> <li>✓ Providing land for investments</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Promoting entrepreneurship over employed jobs</b></li> <li>✓ Set up job centers</li> <li>✓ Vocational training</li> <li>✓ <b>Microfinance</b></li> <li>✓ Rehabilitation/construction of existing infrastructures</li> </ul>	<ul style="list-style-type: none"> <li>✓ Identify potential entrepreneurs in Garowe</li> <li>✓ Distribute financial support</li> <li>✓ Monitor the cash support beneficiaries</li> <li>✓ Collect successful cases</li> <li>✓ Identify potential university graduates</li> <li>✓ Offer internship chances</li> <li>✓ Payment of monthly salaries to the interns</li> <li>✓ Monitor the progress of the internship students</li> <li>✓ Collect successful studies</li> <li>✓ Prepare reports</li> <li>✓ Submit reports to</li> </ul>	ILO, local fundraising		2017			

				partners and other stakeholders						
	<p><b>Enabling business environment:</b> To make Garowe a competitive and attractive destination that will attract both local and foreign investments</p>	<ul style="list-style-type: none"> <li>✓ Improved security</li> <li>✓ Improved infrastructures such as roads</li> <li>✓ Greening the city</li> <li>✓ Promoting the growth of local industries</li> <li>✓ Provide land for investment</li> </ul>	<ul style="list-style-type: none"> <li>- Investment promotion</li> <li>- Exploring alternative sources of energy to fuel which is very costly</li> <li>- Setting up investment friendly regulations</li> <li>- Tax incentives</li> <li>- Construction of markets and roads</li> </ul> <p>Skills development</p>							
	<p><b>Support to the MSMEs:</b> Provide an enabling environment that will stimulate the growth of the SME sector</p>	<ul style="list-style-type: none"> <li>✓ Promoting local industries/businesses</li> <li>✓ Tax incentives</li> <li>✓ Access to finance</li> <li>✓ Access to markets</li> <li>✓ Investment friendly regulations</li> <li>✓ Skills development</li> <li>✓ Provide BDS to SMEs</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Micro Finance</b></li> <li>✓ Skills development</li> <li>✓ Cooperatives</li> <li>✓ Promoting access to finance</li> </ul>	<ul style="list-style-type: none"> <li>✓ Identify small businesses in need for expansion</li> <li>✓ Submit the list of the beneficiaries in collaboration with the municipality of Garowe</li> <li>✓ Distribute the financial support to the business owners</li> <li>✓ Monitor the beneficiaries</li> <li>✓ Write down successful cases</li> <li>✓ Reporting to partners and other stakeholders</li> </ul>	ILO, and local fundraising	2016				

## Annex 1. Local economic assessment for Garowe

Local economic Assessment tool kit		
LEA focus area	Economic sectors	Description
Business and enterprise	Structure of local Economy	<p>Garowe is the capital city of Nugal region in central Somalia, neighboring Mudug, Sool and Bari regions. It also share border with Ethiopia in the west. It is the political capital of the semi-autonomous State of Puntland, Somalia. Due to its central location, it also connects the busy port of Bosaso to other parts of the country and Ethiopia.</p> <p>The economy of Garowe revolves around its position as the seat of political power and the centre of humanitarian and UN agencies head offices. This has expanded hospitality facilities around the city and so are the businesses.</p>
	Economic Competitiveness	<ul style="list-style-type: none"> <li>• Garowe connects the three regions of Somalia, namely Somaliland, Puntland and the South Central</li> <li>• It is the capital city of Puntland State and also the seat of Puntland state parliament. This has conferred economic privileges as well as enhanced security.</li> <li>• There are confirmed mineral and oil deposits</li> <li>• Presence of universities and the NGOs ensure that the qualified human resource is utilized to the extent congruent goals are realized.</li> <li>• An international airport is under construction.</li> <li>• Good town planning and internal road networks</li> <li>• Livestock development agricultural lands</li> </ul>
	Enterprise and innovation	<p>Garowe has a strong retail and wholesale sector accounting for 55%, followed by service sector 16%, agriculture 20%, construction 8% and small manufacturing 1%. This is largely due to the administrative role the city has.</p> <p>Most MSME, fall into the sole ownership category over 79% of enterprises. This form of ownership is preferred as it is the least costly and simplest form of ownership to create. This form of business also brings about total decision-making authority, there is no legal restrictions and is a type of business ownership that is easy to discontinue. A few partnerships and cooperatives exist.</p> <p>Most MSME employ 2-5 employees, which by international definitions would be classified as micro-enterprises. This implies the need to boost the productivity and competitiveness of micro-enterprises through access to credit, business development services, improved infrastructure and enhanced enabling environment. Such initiatives would go some way towards lifting micro-enterprises away from the production of low-value goods and services.</p>

