



# Rebuilding Waheen Market in Hargeisa: Challenges and Opportunities

Policy Brief

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## Introduction

The aftermath of Somaliland's re-assertion of independence in 1991, saw an increase in urbanization especially in Hargeisa as well as rapid expansion of markets. Despite the increase in number and sizes of markets, Waaheen remained a vital market not only for Hargeisa residents and traders, but also for people from throughout the Somali region, including Djibouti, Somalia, and the Somali region of Ethiopia.

On 1st April, fire erupted in Waaheen, Somaliland's main market and one of the largest in the Horn of Africa region where hundreds of people congregate daily to trade. After more than 16 hours, the Somaliland Fire Brigade (SLFB) successfully extinguished the fire. On the 2<sup>nd</sup> of April, President Muse Bihi established the National Response and Relief Committee (NRRC) which is composed of representatives from the Hargeisa municipality, the Chamber of Commerce, and relevant ministries. The SLFB in coordination with the NRRC concluded search and rescue efforts on 4<sup>th</sup> April. The market was eventually cleared out by the Hargeisa municipality on April 11th. As part of its mandate, the NRRC conducted a post-disaster survey and made preliminary findings regarding the property and financial losses caused by the fire.

In light of the destruction caused by the Hargeisa fire, the Academy for Peace and Development (APD) conducted a brief research into the causes, extent of the damage, lessons learned, and policy implications of the Waaheen Market fire. The specific objectives of this study were to;

Conduct research into the challenges experienced by the local government, central government's, and NRRC in managing the fire and its aftermath.

Gain an understanding of the immediate response by the various levels of the Somaliland government, the private sector, and international partners.

Make policy recommendations to the Somaliland government and its foreign partners on the necessary short and long term interventions.

## Background

On a calm Friday evening on April 1st, a massive fire broke out at Somaliland's largest outdoor market, possibly the one of the biggest in the Horn of Africa. The fierce fire was brought under control in the early hours of Saturday with the assistance from the Egal International Airport's fire department, Ethiopia's Somali Regional State and other Somaliland districts. Although speculations indicate that the fire was caused by an electric fault, the actual cause is yet to be established and investigations are still ongoing.

According to the SLFB, this was the worst fire to strike Somaliland since the late 1980s Hargeisa Bombardment. Within hours of the fire, Somaliland's international partners and friends, including the United Kingdom's Prime Minister, Boris Johnson; Ethiopia's Prime Minister, Abiy Ahmed; the United Kingdom's Foreign Secretary and Minister for African Affairs and the United States Senate and House Foreign Relations Committee expressed their sympathies with the Somaliland government over the fire. In solidarity with the country and the victims, international news organizations such as the Washington Post, DW, the Guardian, ITV, Al-Jazeera, and the BBC published articles, ran programs and shared images of the incident.

Preliminary estimates by the NRRC indicate that the Waaheen business communities lost around 2000 stores and stalls. According to the UN Inter-Agency Technical Mission, the Somaliland government (both central and local) owned 364 buildings, whereas, further 420 buildings were owned by private businesses. On the other hand, the Hargeisa municipality claims that they own 516 buildings at Waaheen. It is important to note that APD cannot verify the numbers provided above. In regards to casualties, 28 people, mostly with minor injuries, were rushed to hospital where they were treated and released within a few hours. Moreover, the NRRC has confirmed that no fatalities were reported as a result of the fire. Nonetheless, the fire caused huge financial damage. The NRRC estimated that the property and financial losses ranged between 1.5 billion and 2 billion USD. As more information was gathered throughout the first week of April, the Office of the President estimates that around 5000 enterprises need immediate humanitarian and livelihood assistance as a result of the fire, while the Somaliland Chamber of Commerce, estimates that the damage caused by the fire accounts for upto 40 percent of the Hargeisa's economy (UNSOM, 2022).

The Hargeisa municipality revealed that it significantly depended on the market's small vendors, who accounted for approximately 40% of the municipality's total revenue collection. However, it is critical to highlight that APD cannot verify the figures presented by officials, since the Somaliland government (central and local) is still in the early phases of assessing the true extent of the fire's devastation to property, the economy, and the community's social life.

