

READING ARTICLE

"Pros and Cons of Ethiopia-Somaliland Memorandum of Understanding (MoU)"



A photo showing panelists during the academic discussion on the Ethiopia MOU on 28th June 2024 in Hargeisa, Somaliland

***Article prepared by Center for Democracy and Governance (CDG), Hargeisa, Somaliland
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About the Center:

The Centre for Democracy and Governance (CDG) is an independent, Somaliland based nonprofit center of excellence that promotes the advancement of democracy and good governance. By deepening of democracy and works to contribute to peace and security in Horn of Africa, the African continent and beyond through dialogue, the pursuit of knowledge and rigorous analysis of critical issues and developments. CDG activities target Socio-economic groups (Local Communities) Civil societies Academic institutions Government and non-governmental institutions Political Parties Refugee and IDPs. In exercising this responsibility, CDG focuses on the challenges of institution capacity building, democratic governance and the rule of law, as well as opportunities for peace, security, cooperation and integration.

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Introduction

The Horn of Africa finds itself at a crossroads following the signing of a Memorandum of Understanding (MoU) between Ethiopia and Somaliland on 1st January 2024. This agreement, laden with both potential and challenge, has sparked a whirlwind of debate. The international community, regional actors, and the people of Somaliland alike are grappling with its potential ramifications.

To foster informed public discourse on this pivotal agreement, Heinrich-Böll-Stiftung - Horn of Africa office in Nairobi supported the Somaliland Center for Democracy and Governance (CDG), a leading non-profit organization dedicated to promoting good governance and democratic principles, joined forces with the Somaliland Dialogue Working Group (SDWG), a consortium of caucus group committed to solve challenges through dialogue.

CDG and SDWG conducted the academic discussion dialogue academic discussion in Hargeisa, the capital of Somaliland on June 28, 2024. This event brought together a diverse group of over 150 participants, including High-level representatives from the Somaliland government, political parties and political associations, renowned scholars and researchers from Somaliland universities, and a significant portion of the audience from the general public. CDG also engaged prominent panelists including **Amb. Bashe Cawil**-Former Ambassador of Somaliland to the UAE and Kenya, **Mrs. Sucad Ibarhim**- A researcher and a female parliamentarian contestant in 2021, **Dr. Mohamed Farah**-Head of the Academy for the Development of Peace (APD) in Somaliland, and **Mr. Khalif Sheikh Omar**-Executive Director of the Somaliland Banks Association.

Key Takeaways from MOU Dialogue

Economic and trade Potential: The esteemed panelists unanimously highlighted the MoU's ability to unlock significant economic benefits for Somaliland. Mr. Khalif offered a particularly insightful perspective. He emphasized the potential for upgraded Berbera port facilities to attract international shipping lines, enhance Ethiopia's trade capabilities, and solidify Somaliland's position as a key trade hub. This, he noted, could translate into substantial revenue generation through increased port fees. Mrs. Sucad noted that it's important to acknowledge the limitations imposed by Somaliland's unrecognized status which limits access to international financial institutions thus hindering international trade and investment. She added that despite this challenge, the MoU's potential to boost trade could incentivize the development of a more formal banking system in Somaliland, equipped to handle the increased financial transactions.

Recognition and Diplomatic Landscape: The panellists cited that while international recognition remains a critical aspiration for Somaliland, the MoU's significance extends far beyond this single issue. Dr. Mohamed Farah offered a thought-provoking perspective. He suggested that the MoU has triggered a "dynamic diplomatic ballet" around international recognition. Shifting regional alliances could occur, with previously hesitant countries potentially swayed by Ethiopia's recognition of Somaliland. Ms. Sucad further emphasized the broader diplomatic implications. She noted that the MoU has opened up new diplomatic channels between Somaliland and other countries, facilitating dialogue on various issues like regional security cooperation and economic

integration. She highlighted discussions with the European Union and the USA on potential joint maritime patrols to combat piracy and the Red Sea issue. The panellists affirmed that the government would prioritize Somaliland's sovereignty in all diplomatic engagements.

Strengthening Maritime Capacity and Resource Mobilization: The panellists cited that the MoU presents significant opportunities to strengthen Somaliland's maritime capacity and resource mobilization. Dr. Mohamed Farah also pointed out the potential for cooperation with Ethiopia to extend beyond capacity building, leading to a more robust Coast Guard that can deter piracy and illegal fishing, ultimately enhancing regional maritime security. Ambassador Bashe highlighted the potential to utilize increased port revenue to modernize the Somaliland Coast Guard with new patrol vessels and training programs.

