

INSCT MIDDLE EAST AND NORTH AFRICA INITIATIVE

INSTITUTE FOR NATIONAL SECURITY AND COUNTERTERRORISM

# Somalia Risk Assessment 2014



## EXECUTIVE SUMMARY

This report, developed from open-source information including congressional and federal reports, academic articles, news media accounts, and NGO papers—concerns one of the most developmentally deficient and war-torn countries in the world. The name “Somalia” and the phrase “failed state” unfortunately have become synonymous.

Since the 1991 overthrow of dictator Said Barre and the resulting civil war, successive incarnations of a Somali government have time and again attempted to rise above the seemingly perpetual instability and begin exerting state control. Since 2012, when an internationally supported government was installed in Mogadishu (the US recognized the government in January 2013), Somalia has taken baby steps toward restoring stability and security in parts of the country. The presence of forces from neighboring countries, such as Kenya and Ethiopia (as part of an African Union Mission in Somalia (AMISOM)), has brought a measure of stability to regions in the country’s south that were until recently controlled by non-state militias, mainly the militant Islamic organization and Al-Qaeda affiliate Al-Shabaab. But despite recent AMISOM battlefield gains and encouraging signs of increasing government capacity, the central government still controls only a portion of Mogadishu and almost no other territory in the rest of the country. And even these gains are precarious.

This report will examine four topics that provide a cross-section of national security issues in Somalia:

- ❖ **Defense Capabilities**—Including Somalia’s attempts to re-build its national military, partnerships with friendly and donor nations, and the US military posture in East Africa.
- ❖ **Security Threats**—Including the complex and balkanized clan/political situation, the collusion between Al-Shabaab and Al-Qaeda, piracy, and exogenous threats involving other Horn of Africa nations.
- ❖ **Oil, Gas, and Other Extractives**—An overview of oil and gas exploration and extraction on land and off shore, as well as the economic potential of metals and gemstones.
- ❖ **Key Personalities**— Hassan Sheik Mohamud, the current president of Somalia, and Ahmed Abdi Godane, the emir of Al-Shabaab.



FIGURE 1: Map of Somalia and Region (University of Texas).

## DEFENSE

### The Somali Armed Forces (SAF)

In the post-independence period, between 1960 and the outbreak of civil war in 1991, the Somali military was one of the largest in Africa. The 1991 civil war, which led to Said Barre's flight from Mogadishu, precipitated the almost complete disintegration of the once proud military.<sup>1</sup> Recent years have seen a renewed effort by the Somali government to invest in national defense and policing through partnerships with foreign allies (such as Italian assistance in developing naval forces) and enhanced arms procurement. United Nations Security Council Resolution 2093, passed in March 2013, has facilitated more robust procurement efforts by lifting a 21-year arms embargo on Somalia. The resolution allows Somalia to purchase light weapons for a one-year provisional period, but it still restricts the country's ability to purchase heavy weapons such as surface-to-air missiles, howitzers, and cannons.<sup>2</sup>

However, a 2011 report by the International Crisis Group cited corruption and procurement issues as major impediments to military reform in Somalia. Powerful vested interests and corrupt commanders are the biggest obstacles. Efforts to provide the army with better equipment have been sluggish and dogged by allegations that some is sold on by officers. Attempts, led by AMISOM, to develop a coherent structure for the disparate militias and whip their estimated 8,000 members into fighting shape have been problematic. There remains resistance to creation of an effective chain of command, rational military formations, and even a credible troop roster. The respected former army chief, General Gelle, tried to improve the situation, but he was marginalized, then dismissed.<sup>3</sup>

Nevertheless, some reforms and improvements have been made. For instance, the SAF created a Special Forces unit in August 2011 that reportedly consists of 300 trained soldiers. The unit is mandated with protecting relief shipments and distribution centers in Mogadishu and combatting banditry.<sup>4</sup> In terms of cooperation with other forces, the SAF recently has joined with the African Union Mission in Somalia in an effort to combat Al-Shabaab. The SAF has taken the lead on a number of key offensives, including the 2012 capture of Kismayo and recent battlefield gains in the country's south.



FIGURE 2: Members of the Somalian Armed Forces (Reuters).

<sup>1</sup> "Somalia: The Warrior Tradition and Development of a Modern Army," *Library of Congress Country Studies*, [http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field\(DOCID+so0116\)](http://lcweb2.loc.gov/cgi-bin/query/r?frd/cstdy:@field(DOCID+so0116))

<sup>2</sup> "UN Eases Oldest Arms Embargo for Somalia," *The Australian*, March 7, 2013, <http://www.theaustralian.com.au/news/latest-news/un-eases-oldest-arms-embargo-for-somalia/story-fn3dxix6-1226592031840>

<sup>3</sup> "Somalia: The Transitional Government on Life Support," *International Crisis Group*, Feb. 21, 2011, <http://www.crisisgroup.org/~media/Files/africa/horn-of-africa/somalia/170%20Somalia%20The%20Transitional%20Government%20on%20Life%20Support.pdf>

<sup>4</sup> "Somalia to Set Up Aid Protection Force," *Africa Review*, Aug. 14, 2011, <http://www.africareview.com/News/Somalia+to+set+up+aid+protection+force/-/979180/1218894/-/ykbqcnz/-/login>

Furthermore, on Aug. 7, 2012, Prime Minister Ali announced that his government would re-establish the Somali Navy. This is a significant development because an effective Somali Navy could police territorial waters, slow piracy, and wean Somalia off dependence on foreign maritime security. Reflecting more domestic concerns, Ali indicated that his government seeks to "establish well-trained maritime forces that will be charged with patrolling the coast and putting a stop to the foreign countries and companies from taking Somalia's resources illegitimately."<sup>5</sup> For instance, Somalia is seeking to boost coastal policing in order to prevent illegal fishing and the dumping of toxic waste. However, Somalia is starting virtually from scratch with building naval capabilities, so positive results may not be seen for many years. Ali has asked the international community to boost its commitment to helping Somalia develop maritime capabilities, in particular through the acquisition of speedboats and warships.