On 6<sup>th</sup> April, the President's Office issued an international appeal of "High emergency scale." The appeal indicated that urgent support would be provided to "the most vulnerable members of the impacted community, as well as food assistance and assistance with rehabilitating damaged buildings." The proposed strategy calls for the development of six temporary marketplaces for Waaheen victims. The government stated in the appeal letter that it would present an "integrated plan" to reconstruct the market in phases. However, the idea had not been made public at the time of authoring this policy brief.

## Methodology

### (i) Data collection

This briefing policy paper was based on qualitative approaches, including Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs). The KIIs and FGDs were designed to gather primary information from a diverse range of individuals—including those in local government, central government, the National Response and Relief Committee (NRRC), and experts with deep insights into the dynamics and impacts of the fire incident. The data collection period was from April 3rd to April 14th, 2022, with the majority of the data collected in Hargeisa. Additionally, APD gathered secondary data from relevant municipal and government agencies as well as from non-state actors.

### (ii) Limitations

The data collection period was constrained, and APD researchers struggled to validate the figures and information provided by several government institutions in Somaliland. Validation of the received data took a long time thus delaying the release of this policy brief.

## Findings

After a meticulous thematic data analysis process, the APD researchers observed the following;

**(i) Poor regulatory enforcement:** Due to Somaliland's domestic political economy, little had been done to avert the fire disaster at Waaheen on April 2, 2022. For the last two decades, the question of opening the roadways within and surrounding the market has been a source of contention. All prior municipal councils failed to implement Waaheen's safety norms and regulations. There are three primary reasons why municipal and central governments have been unable to enforce laws, introduce policies and regulations in Waaheen: (a) the security fragility of Somaliland's post-war political settlement, in which security and stability have become the government's sole priority. In this regard, traders in Waaheen were more committed to preserving the status quo, which included closing roads and opposing any municipal or central government policy aimed at improving market safety. Threats of violence thus undermined the government's attempt to resolve the precarious situation. (b) Through a contract with the previous governments, the private sector acquired most of the public space surrounding the main market, jeopardizing Waaheen's possible relocation and expansion. (c) The inconsistent application of regulations and the predominance of consensus-based, peace-based initiatives. Most government institutions were unwilling to implement any policies aimed at re-designing the market due to fear of disrupting the rent and tax collection from the market. Prior to the fire, the current Mayor, Mr. Abdelkarim Ahmed Mooge, held a series of talks with the Waaheen Committee to develop a clear plan for opening up the market roads and averting a potential calamity. However, the Waaheen Committee could not agree on the opening up of these roads thus undermining any efforts by the municipal government to address the Waaheen issue. Incidentally, Brigadier General Ahmed Mohamed Hassan (Swahili), the Chief of the Somaliland Fire Brigade, had on various occasions, publicly expressed his concerns about the risk of fire outbreak. However, no interventions were undertaken and his concerns were ignored.

**(ii) Ad-hoc disaster management:** Somaliland has historically managed disasters through ad-hoc disaster management entities. However, the resiliency, effectiveness and efficiency of such institutions during subsequent disasters is often underwhelming. In the case of the Waaheen fire incident, The President announced the formation of the National Response and Relief Committee (NRRC) on 2<sup>nd</sup> April, 2022. The NRRC is aided by a technical team of professionals who advise the NRRC. The NRRC is composed of representatives from the Ministry of Religious Affairs, the Hargeisa Local Council, the Ministry of Trade, the Chamber of Commerce, and the Maroodijeex Regional Governor's Office. At the time of authoring this policy brief, the National Disaster Preparedness and Food Reserve Authority (NADFOR) was not a member of NRRC, despite the fact that it is the body that is meant to take the lead in the event of a disaster. Additionally, APD researchers discovered that the NRRC lacks a clear mandate and tasks in regards to the Waaheen incident.

