

“FREEDOM FROM FEAR AND FREEDOM FROM WANT”

Towards Safe and Sustainable Cross-Border Trade

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POSITION PAPER

EXECUTIVE SUMMARY



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INTRODUCTION

Informal Cross-border trade (ICBT) contributes to the reduction of poverty and the sustenance of livelihoods for borderland communities in East Africa. The United Nations Food and Agriculture Organization (FAO) indicates that women in Africa are engaged in nearly 70 per cent of the informal cross-border trade as their only source of income. Women also trade in low value, low profit products such as raw or semi-processed basic and luxury goods produced in other countries (FAO 2017).

It is estimated that more than 95 per cent of the regional trade in eastern Africa is carried out through unofficial channels and has significant implications for income and food security, as well as human security. ICBT in agricultural and livestock commodities and consumer goods encourages entrepreneurship, provides employment, constitutes a source of food security, and is an important source of capital and savings for communities and individuals with vulnerable livelihoods. It also has critical gender implications as it provides an avenue for women's entrepreneurial activity and economic empowerment.

The Manderla Triangle comprises the borderland areas between Kenya, Ethiopia and Somalia, specifically, Dolow Ado and Dolobay in Ethiopia; Gedo in Somalia; and Manderla in Kenya. The communities living in and around the Manderla Triangle share historical, socio-political and economic ties going back centuries. However, the area has also been characterized by fragility, poverty and conflict. Manderla Triangle has also experienced periods of trans-boundary conflicts and periodic attacks by violent extremists. For this reason,

governments have increased security along the borders, closed some borders, and restricted movement of cross-border communities.

Conflict, security, and various policies have a significant effect on trade in the tri-border area of the Manderla Triangle. ICBT between Somalia and Kenya has been halted several times in recent years due to conflict along the borders and due to Kenya's attempts to stop the spillover of insecurity from Somalia. Similarly, trade between Ethiopia and Somalia has been slowed numerous times in recent years due to conflict, as well as increased confiscation of trade goods by government officials (Little, P, 2010). Although certain measures have been taken by governments to formalize ICBT, especially in livestock, a number of challenges remain. These challenges centre on restrictions to movement for people, their animals and trade goods, which have vital consequences not only on livelihoods and resilience but also the general well-being of communities. Restriction on movement is, at its root, a result of these borderlands being sites of inter and intra-state conflicts and spaces of insecurity witnessing traffic in small arms, illegal goods and human smuggling.

Nevertheless, given the importance of ICBT in the resilience of cross-border communities, this position paper examines efforts by the BORESHA programme to support communities to enhance their economic resilience and the challenges faced in the implementation of such initiatives. This paper is aimed at providing insights and pointers to policy makers, development partners and practitioners on the ICBT policy and actions needed to enhance resilience opportunities for cross-border communities.



About BORESHA & DDG

Building Opportunities for Resilience in the Horn of Africa (BORESHA) is a 3-year (2018-2020) cross border project implemented by a consortium of the Danish Refugee Council, World Vision, WYG and CARE International with funding from European Union Trust Fund for Africa. BORESHA works with local communities and public authorities to establish transformative processes to enhance the cross border socio-economic integration and support resilience in the fragile and underdeveloped borderland areas between Kenya, Ethiopia and Somalia.

This technical brief was produced through a collaborative workshop between BORESHA and the Danish Demining Group (DDG), a Humanitarian Mine Action and Armed Violence Reduction Unit within the Danish Refugee Council (DRC).

POLICY LANDSCAPE ON CROSS-BORDER COOPERATION AND DEVELOPMENT

The African Union (AU) and the Intergovernmental Authority on Development (IGAD) have designed multiple interventions and policies that recognize the necessity for a shift in the approach to borders and borderlands. The AU established the African Union Border Programme in 2007 with a specific remit focusing on border delimitation, demarcation and enhancing cross-border cooperation between member states. The AU has also designed other policy instruments focusing on borders such as the 2014 Niamey Convention on Cross-border cooperation, the 2017 African Union border governance strategy, the 2018 treaty establishing the African Continental Free Trade Area and the draft protocol on free movement of people.