### **The US Military in Somalia**

In October 2013, the United States secretly deployed military trainers and advisors to Somalia, marking the first time that the US has had an extended (for more than a few hours) "boots on the ground" presence in Somalia since the Black Hawk Down incident in 1991.<sup>6</sup> The Americans are stationed in Mogadishu and are tasked with advising and coordinating operations with AMISOM troops fighting Al-Shabaab. Prior to the deployment of the advisors, American military activity in Somalia had been limited to drone surveillance (and the occasional JSOC drone strike) and Special Operations raids. One such raid, an assault by sea on a compound in the coastal city of Barawe in October 2013, failed to kill or capture the targeted high-level Al-Shabaab leader.<sup>7</sup>

Overall US strategy in Somalia is mainly devoted to anti-piracy operations under the Joint Task Force for the Horn of Africa (based in Djibouti) and NATO maritime security, but direct anti-Al-Shabaab operations on the mainland have been more frequent in recent years. Policymakers in Washington have a very high threshold for significant US involvement in Somalia after the mishaps of 1991, but President Barack Obama has slightly increased US attention on the country in recent years.

The lack of US engagement in Somalia from the early 1990s until the late 2000s is reflected in US national defense documents from the period, all of which do not include African security issues as core US national security priorities. US Africa Command (AFRICOM) was not established until 2008, a move that reflected the military's increasing focus on the African continent. Specifically, US national security policymakers began to show greater concern for non-state threats that emerge from un-governed areas. Somalia is a case in point. The 2008 National Defense Strategy argues that "the inability of many states to police themselves effectively or work with their neighbors to ensure regional security represents a challenge to the international system" and that "if left unchecked, such instability can spread and threaten regions of interest to the United States, our allies, and friends."<sup>8</sup>

<sup>5</sup> "Somalia to Make Task Marine Forces to Secure Its Coast," *All Africa*, July 31, 2012, <http://allafrica.com/stories/201208010023.html>

<sup>6</sup> "US Has Deployed Military Advisers to Somalia, Officials Say," *The Washington Post*, Jan. 10, 2014, [http://www.washingtonpost.com/world/national-security/us-has-deployed-military-advisers-to-somalia-officials-say/2014/01/10/b19429f2-7a20-11e3-af7f-13bf0e9965f6\\_story.html](http://www.washingtonpost.com/world/national-security/us-has-deployed-military-advisers-to-somalia-officials-say/2014/01/10/b19429f2-7a20-11e3-af7f-13bf0e9965f6_story.html)

<sup>7</sup> "How the US Raid on Al-Shabaab in Somalia Went Wrong," *The Guardian*, Oct. 9, 2013, <http://www.theguardian.com/world/2013/oct/09/us-raid-al-shabaab-somalia-navy-seals>

<sup>8</sup> "National Defense Strategy," *The United States Department of Defense*, June 2008, <http://www.defense.gov/news/2008%20national%20defense%20strategy.pdf>

The FY2011 Department of Defense budget request further emphasizes that “threats to our security in the decades to come are more likely to emanate from state weakness than from state strength.”<sup>9</sup> Yet despite acknowledgement of growing threats from countries such as Somalia, the US remains committed to maintaining a relatively light footprint on the continent. As of today, US presence in most of Africa takes the form of training national militaries in allied countries. Many US policymakers are concerned that increasing an American footprint on the continent increases the risk of blowback. In other words, more direct action by the US would lead African terrorist groups to target American embassies or citizens overseas, or even the US homeland. In relation to the existing security issues in the Middle East and emerging issues in the Pacific region, Africa remains a peripheral concern for the US military at this point. However, recent American recognition of the Somali government has precipitated increased state department and USAID engagement with Somalia on the diplomatic and development front.

### The African Union Mission in Somalia

United Nations Security Council Resolution 1772, adopted in 2007, authorized the African Union to create a peacekeeping force to support the Somali transitional government, assist in the implementation of a Somali National Security and Stabilization plan, and provide security for humanitarian assistance.<sup>10</sup> The UN Security Council has renewed the force and its mandate every six months since 2007. This peacekeeping force is known as the African Union Mission in Somalia, or AMISOM. As part of its mandate, AMISOM has undertaken extensive offensive operations against Al-Shabaab in southern Somalia.

Eight African countries have contributed troops and police forces to AMISOM, and the largest troop contingents are from Uganda, Burundi, Ethiopia, and Kenya. Ethiopia, which contributed 4,395 troops to AMISOM in January 2014,<sup>11</sup> had previously deployed an estimated 8,000 troops in Somalia in order to unilaterally conduct operations against Al-Shabaab.<sup>12</sup> The Ethiopian commitment to AMISOM came just a few months after Al-Shabaab detonated explosives in a residential neighborhood of the Ethiopian capital of Addis Ababa and declared its intent to carry out further attacks in the country.<sup>13</sup> Participation in AMISOM has allowed Ethiopia to finance its operations through the African Union, and the UN indirectly, instead of footing the bill for costly operations. Some analysts (and Somalis) have worried that Ethiopian participation in AMISOM would prove to be a rallying cry for Al-Shabaab and



FIGURE 3: Armed children lead out members of the Al-Shabaab militia (Christian Science Monitor).