**(iii) Event-driven policymaking:** Immediately following the put out of the fire the question of which institution should be in charge of rebuilding the market arose and was, to a degree, politicized by both the ruling and opposition parties, in which the latter argued that the local government should lead the re-building of Waaheen, while the ruling party argued that Central government would be the lead and responsible for re-designing the Market, in coordination with the local government (HCTV, 2022). The overlapping jurisdiction is borne by the fact that different legal frameworks (Law No. 23/2019 and Law No. 17/2001) govern the central and local government's mandates in designing and supervising public markets, including Waaheen. On the

4th of April, as a result of the fire, the President signed the National Land Policy on a presidential decree, even though the Policy was approved by the Cabinet on the 20th of February, 2022 (Office of the President, 2022). These policy interventions in the aftermath of the fire demonstrate the event-driven policy making in Somaliland. The problem with this approach to policy making and implementation is that they lack the necessary evidentiary base which is often anchored in research. This reality often poses a challenge for policymakers in Somaliland as they lack an in-depth understanding of the policy problem and are therefore unable to explore the various methods for implementing such policies. To address this gap, Somaliland's government institutions should perform evidence-based research that feeds a policy-making process that is action-driven. In any case, at the time of writing this policy brief, a joint technical team (mainly engineers) from both the Ministry of Land & Public Works and Hargeisa municipality will be overseeing the design and the rebuilding of Waaheen.

**(iv) Poorly equipped Fire Brigade:** In 2014, Somaliland formed the Somaliland Fire Brigade (SLFB). They have saved hundreds of lives and millions of dollars' worth of property since their inception. SLFB is no longer confined to Hargeisa, but has extended into Somaliland's other provincial capitals, including Gabiley and Wajaale. Despite being generally poorly equipped, the SLFB made gallant efforts in managing the Waaheen fire. However, limited human capital and equipment undermined their efforts and they had to take more than 16 hours to extinguish the fire. According to officials interviewed for the policy brief, it would have taken longer to extinguish the fire had they not gotten substantial support from the Egal Airport fire department, the Somali Region of Ethiopia fire department, and other cities in Somaliland. Additional training in gallantry and perseverance is also needed.

**(v) Somalilanders' resilience:** As soon as the fire began, Somalilanders at home and abroad organized and raised donations for the victims of the Waaheen Market fire. At the market, women and university students distributed free Iftars to the soldiers who were helping SLFB put out the fire and manage crowds. Additionally, there were volunteer health care providers and first-aid responders on hand to assist those injured on the scene. Within a few hours of the fire, Somaliland's media outlets dispatched journalists to Waaheen. Several of the journalists stayed up all night reporting on the event, while others waited until the fire was extinguished. Their reporting drew worldwide and regional media outlets' attention, including the BBC, Al Jazeera, ITV, DW, and the Washington Post among others.

**(vii) Exceptional private sector's response to fundraising:** During a fundraising Iftar at the Presidential Palace, Somaliland's major and medium-sized enterprises agreed to donate \$8 million to the Waaheen fire victims. Additionally, private organizations like Sahamiye Foundation selected those most vulnerable, notably women traders, and provided approximately \$160,000 to 410 women-owned enterprises within two days of the fire. The sum donated to the market fire victims was doubled in the days that followed. With the assistance of Zaad, Telesom's online money transfer system in Somaliland, Sahamiye has reached over 761 women-owned enterprises, with a total disbursement of 313,700 USD (HCTV, 2022). One anticipated challenge is the logistical challenge in the identification of the beneficiaries of the donated funds as well as transparency and accountability in the overall fund management. Resource mobilization to assist the victims is likely to continue into the foreseeable future.

**(viii) The invisibility and obfuscation of the National Disaster Preparedness and Food Reserve Authority (NADFOR) in the fire mitigation and response teams.** The NADFOR was founded by a presidential decree in 2003. At the time of drafting this policy brief, NADFOR

had not been incorporated into the NRRC, despite the fact that it is the primary agency tasked with the responsibility of leading disaster response and mitigation. Additionally, the National Disaster Policy, developed by NADFOR has not been fully implemented, a reality that continues to compromise the coordination and effectiveness of disaster responses and mitigation in Somaliland. Thus, even if NADFOR is eventually included in the fire response teams, the failure to implement the relevant policy framework would considerably undermine its work.