The Intergovernmental Authority on Development (IGAD) has championed cross-border policy formulation and establishment of institutions that promote the welfare of borderland communities such as the IGAD Drought Disaster Resilience and Sustainability Initiative (IDDRSI) and, also through focal agencies such as the IGAD-Conflict Early Warning and Response Mechanism (IGAD-CEWARN). IGAD has also categorized the borderlands of the Horn into 8 clusters for programming purposes. IGAD has also formulated several draft

instruments to ease the movement of goods and people across borders in the form of the IGAD Protocol on the free movement of people and the IGAD minimum integration plan.

More recently in June 2018, IGAD formulated and adopted the Policy Framework on the Informal Cross-Border Trade and Cross-Border Security Governance Nexus (ICBT-CBSG) to enhance cross-border cooperation and economic exchange in the region. Given the human security challenges in these borderlands, a CBSG approach is necessary to allow flexibility and creativity in formulating responses. CBSG contradicts the traditional view that perceives borders and borderlands as 'constraints' and views them, instead, as opportunities that, if harnessed appropriately, can improve the livelihoods and economic well-being of borderland communities. The ICBT-CBSG nexus recognizes the contributions of subsistence-oriented ICBT to livelihoods and resilience, and, by extension, to human security on the borderlands.

ICBT is defined as the small-scale cross-border trade of legitimate subsistence goods and services, which intentionally or unintentionally evades taxation and other procedures set by governments, and often goes unrecorded into official national statistics.

KEY OBJECTIVES

The policy highlights five key objectives and corresponding strategies to enhance trade and cooperation:

1. Ensuring a coherent understanding of ICBT contributions to livelihoods and economic well-being of borderland communities;
2. Enhancing greater ICBT-CBSG policy convergence and harmonization between IGAD member states;
3. Strengthening border security systems and supporting trade facilitation at border crossing points;
4. Promoting the participation of borderland communities in policy consultations to ensure that Cross-border trade and security-related decisions are enriched and borderland communities' interests and concerns promoted; and,
5. Ensuring availability and access to consistent, timely and reliable data and analysis on cross-border economic exchanges and ICBT.



Halima Aden together with BORESHA Staff, Abdullahi at the fodder store in Dollow, Somalia, 2019 © Maslah Mumin / DRC

PROGRAMME IMPLEMENTATION EXPERIENCE

Many studies, including data collected within the BORESHA programme, show the substantial contribution ICBT makes to the livelihoods and resilience of borderland communities. Leveraging shifts in ICBT policy will not only enhance livelihoods, but also lead to a marked improvement in the peace and stability of the borderlands given the interrelatedness of these issues. Among the 5 objectives of the policy framework, BORESHA's work focuses on Policy Objectives 1 and 4. Some of the early results achieved by the programme in the two policy areas are as follows:

Objective 1: Ensuring a coherent understanding of ICBT contributions to livelihoods and economic well-being of borderland communities

BORESHA has conducted studies to deepen the understanding of the complex and multi-layered dynamics in the areas of implementation, to identify livelihood and economic opportunities, and to better understand the nature and root causes of the barriers hindering the potential of various economic activities. The Labour Market Analysis and Value Chain Assessments highlighted the main constraints in the areas of implementation: low or no access to technical services for farmers and pastoralists; and, little or no access to inputs, skills and finance. The studies also identified a gap in market information and linkages.

The cross-border Natural Resource Mapping identified the following issues related to ICBT-CSBG: institutional structures for cross-border NRM (including trans-boundary water bodies) are largely informal; there is no common policy on enhancing trade and

development of markets for local produces (livestock and agriculture); women, youth and minority groups are underrepresented in formal cross-border trading structures; and, movements across the three countries are largely irregular. The preliminary findings of the research on ICBT commissioned by BORESHA indicate that the closure of the border between Kenya and Somalia has affected legitimate businesses, leading to a rise in the costs of goods and reducing earnings. The ICBT research also recognizes the crucial role played by the informal trade associations.