<sup>9</sup> “Africa Command: The US Strategic Interests and the Role of the U.S. Military in Africa,” *Congressional Research Service*, July 22, 2011, <http://www.fas.org/sgp/crs/natsec/RL34003.pdf>

<sup>10</sup> United Nations Security Council Resolution 1772 (2007) The Situation in Somalia, Aug. 20, 2007, <http://www.refworld.org/docid/46cbdf692.html>

<sup>11</sup> “Somalia: Ethiopia Decides to Join Amisom Force in Somalia,” *All Africa*, Nov. 12, 2013, <http://allafrica.com/stories/201311131037.html>

<sup>12</sup> “Ethiopia – ENDF,” African Union Mission in Somalia, <http://amisom-au.org/ethiopia-endf/>

<sup>13</sup> “Is Ethiopia on Al-Shabaab’s Hit List?,” *Al Jazeera*, Oct. 21, 2013, <http://www.aljazeera.com/indepth/features/2013/10/ethiopia-al-shabab-hit-list-201310211211366477.html>

give the group more fodder for recruiting. Many Somalis consider Ethiopia an “arch-enemy” due to its predominantly Christian population. Lingering resentment from Ethiopia’s heavy-handed intervention in Somalia in 2006 (Amnesty International cites evidence of Ethiopian troops committing serious atrocities, such as gang-raping women, throat-slitting, and mass executions of civilians) also has fostered opposition to the Ethiopian presence.<sup>14</sup> However, many Western and regional leaders are optimistic that Ethiopia’s participation will boost the AMISOM force, citing Ethiopia’s experience operating in Somalia, superior capabilities, and much-needed equipment such as helicopters.<sup>15</sup>

The threat of blowback against African countries that contribute forces to AMISOM remains significant. The most dramatic retaliation against an AMISOM country occurred in September 2013 when Al-Shabaab militants attacked the Westgate mall in Nairobi, Kenya, killing 67 (including 4 of the attackers) and wounding 175.<sup>16</sup> Al-Shabaab has continued to carry out attacks in Kenya, including a recent bombing of a church in Mombasa that killed 4 and injured 17 in March 2014<sup>17</sup> and frequent bombings in the Eastleigh neighborhood of Nairobi, known as “little Mogadishu” for its large Somali population. Despite the frequent retaliatory attacks and mounting insecurity in parts of Kenya, the Kenyan government and military remain committed to offensive operations against Al-Shabaab in Somalia as part of AMISOM.

AMISOM has seen significant battlefield successes in its fight against Al-Shabaab. After pushing Al-Shabaab out of Mogadishu in 2012, AMISOM has undertaken a number of offensives in recent years to drive Shabaab militants out of strategic towns. The most notable AMISOM victory was the capture of Kismayo, the last major Al-Shabaab stronghold, in September 2012.<sup>18</sup> In the latest offensive, launched in March 2014, Somali government forces, supported by AMISOM troops, took a number of strategic towns, including Buule Burde, which had served as a “supply nerve center and was home to hundreds of Al-Shabaab fighters.”<sup>19</sup> Overall, AMISOM has succeeded in taking back significant swaths of territory and driving Al-Shabaab fighters out of key towns, causing Al-Shabaab to fragment and decentralize many of its operations. Al-Shabaab still poses a significant threat even in its diminished and decentralized state, and AMISOM forces must keep momentum going on the battlefield in order to further weaken Al-Shabaab’s capacity and influence.

## SECURITY THREATS

### Endogenous Threats

The majority of the threats to the stability of Somalia and its region emanate from within Somalia itself. The first significant threat, which exploits the current state of unrest, is criminal activity. Since 1991 and the fall of the government of Somalia, terrorists, pirates, and criminal gangs have used Somalia as a base of operations. Tremendous effort from UN-led forces, African Union, and Ethiopia and Kenya has reduced the threat from

<sup>14</sup> “Somalis Balk at Plans for Ethiopian Troops,” *Al Jazeera*, Feb. 3, 2014, <http://www.aljazeera.com/indepth/features/2014/02/201422122028512719.html>

<sup>15</sup> “Somali War Expertise and Superior Combat Kits to Boost Anti-terror Campaign,” *Hiiraan Online*, Nov. 16, 2013, [http://hiiraan.com/news4/2013/Nov/52023/somali\\_war\\_expertise\\_and\\_superior\\_combat\\_kits\\_to\\_boost\\_anti\\_terror\\_campaign.aspx](http://hiiraan.com/news4/2013/Nov/52023/somali_war_expertise_and_superior_combat_kits_to_boost_anti_terror_campaign.aspx)

<sup>16</sup> “Terror in Nairobi: The Full Story Behind al-Shabaab’s Mall Attack,” *The Guardian*, Oct. 4, 2013, <http://www.theguardian.com/world/2013/oct/04/westgate-mall-attacks-kenya>

<sup>17</sup> “Kenyan Church Attack Leaves Four Worshippers Dead and 17 Injured,” *The Guardian*, March 23, 2014, <http://www.theguardian.com/world/2014/mar/23/kenyan-church-attack-four-worshippers-dead-gunmen>

<sup>18</sup> “Kenyan Troops Launch Breach Assault on Somali City of Kismayo,” *The Guardian*, Sept. 28, 2012, <http://www.theguardian.com/world/2012/sep/28/kenyan-soldiers-capture-kismayo-somalia>

<sup>19</sup> “AMISOM and Somali National Army Drive Al-Shabaab out of Six Towns,” *AMISOM News*, March 2014, <http://amisom-au.org/2014/03/amisom-and-somali-national-army-drive-al-shabaab-out-of-six-towns/>

key actors and activities in the region. But there remain several threats to the stability of Somalia's democratic political process, to the integrity of AMISOM, and to the people of Somalia, who are exposed to the violence of clan warring. Al-Shabaab's agenda and local warlords continue to perpetuate violence and push back on much-needed stability operations and policies. Exacerbating all of this is the weakness of the rule of law, the central government, its national security apparatus, and its ability to arbitrate clan-based conflict.