Building Infrastructure for International Engagement: The panellists applauded the successful execution of infrastructure development projects under the MoU to pave the way for greater international engagement. Mr. Khalif emphasized the strategic importance of these projects, suggesting that a well-developed infrastructure network, including potential road construction projects linking Berbera to Ethiopia's hinterland, could position Somaliland as a key trade and security hub in the Horn of Africa. This increased international profile could bolster Somaliland's efforts to gain broader recognition.

Entrepreneurship and Innovation Flourishing: The panellists unanimously concluded by highlighting the broader economic benefits. A more stable and secure environment fostered by the MoU could encourage entrepreneurship and the development of new businesses in various sectors, such as tourism, technology, and light manufacturing. Audience members expressed optimism about the potential for a "Somaliland boom" fueled by the MoU. Ambassador Bashe noted that the Ethiopia-Somaliland MoU presents a compelling set of opportunities for economic growth, diplomatic engagement, and regional security cooperation. Mr. Khalif further emphasized the job creation potential across various sectors, estimating tens of thousands of new jobs could be created over the next five years. Mrs. Suvad highlighted the need for equitable distribution of MoU economic opportunities through targeted training programs and investment in education to ensure all citizens can participate in economic growth.

Geopolitical and security Implications: The panellists agreed that the signing of the Memorandum of Understanding (MoU) between Ethiopia and Somaliland in January 2024 has ignited a firestorm of debate, reflecting the intensifying geopolitical competition in Africa. Overall, panellists provided a mixed picture of international reactions to the MoU. Ambassador Bashe noted that while there is global interest in East Africa's economic potential, some may prioritize Ethiopia's prospects. Mr. Khalif reiterated that Somalia's initial opposition is critical and emphasized Somaliland's efforts to address these concerns. The panellists concluded with a positive outlook on the agreement's potential to enhance security and create a more favorable environment for Somaliland's businesses.

Escalating Regional Tensions: The panellists mentioned that while the discussion focused on the MoU's potential for positive outcomes, it is important to acknowledge potential challenges. Dr. Mohamed highlighted a critical concern: He added that Somalia's strong opposition to the MoU raises the risk of a proxy war, potentially drawing in regional powers like rivals of Ethiopia. He also hinted that increased military activity near the borders could escalate the existing tensions and draw other actors into the conflict. Mrs. Suvad added that the MoU might strain Somaliland's

relationship with traditional allies who may perceive it as a strategic shift towards Ethiopia. Somaliland needs to carefully navigate its diplomatic relations, communicating its pursuit of development without jeopardizing existing alliances.

International Recognition and Legal Hurdles: The panellists highlighted the complex legal issues surrounding the MoU. The panellists acknowledged that achieving international recognition remains a key aspiration for Somaliland. However, the MoU's legality under international law is uncertain given Somalia's objections. Dr. Mohamed mentioned that Somalia may attempt to challenge the agreement through legal channels, potentially jeopardizing Somaliland's pursuit of international recognition. He added that Somaliland was a British protectorate separate from Somalia before colonization and never legally joined a unified Somalia after independence. He concluded that Somaliland claims the right to self-determination under international law due to its de facto independence for over 3 decades.

Conclusion

The CDG-organized academy discussion on the Ethiopia-Somaliland MoU provided a valuable platform for public engagement and strategic analysis. By bringing together diverse perspectives, the discussion fostered a deeper understanding of the MoU's potential benefits and drawbacks. The discussion has laid the groundwork for formulating the MoU's long-term effects remain to be seen, but it undoubtedly represents a pivotal moment for Somaliland. Capitalizing on the presented opportunities while cautiously maneuvering the inherent challenges will be crucial. The MoU reflects the complex interplay of interests and concerns surrounding the Horn of Africa. Continued dialogue and collaboration among key stakeholders, including Somaliland, Ethiopia, and regional powers, will be crucial in determining the agreement's long-term impact. By navigating these complexities with foresight and unwavering resolve, Somaliland and the region as a whole can pave the path toward a more prosperous and stable future.

Recommendations

- The panellists suggested that Somaliland should initiate dialogue with regional powers to de-escalate tensions and foster regional cooperation. Emphasizing the MoU's potential economic benefits for all parties could create a stronger incentive for peace and balance of interest.
- The panellists emphasized the importance of clear communication: "Somaliland needs to engage in transparent discussions with its traditional allies, explaining the MoU's objectives and assuring them of Somaliland's commitment to maintaining strong ties."
- The panelists suggested that Somaliland should pursue a legal strategy to defend its position on self-determination, while simultaneously engaging in diplomatic efforts to garner international recognition.
- The panellists unanimously recommended establishing a robust dispute-resolution mechanism within the MoU framework. This mechanism should be transparent, impartial, and binding on both parties.
- The panellists highlighted the need for in-depth studies on the MoU's impact on regional security dynamics, international relations, and the environment.