Local economic Assessment tool kit		
LEA focus area	Economic sectors	Description
		Majority of businesses start with the initial capital ranging from USD 1,000 to USD 5,000.
	Business needs	<p>The largest percentage of the running cost goes towards labour 67%,. The second goes towards obtaining raw material 31%, while costs of utilities are ranked as third 1% place which is surprisingly given the high cost of energy.</p> <p>Processing and issuing business licenses are very reasonable by international standards. JPLG through ILO technical assistance has implemented a business licensing reform programme to address the short-coming of the current licensing system through standardizing process, business categories and license fees for the JPLG districts. As the result, the business registration of Garowe has increased, all small, medium and big corporation are in a hurry to register their businesses paying very small amount of registration fees. For small business registration, it takes only two days to register and issue a license certificate to the owner of the small business. Conversely, the registrations of companies are quite longer than the small businesses due to the required paper work.</p> <p>The fact that the majority of MSME are not members of business associations and cooperatives could be partly attributed to a) not knowing the value they could offer them, b) not knowing anything about them, and c) not having one in their locality.</p> <p>Business membership organizations (BMOs) can promote MSME growth through facilitation or direct provision of selected demand-driven services and through advocacy aimed at creating a better business environment. ILO is currently collaborating with the Chamber of Commerce to ensure the active representation of BMO in the MSME sector.</p> <p>In analyzing business priorities that will enhance growth, Access to credit came first 50% business development services 20% and improved infrastructure 30%. In Garowe, businesses firstly have only 50% chances to access credit, secondly the chances for business development services is 20% and thirdly, the chance for having improved infrastructure is 30%.</p>
People and communities	Labour market	As the capital city of Puntland and with the high number of UN agencies in Garowe, there is a pull effect on youth towards the city either in search for education or employment. The level of skill of most job seekers is still low and the need for TVET colleges is enormous. As the result of this, youth are immigrants to the

Local economic Assessment tool kit		
LEA focus area	Economic sectors	Description
		western world.
	Skills	As noted above the skills level of the majority of job seekers still need to be enhanced to bridge the capacity gap that employers desire.
	Economic inclusion	<p><b><i>These are figures(below) from other parts Somalia and there is little reason to doubt that Puntland figures would deviate significantly from these</i></b></p> <p>About 26% of businesses have and use accounts with the formal institutions, while 74% do not. The accounts are mainly for receiving money or payments for work or selling of goods and services (15%). About 10% use it for savings while 1% use accounts for receiving money or payments from the government.</p> <p>Some reasons for not operating business accounts in formal financial institutions include;</p> <ul style="list-style-type: none"> <li>✓ Most business people claim not to have any money to keep in the bank</li> <li>✓ Others don't trust financial institutions</li> <li>✓ Some claim that service fee or premiums are too expensive</li> <li>✓ Financial institutions are located far away</li> <li>✓ Lack of necessary documentation such as ID card, wage slips etc.</li> </ul> <p>The usage of mobile money transfer is high amongst traders. About 96% use mobile money services. However, the usage is higher amongst traders aged between 18-30 years (53%) and 31-40 years (31%). The usage amongst age group of 41-60 years is 12%.</p> <p>In terms of gender, more men than women traders have access to financial services. Majority of men (24%) have accounts with the formal money transfer companies as opposed to 2% women. In mobile phone money transfer, about 79% of the users are men in comparison to 17% women. About 24% of men use hagged services compared to 8% of women. There are various factors which affect women in accessing financial services, some of which are religious or cultural.</p>
Sustainable economic growth	Environmental sustainability	<p>City growth and the need for housing is already putting pressure on the fragile environment. Need for good waste management and the polythene menace is an area requiring attention.</p> <p>Dependence on wood fuel for domestic energy is putting a lot of pressure on the vegetation. Efforts need to be made to seek affordable sources of energy (renewable) for both urban domestic and rural families.</p>
	Infrastructure	<p>I. <b>Airports:</b> the airport of Garowe district is under construction. Currently, there is one rough airstrip working for both commercial and humanitarian services.</p> <p>II. <b>Road Network:</b> Condition of the road leading to and out of Garowe is satisfactory except the road to</p>

Local economic Assessment tool kit		
LEA focus area	Economic sectors	Description
		<p>Galkaio needs urgent maintenance.</p> <p>III. <b>Electricity supply &amp; distribution:</b> diesel-generated power supply from the local government and private distributors is available; however, due to the high price of fuel the electricity remains unaffordable to the majority of the population.</p> <p>IV. <b>Water &amp; Sewerage:</b> Sufficient water supply is provided by the local government. The sewerage system is poor.</p> <p>V. <b>Telephone/Internet:</b> The coverage of the three major Telecom service providers extends to Garowe. Landline and mobile telephone service offered by, Golis, Nationlink and Somtel are available at reasonable costs. Unfortunately, there is no connectivity among telecommunication companies in Garowe similar to other districts of Puntland state.</p> <p>VI. <b>Social facilities:</b> Educational institutions are mainly run as social businesses by local and International NGO's while some are run by the government. There are good public hospitals. The lack of playgrounds and public recreation centers is common to all districts in the Puntland and is not seen as a priority considering the situation.</p> <p>VII. <b>Energy:</b> Most households use charcoal and firewood which destroys the environment because kerosene or/and Liquid Petroleum Gas (LPG) is unaffordable. Currently, there is emerging use of pipe gas for household cooking and if this alternative for cooking energy is adopted the wildlife will be safe, trees won't be cut, and ecological systems will remain natural.</p>
Investment Opportunities in Garowe	Summary	<p>I. <b>Promising education sector:</b> Huge investment is needed in the education sector to build the capacity of the younger population to rise to fill the position and meet requirements of the job market. Opportunities to invest at all levels of the education systems to ensure quality standards.</p> <p>II. <b>Promise for Employment:</b> in the coming years (2016-2017), there will be micro finance and job placements projects and the number of expected beneficiaries is 300 university graduates.</p>

Local economic Assessment tool kit		
LEA focus area	Economic sectors	Description
		<p><b>III. Potential for manufacturing:</b> The expanding market size and the growing cosmopolitan population promises an international city creating a market for manufactured goods, not only for the city but also for the rural areas.</p> <p><b>IV. Emerging opportunities in financial service provision:</b> As detailed above, the need for financial services cannot be over emphasized. Unique financial products that are Sharia compliant is required to support the growing private sector especially the MSMEs.</p> <p><b>V. Hospitality:</b> As the capital city, it promises a better future for hospitality given the higher number of foreign visitors and the security provided by being the seat of political power.</p>