### *The Importance of Clans*

In Somalia, warlords and clan fighting are the fundamental agents of unrest. Somalia is ethnically 85% Somali, but Somalia's social infrastructure is built on a hierarchy of clans and tribes. There are clans, sub-clans, tribes, and extended families, all of which are vying for a voice in Somali domestic affairs. The major clans are the Darood, Dir, Hawiyya, and Isaak, who are descendants of Samaal. The minor clans are descendants of Saab, known as Digil and Rahanweyn. The main clan families, nomadic pastoralists, constitute 75% of the population. In Somalia, there is no social identity, access, or legitimacy without clan membership, and if one is a part of a clan group, one can exercise privileges, such as land access, salary, and social services. Fittingly, it has been hard for large numbers of Al-Qaeda operatives to assimilate into this kinship-based society.

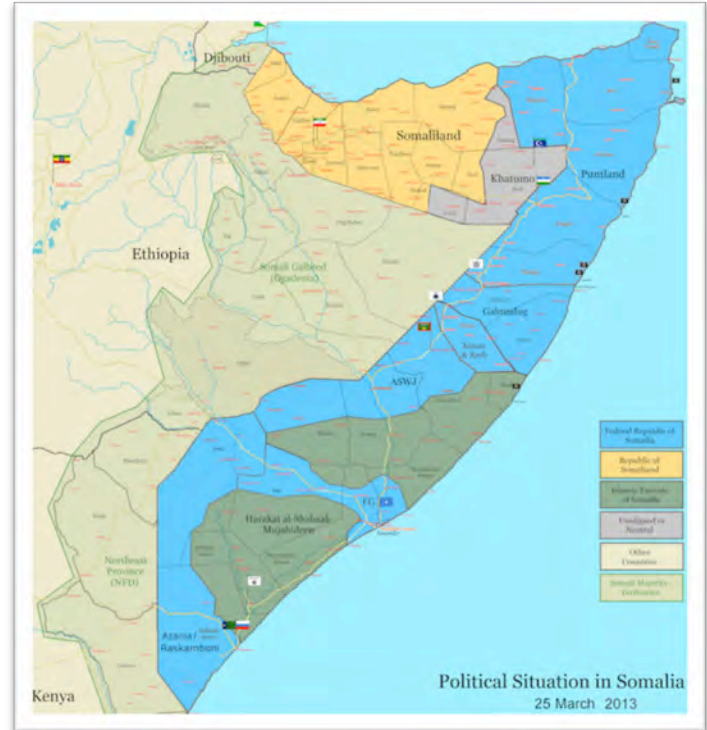


FIGURE 4: The Political Situation in Somalia as of March 2013 (Wikimedia Commons).

A key example of clan rivalry is the contestation over Jubaland—a region in the far southern tip of Somalia—which is attempting to create its own regional government due to the Somali government's lack of authority and capacity to exert control over the region. The Jubaland Convention, which attempted to elect a ruling party and establish regional autonomy, was held in May of 2013 without the consent of the Somali government. However, there was wide disagreement over the leadership of Jubaland from four different clans that were being pulled by Kenyan and Ethiopian interests in Kismayo and natural gas reserves offshore. As an American Enterprise Institute report explains, "... local powerbrokers with foreign support are attempting to determine the shape of the local administration."<sup>20</sup> The south of Somalia is decentralized and shifting toward a local administration. As of now, the status of Jubaland is uncertain, but the current lack of power of the federal government points to a need for improved presence in the region.

Recruitment is a primary driver of conflict between Al-Shabaab in southern Djibouti and the Somali government, and it contributes to the polarization of clans in Somalia. Al-Shabaab and clan-based militant groups exploit the federal government by any means they can. In late February of 2014, the Army fired more

<sup>20</sup> Katherine Zimmerman and Breuk Bass. "Challenges to America's Counterterrorism Strategy in Somalia." *American Enterprise Institute*, June 10, 2013. <http://www.criticalthreats.org/somalia/zimmerman-challenges-americas-counterterrorism-strategy-somalia-june-10-2013>

than 700 soldiers without disarming them because they were not fit for duty.<sup>21</sup> Analysts believe that these disgruntled soldiers who are now without pay are being recruited by Al-Shabaab, therefore fostering tensions against the government. Additionally, marginalized clans, disenfranchised youth, and local populations of men have taken up arms with Al-Shabaab. In an article covering Al-Shabaab's recent recruitment efforts, Fuah Ahmad explains, "... a lack of a strong presence of government forces is the reason Al-Shabaab has been able to conduct this type of recruitment freely and without restraint."<sup>22</sup> Any disagreement that affects the human security of certain sections of the population will provide opportunities for Al-Shabaab to recruit and expand control. Again, the lack of capacity to project a security presence beyond Mogadishu enables Al-Shabaab to execute activities that polarize populations and create opposition to the central government.

### *Al-Shabaab & Al-Qaeda*

Al-Shabaab has long been suspected of having close ties with Al-Qaeda, specifically its active arm in the Arabian Peninsula (AQAP). In February 2012, Al-Shabaab leader Ahmed Abdi Godane declared the group's allegiance to Al-Qaeda's Ayman Al-Zawahiri, the prominent leader of Al-Qaeda.<sup>23</sup> Al-Shabaab renewed its vision for global jihad, signaling a closer relationship with Yemen and a shift to transnational operations in East Africa. Consequently, Al-Qaeda is now partnering with Al-Shabaab to use Somalia as a base of operations.