**(ix) The unbanked:** According to APD researchers, the majority of businesses in Waaheen lost not just property and merchandise in the fire, but also paper money worth hundreds of thousands of dollars. This is due to the fact that many traders often keep their money within their shops (or at home) due to lack of trust in the local banks. This is a relatively novel phenomena that has not been previously documented. Further research is therefore necessary to determine the factors that undermine public confidence in Somaliland's banking industry.

**(x) The absence and inefficiency of the House of Representatives' (HoR):** Although bipartisan parliamentarians visited the Waaheen market on multiple occasions to witness the aftermath of the fire and pledged to assist the victims, they failed to convene emergency sessions to discuss the fire outbreak. In this regard, they failed to execute their critical oversight role which would require them to hold a parliamentary inquiry into the fire and introduce legislation on disaster management especially as regards the Waaheen incident.

**(xii) Relocation of the victims:** The NRRC, in collaboration with the Hargeisa municipality, has chosen six markets (2 permanent, 4 temporary) for the relocation of fire victims. The two permanent marketplaces are *Xero Jaadii Hore* and *Inji*, which were constructed as government facilities but have sat idle for years. The four temporary markets will be located in the following areas: *Beerta Xoriyada* (Freedom Garden), *Garoonka Liinka Police*, and two locations within *Hadbwanaag Restaurant*, near the Waaheen market.

## Recommendations for Policy and Conclusions

The following proposals are crucial in light of the current crisis.

**(i) Framework for accountability and transparency:** There is a need for policy guidelines pertaining to procurement, accountability and transparency in the management of disaster response funds. This should be created by NRRC with the Ministry of Planning as the lead. The Ministry of Finance should also play a role in the management of public finances, especially to the extent that such funds are utilized in disaster responses. This may require additional regulation and legislations on funds management during disasters, beyond the existing legislation on public finance management. The House of Representatives must exercise oversight over the entities responsible for the funds' management.

**(ii) Streamlining disaster management:** Other than implementing the National Disaster Policy, NADFOR should develop a national disaster strategy. The strategy should be organized in three tiers; National, Provincial, and District. The strategy should incorporate various government departments and non-state actors at each level and recognize the intersectionality of disasters. Cascading the strategy into levels would enable each level of government to understand their roles during disasters.

**(iii) Local governments:** Local governments should accelerate their market diversification efforts as well as expedite the development and implementation of all regulations pertaining to issuing

business licenses to small traders. Additionally, they should develop local plans for disaster prevention in coordination with NADFOR.

**(iv) The House of Representatives (HoR):** To increase public confidence in Somaliland Banks, the House of Representative should institute financial reforms in the banking sector. Additional research is however necessary to determine the direction of these reforms. Secondly, the House of Representatives should reintroduce long-overdue insurance legislation to ensure prompt compensations, underwriting and financial response to disasters. Additionally, the House of Representatives should undertake public hearings to determine the cause of the Waaheen fire and subsequently enact laws to prevent and manage future disasters.

**(v) The National Response and Relief Committee (NRRC):** The NRRC should: (a) develop disaster management protocols for the Waaheen market; and (b) provide a clear accountability, transparency, and fund management mechanism for all funds in their accounts. These strategies will enhance the efficiency of the current Waaheen fire response strategies and provide a framework for the management of future disasters.

**(vi) The Somaliland Fire Brigade (SLFB):** The SLFB requires all available assistance in terms of human capital development and equipment. Accordingly, the Somaliland government and its partners should initiate capacity building plans for SLFB which would include retraining of the fire brigade and re-equipping of the SLFB with modern fire equipment. Stronger collaboration between the regional/district fire departments in Somaliland is also necessary. This may require either a standing collaborative committee or framework of collaboration and corporation.

**(vii) International partners:** International partners should assist Somaliland in two areas: (a) Hard infrastructure support through participation in the reconstruction of Waaheen both in terms of contributing to funds and technical expertise through third-party organizations and private companies; and (b) Soft infrastructure support through assistance with the establishment of policies, rules, and regulations at a district, regional, and national levels. Any financial support to the response teams should be managed in conformity with the recently signed Somaliland Partnership Framework Agreement between the Somaliland government and westerners donors.

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