Analysts believe the relationship between these two organizations originated prior to Sept. 11, 2001. The two, it is believed, have been colluding since 1998, when Al-Qaeda cells were suspected of operating freely in Somalia after the attack on the US Embassy in Kenya. Cooperation between Al-Shabaab and Al-Qaeda has improved the international operational capabilities of both organizations, as shown by the double suicide bombing in Kampala, Uganda, killing 76 people during the 2010 World Cup, and the Nairobi, Kenya Westgate mall attack that killed 87 people. Some analysts believe that the Westgate attack demonstrated the solidification of Godane's control of Al-Shabaab amidst internal rivalry, signaling more permanent transnational ideology.<sup>24</sup> Al-Shabaab has shown its ability to use a variety of weapons in its recent attacks, including grenades, surface-to-air missiles, vehicle-borne improvised explosive devices (VBIED), and other bombs.

AQAP's technical expertise and Al-Shabaab's ground capabilities are combining to form a hybrid, highly capable terrorist group. This transnational threat is both dynamic and serious. As creator of the jihadist magazine *Inspire* and mastermind of the 2009 Christmas Day attack and the 2010 parcel plot,<sup>25</sup> AQAP is believed to be the arm of Al-Qaeda that is most capable of striking the West.<sup>26</sup> The alliance of AQAP and Al-Shabaab, strengthened by the organizations' proximity and respective capabilities and bolstered by Eritrean support (Eritrea has an adversarial relationship with Ethiopia and Djibouti), represents a strong security threat to the rest of the Horn of Africa. The US state department's most recent *Terrorist Safe Haven Report* in

<sup>21</sup> Ahmad Osman. "Somalia's Sacked Soldiers Threaten Mogadishu's Security." *Inter Press Service*, Feb. 27, 2014.

<http://www.ipsnews.net/2014/02/somalias-sacked-soldiers-detrimental-mogadishu-security/>

<sup>22</sup> Fuad Ahmed. "Al-Shabaab intensifies recruitment efforts in villages near El Bur." *Sabah*, April 4, 2014.

[http://sabahonline.com/en\\_GB/articles/hoa/articles/features/2014/04/04/feature-01](http://sabahonline.com/en_GB/articles/hoa/articles/features/2014/04/04/feature-01)

<sup>23</sup> Frank Gardner. "Q&A: Who are Somalia's al-Shabaab?" BBC, Sept. 24, 2013 <http://www.bbc.co.uk/news/world-africa-15336689>

<sup>24</sup> Ibid.

<sup>25</sup> Maseh Zarif. "Terror Partnership: AQAP and Shabaab". American Enterprise Institute, July 2, 2011. <http://www.criticalthreats.org/somalia/maseh-zarif-terror-partnership-shabaab-aqap-july-2-2011>

<sup>26</sup> Committee on Homeland Security, Subcommittee on Counterterrorism and Intelligence. "Subcommittee Hearing: Understanding the Threat to the Homeland from AQAP". US House of Representatives, Sept. 18, 2013.

<https://homeland.house.gov/hearing/subcommittee-hearing-understanding-threat-homeland-aqap>



2012 proclaims that Al-Shabaab and Al-Qaeda operatives still navigate within controlled areas of Somalia to conduct terrorism training and planning operations with sympathetic violent extremists, including “foreign fighters”<sup>27</sup> (that is, Westerners that Al-Shabaab has recruited from abroad).

### *Piracy*

Piracy is also another endogenous driver of conflict in the region, although multilateral and local efforts to combat the threat of piracy have been effective in reducing these activities immensely. However, a United Nations (UN) report on Transnational Organized Crime in East Africa indicates that Somali pirates are resilient and are intercepting ships farther away from the coastline.

One reason for the resilience is that piracy remains a lucrative (if highly risky) criminal activity. In fact, some communities in the regions of Puntland and Galguduud are dependent on the revenues from the ransoms

pirates gain from hijacking ships. Another UN Report, *Pirate Trails*, discovered key insights from detained pirates and shed light on how piracy spoils looted in the years from 2005 to 2012 were used. Strikingly, pirates earned up to \$413 million and hijacked 179 ships in those years. Key findings of the report provided concrete evidence of the connection between piracy and illicit money that is “[invested] in criminal activities, such as arms trafficking, funding militias, migrant smuggling, and human trafficking, and was used to further finance piracy activities ... [and also laundered] through the khat trade, particularly in Kenya, where it is not monitored and therefore is the most vulnerable to illicit international flows of money.”<sup>28</sup> Future stabilization operations in Somalia will have to explore ways to disentangle the reliance of local populations on piracy and the markets it serves and to employ wider local maritime interdiction capacity.

### **Exogenous Threats: Instability in the Horn of Africa**

The Horn of Africa is no stranger to prolonged and bitter internal disputes, civil wars, border skirmishes, proxy wars, and shifting allegiances. For instance, Eritrea—first as a region and then as an independent nation after 1991—has a long history of strained relations with other countries in the Horn, mainly Ethiopia with which it fought a 30-year war of independence. Often, economic and social relationships align certain Horn of Africa actors (state and non-state) against others, and this allegedly happened in the case of Eritrea and Al-Shabaab operating in Somalia, with Eritrea’s support of Al-Shabaab seen as a proxy war against its old enemy Ethiopia. While some of the financial ties between Eritrea and Al-Shabaab have diminished, Eritrea’s historical arms alliance with Somali non-state actors may reignite if divisions between nations in the Horn of Africa widen.



FIGURE 5: Somali pirates hijacking the MV Faina, a cargo ship owned and operated by Kaalbye Shipping Ukraine on Sept. 25, 2008 (Reuters).

<sup>27</sup> US Department of State. “Terrorist Safe Havens” in “Country Reports on Terrorism” on Djibouti, May 30, 2013.

<http://www.state.gov/j/ct/rls/crt/2012/209987.htm>

<sup>28</sup> “Pirate trails’ Tracks Dirty Money Resulting From Piracy Off Horn of Africa”. *UNODC*, Nov. 4 2013.

<http://www.unodc.org/unodc/en/frontpage/2013/November/pirate-trails-tracks-dirty-money-resulting-from-piracy-off-the-horn-of-africa.html>

In another example of a destabilizing alliance, Kenya is known for supporting certain groups for a stake in the consolidation of the semi-autonomous state of Jubaland in southern Somalia. Kenya is said to exploit clan rivalry in southern Somalia in order to access large reserves of natural gas off the coast. Additionally, Kenya operates a US-funded anti-terrorism police unit that carries out raids against Al-Shabaab and aligned groups. In an article on Al-Jazeera, Abdullahi Boru Halakhe explains that Kenyan forces have been carrying out extrajudicial killings and unchecked raids in the name of counterterrorism, which have resulted in significant innocent civilian casualties.<sup>29</sup>

Preying on anti-Kenyan sentiment, Al-Shabaab recently has recruited a contingent of Kenyan insurgents to fight Kenyan nationalist forces. Although not an existential threat per se, Kenya nevertheless will remain an external threat to the stability of Somalia because such cross-border, clan- and militant-based conflicts can be seen as a concerted effort to influence, sometimes violently, the political and security agenda of its neighboring nation. At the same time, Al-Shabaab's track record of launching operations in reaction to decisions by Kenya and Ethiopia to intervene in Somalia demonstrates an ongoing tendency for non-state actors to have significant regional and international influence.

## OIL, GAS, & OTHER EXTRACTIVES

Currently, Somalia depends on informal sectors, such as the livestock trade, to drive its economy. The agriculture sector constitutes 40% of its GDP and 50% of its total export revenues. Nomadic and agricultural pastoralists, dependent on livestock for their livelihood, are the majority of Somalia's population. Other notable contributors to the economy are telecommunications services, fishing, coal, and animal hides. But, in concert with the recent exploration and discovery of large reserves of oil and gas in East Africa (especially in Uganda and Kenya), private international organizations are flocking to the region to reap economic rewards. Somalia is among the newest states in Africa to show known and potential natural resources reserves, but at present they are largely unexplored and unexploited. It is for this reason that many countries and oil companies are pushing for stability in Somalia, a country that is considered the "... the principal source for conflict in the Horn of Africa."<sup>30</sup>

When, after 20 years of conflict, the US recognized a democratic federal government of Somalia, the prospect of lasting peace sparked President Haasan Sheikh Mohamed to look toward the benefit of natural resources as a way to repair a torn economy. However, agreements struck with oil majors (AGIP, Shell, Conoco-Phillips, and Amoco) in the 1980s and 1990s continue to derail negotiations over the distribution of natural resource benefits among northern states and the federal government. Somaliland and Puntland already had signed agreements and memorandums of understanding with oil minors from Norway, Sweden, and Turkey. In 2008, the then Transitional Federal Government enacted a petroleum extraction law that intends to incorporate regional and national governments. However, the vagueness in the language of the law has led to contestation over the resource-rich areas. Private companies have exploited this lack of understanding and agreement between state and local governments. Although the richness of natural resources could revamp

<sup>29</sup> Abdullahi Boru Halakhe. "Is Kenya's heavy-handed response to security threats justifiable?" *Al-Jazeera*, April 4, 2014, <http://www.aljazeera.com/indepth/opinion/2014/04/kenya-police-require-reform-201444115130374466.html>

<sup>30</sup> Sarah McGregor. "Clinton's East Africa Trip Focuses on Oil, Somalia, Security." *Bloomberg*, Aug. 2, 2012. <http://www.bloomberg.com/news/2012-08-02/clinton-s-east-african-trip-focuses-on-oil-somalia-and-security.html>

Somalia's economy, competing interests; lack of political, legal, and financial expertise; and nonexistent infrastructure for natural resources are hindering progress.

### *Northern Somalia*

Historically, Somalia's constant state of civil war has prevented resource extraction from areas inland and off its shores. Nevertheless, international companies have attempted to locate these reserves, and known oil shows do exist in autonomous states within Somalia, primarily Somaliland and Puntland. (Somaliland offers larger reserves than Puntland, but it lacks extraction and refining infrastructure.) The total potential of oil is unknown, but analysts think the numbers are in the billions of barrels. The inevitable development of oil infrastructure must be considered alongside a robust security framework. If oil becomes a government priority, as it has done in other African petro-states (such as Nigeria, Sudan, and South Sudan), it also will become a target of political leverage for clan-based militant and/or terrorist groups.



FIGURE 6: Oil blocks in northern Somalia (Horn Petroleum).

### *Other Fields: Mogadishu & the Indian Ocean*

Outside of Somaliland and Puntland, there is a sizeable reserve of oil 30 to 50 kilometers away from Somali capital Mogadishu currently being protected by African Union peacekeepers. Kilimanjaro Capital is an oil company beginning negotiations over drilling this well. Known as the Amsas-Coriole-Afgoi (ACA) block, containing approximately 20 million barrels in 1,161,400 square feet, it is worth US\$3.45 billion in total (with US\$187.5 million, or around 5%, for Kilimanjaro Capital).<sup>31</sup>

Since 1991, Mogadishu has exhibited the country's most promising signs of economic prosperity in its establishment of gas stations, hotels, and an airport. At the same time, Mogadishu is surrounded by territory controlled by Al-Shabaab, a group that continues to target the capital because Western actors and critical infrastructure are starting to grow there. On Feb. 13, 2014, Reuters reported that Al-Shabaab carried out a remote-controlled car bombing on a UN convoy at an airport in Mogadishu, killing seven people and injuring 15.<sup>32</sup> This is only the most recent of Al-Shabaab's efforts to target AMISOM and UN-led forces. The attacks show Al-Shabaab's willingness to attack in public places and its dedication to an insurgency within Somalia

<sup>31</sup> "Kilimanjaro Moves Forward With Somalia ACA Block-Proven Probable 20 Millions Barrels of Oil: Kilimanjaro is Petitioning World Bank to Continue Funding." *Wall Street Journal*, April 2, 2014.

[http://online.wsj.com/article/PR-CO-20140402-905796.html?mod=googlenews\\_wsj%E2%80%8B](http://online.wsj.com/article/PR-CO-20140402-905796.html?mod=googlenews_wsj%E2%80%8B)

<sup>32</sup> Abdi Sheikh and Feisal Omar. "Al-Shabaab car bomb hits U.N. convoy, killing seven Somalis". *Reuters*, Feb. 13, 2014.

<http://www.reuters.com/article/2014/02/13/us-somalia-blast-idUSBREA1C0H820140213>

designed to perpetuate lawlessness and ensure the group's maneuverability. If Mogadishu is to be the launching point for Somalia's economic recovery, the security of the capital will remain central to the national agenda and the sustainability of its natural resource-based economy.

The majority of the Indian Ocean floor hydrocarbon fields are off Somalia's southern shores. *The Somalia: Potential Frontier for Oil and Gas Exploration in 2013* report says, "Now the name of the game in East Africa offshore is gas."<sup>33</sup> In the next five to 10 years, permitting a stable environment, Somalia will shift toward the extraction of natural gas, which will heighten the importance of Kismayo, the strategic port city that has historically been occupied by Al-Shabaab, although recent efforts by UN, African Union, and Ethiopian forces have successfully reduced the presence of these militants in the south of Somalia.

An Oil and Gas Summit set for June 9, 2014 may lay the groundwork for an economic relationship that will initiate cooperation between Somalia's regional governments and the federal government, therefore enabling a more equitable distribution of resources. The summit convener, Somalia Oil and Gas Company, says, "The Federal Government of Somalia revealed that they are planning to begin work before the end of the year, to resolve issues with Puntland, Somaliland and ensure that exploration efforts are not hampered."<sup>34</sup> The federal government intends to open its political space in order for investors to enter the dialogue, and a conversation about the security of these endeavors must follow—there will be no economic reward without the security of oil infrastructure and a strong national military.

### *Metals & Gemstones*

Additionally, Somalia possesses a wide spectrum of metals, gemstones, and other minerals. A report by Abdulkadir Abiikar Hussein regarding geological surveying of minerals in Somalia notes that "Somalia is a new frontier area, not adequately explored that is ready to reveal its secrets of ... uranium, platinum, rare earth metals, gold, copper, iron, manganese, tin and gemstones."<sup>35</sup> These metals and gemstones at present go largely unnoticed because they are eclipsed by oil and gas, two resources that have more immediate return on investment. But, in the long-term, metals and gemstones may provide critical diversification for the Somali economy.

## KEY PERSONALITIES

### **Hassan Sheikh Mohamud—President of Somalia**

Hassan Sheik Mohamud, the current President of Somalia, defeated incumbent Sheikh Sharif Sheikh Ahmed in a run-off presidential vote in September 2012. Mohamud is a member of the powerful Hawiye clan. Before entering Somali politics, he worked as an academic and civic activist, and he founded the Mogidishu-based Somali Institute of Management and Administration Development, now known as Simad University, in 1999. Throughout the civil war, Mohamud oversaw teacher training for UNICEF and assisted the UN in peacebuilding initiatives.<sup>36</sup>

<sup>33</sup> "Somalia: Potential Frontier for Oil and Gas Exploration in 2013." <http://www.rangeresources.com.au/framework/documents/displaydocument.asp?doc=988>

<sup>34</sup> Somalia Oil and Gas. "Somalia Oil and Gas Summit – 9<sup>th</sup> June 2014." <http://somalia-oil-gas.com/>

<sup>35</sup> Abdulkadir Abiikar Hussein. "Minerals of Somalia: From exploration to artisanal production to export," Jan. 25, 2013 [http://somaliatalk.com/2013/minerals\\_of\\_somalia.pdf](http://somaliatalk.com/2013/minerals_of_somalia.pdf)

<sup>36</sup> "Somalia Profile: Leaders," *BBC*, <http://www.bbc.com/news/world-africa-14094548>

Entering politics in 2000, Mohamud founded the Peace and Development Party, and he was elected to parliament in August 2012. The September 2012 presidential election, from which Mohamud emerged victorious, was the first presidential election held on Somali soil since 1967.

According to the BBC, “President Mohamud has to try to reunite a country divided into a de-facto independent north and a south still partly controlled by the al-Shabaab Islamist militia, while rallying the support of the rival politicians whom he beat to the presidency.”

### **Ahmed Abdi Godane (aka Abu Zubayr)— Emir of Al-Shabaab**

Godane was born in Hargeisa in 1977 and is a member of the Isaaq clan of north Somalia (Somaliland).<sup>37</sup> In his early life, Godane was a Quranic scholar and received scholarships to study in Sudan and Pakistan. He is rumored to have fought in the Afghan jihad of the 1980s, putting aside a quiet life of study in order to join the anti-Soviet insurgency. Upon his return to Somalia, Godane worked for Al-Barakat, a Somali remittance business that was accused of terrorism. Godane joined the Somali militant group Al-Ittihad Al-Islamiya (AIAI) in October 2003, which marked the beginning of his career on the operational side of terrorism. While with AIAI, Godane was accused of involvement in the killing of Dick and Enid Eyeington, a British couple who operated a school in Somaliland. Throughout his career, Godane has used poetry and Quranic study as a recruiting tool, and he considers himself part of the “Somali warrior poet” tradition.

Godane transitioned into Al-Shabaab, which was then the militant wing of the Islamic Courts Union, and rose quickly through its ranks, becoming emir for the first time in 2008. As emir, Godane has sought to establish a formal alliance with Al-Qaeda, but he was rebuffed by Osama Bin Laden according to documents found in Abbottabad, Pakistan. However, Godane and Al-Shabaab were formally folded into Al-Qaeda following Bin Laden’s death in 2012. Despite the alliance, Al-Qaeda leaders have criticized Godane for his autocratic and secretive leadership style. A report by the UN Monitoring Group on Somalia noted that Godane has consolidated control of Al-Shabaab through bloody crackdowns on dissent (including the murder of rival leader Ibrahim Al-Afghani) and has established a secret service within the organization, called the Amniyat, which is loyal only to him and carries out intelligence-gathering, assassinations, and suicide attacks.<sup>38</sup>

Under Godane’s management, Al-Shabaab has increasingly carried out attacks outside of Somalia, notably the Westgate mall attack in Nairobi and various attacks in Uganda. It also maintains its tenuous relationship with



FIGURE 7: Somali President and former academic Hassan Sheikh Mohamud meets with US President Barack Obama in January 2013 (White House).

<sup>37</sup> “Who is Al-Shabaab Leader Ahmed Godane,” *Global Post*, Oct. 1, 2013, <http://www.globalpost.com/dispatch/news/regions/africa/kenya/131001/who-al-shabaab-leader-ahmed-godane>

<sup>38</sup> “Letter Dated 12 July 2013 from the Chair of the Security Council Committee Pursuant to Resolutions 751 (1992) and 1907 (2009) Concerning Somalia and Eritrea Addressed to the President of the Security Council,” *United National Security Council*, July 12, 2013, [http://www.hiiraan.com/images/2013/July/UN\\_Report\\_PDF.pdf](http://www.hiiraan.com/images/2013/July/UN_Report_PDF.pdf)

Al-Qaeda. In fact, Al-Shabaab is considered a franchise of Al-Qaeda and receives funding from the group, but Godane has maintained a large degree of autonomy from Ayman Al-Zawahiri and Al-Qaeda's central command. This relationship is typical of other Al-Qaeda affiliates now that the organization has become more decentralized.

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# Addendum: Somalia Risk Assessment 2014





## SOMALIA RISK ASSESSMENT ADDENDUM

### Executive Power Structure & Key Personalities

*President:* Hassan Sheikh Mohamud

*Prime Minister:* Abdiweli Sheikh Ahmed

*Speaker of Federal Parliament:* Mohamed Osman Jawari

*Chief of Army:* Dahir Adan Elmi

*Head of the National Intelligence & Security Agency:* Bashir  
Mohamed Jama

*Governor of the Central Bank of Somalia:* Bashir Isse

*Minister of Health:* Ahmed Mohamed Mohamud

*Minister of Education:* Ahmed Mohamed Gurase

*Minister of Defense:* Mohamed Sheikh Mohamud

*Minister of Mineral Resources:* Daud Mohamed Omar

*Minister of Foreign Affairs & International Cooperation:*  
Abdirahman Duale Beyle

*Minister of Finance:* Hussein Abdi Halane

*Minister of the Interior:* Abdikarim Hussein Guled

*Chairman and CEO of Hurmuud Telecom:* Ahmed Yuusuf

*Chairman of Telesom:* Sultan Mohamed Hassan Ibrahim

*Director of Trans-National Electricity & Gas Company:* Abdullahi Hussein



Somali President Hassan Sheikh Mohamud

## International Companies: Oil, Gas, &amp; Extractives

Company	Location	Blocks	Owner	Market
*Africa Oil	Puntland	Nugaal & Dharoor	Canada	Oil
*Horn Petroleum	Puntland	Nugaal & Dharoor	Canada	Oil
*Genel Energy	Somaliland	Odewayne, SL10B, SL13	Turkey	Oil, Gas
*Soma Oil and Gas	Central Somalia	N/A	UK	Offshore Oil and Gas (Currently Issuing Seismic Study for FGS)
DNO	Somaliland	Nugaal	Norway	Oil
*Kilimanjaro Capital	Central Somalia (Mogadishu)	ACA		Oil, Gas, Minerals
Jacka Resources	Somaliland	Odewayne	Australia	Oil
Ophir Energy	Somaliland	Dharoor	UK (London)	Gas
Asante	Somaliland	SL13, SL14	Norway	Oil
Red Emperor Resources	Puntland	Nugaal & Dharoor		Oil
Sterling Energy	Somaliland	Odewayne		Oil
Petrosoma	Somaliland	Odewayne		Oil
East Africa Resource Group	Somaliland	SL10B, SL13		Oil
Range Resources	Puntland	Nugaal & Dharoor		Mining, Oil

*\*The largest shareholders of Production Sharing Agreements*