BORESHA has contributed to efforts propelling and supporting ICBT and livelihoods by establishing trade committees and organizing meetings, as well as by establishing a mobile based platform to share market information. The project has engaged the private sector by setting up a Tri-border Trade and Business Committee, which facilitates regular meetings between the private sector, community representatives and local governments.

These meetings chart out challenges and achievements in ICBT and set out an Action Plan to be followed throughout the year. In addition, the project has trained 100 community animal health workers (and reached 800,000 animals through animal health interventions); disbursed 78 grants through an innovative financial mechanism to support entrepreneurship (the first round of 50 entrepreneurs have already employed 115 new employees, opened bank accounts, registered with the respective relevant institution); supported the enrolment of 400 youth in technical and vocational training institutions; and, provided capacity building in technical and business skills to improve business and financial literacy.

All of these efforts aim to support the development of livelihoods, business, and trade based on a sound understanding of the social and economic context of the borderlands.

Objective 2: Promoting the participation of borderland communities in policy consultations

BORESHA has actively engaged border communities and local government authorities in all its components through its mainstreamed participatory approach. BORESHA recognizes that communities are the driving force in the local context and are in charge of the planning and decision-making process about their territory and their future. In that vein, BORESHA has facilitated and strengthened various community structures in matters of Disaster Risk Reduction (DRR), Natural Resource Management (NRM), Livestock Common Interest Groups (LCIG), and Village Savings and Loan As-

sociations (VSLA). These structures are at the core of BORESHA programming, they identify needs, capacity gaps, opportunities, and the modality to address various challenges.

The active and meaningful participation of borderland communities has, for example, led to the joint identification of participatory, community-managed DRR plans (37) and the establishment of 40 NRM committees, with more than 1,000 members trained in NRM. In addition, cross-border workshops on resource-based conflicts (Kenya and Ethiopia) were held and saw the participation of 50 community representatives, local administration, security officials and political leaders.

The workshop led to the passing of resolutions around regulating and negotiating access to resources that would be followed up by the cross-border committees.



Abore Village Chief, Issak Liban displays the dirty water they used to drink and the clean water they are now consuming courtesy of BORESHA, Dollow, 2019 © Maslah Mumin / DRC

CHALLENGES

Although efforts to meaningfully include community voices and interests in policy consultations and propelling various economic initiatives have been undertaken, pragmatic restrictions along the borderlands can render the task of translating policy to practice difficult. The BORESHA programme, as an example of cross-border initiatives, has faced restrictions to movement of programme staff as well as key beneficiaries, which has a bearing on livelihoods and, consequently, on ICBT. Due to restrictions on crossing the border,

such events as joint meetings and exchange visits between DRR implementing groups and joint training on NRM for beneficiaries from the three countries could not be achieved. The inability to do these has a direct impact on harmonization of priorities and establishment of collaborative approaches across borders.

Similarly, Tri-border business committees, whose aim is to provide strategic direction to programme activities linked to trade, and to support a favourable and conducive environment for trade, could not meet as scheduled. Instead, representatives of the committee, drawn from the community, could only meet at the country

level which defied the purpose of having a multi-country, cross-border committee. Lastly, joint cross-border coordination with local administrations could not be achieved; parallel coordination systems with respective authorities at country level was the only available recourse.

RECOMMENDATIONS

Based on the project experiences in implementing cross-border programmes, BORESHA's position in this paper, and with the hope of improving cross border livelihoods recommends the following actions.

1. Contextualize and pursue access rights.

Cross-border movement is a necessary condition to enable trade and other livelihood activities. Border closure by Government authorities due to security threats, and the relocation of the immigration office from Manderla to Wajir in 2019 has impeded project implementation. However, the project explored and implemented innovative approaches to overcome these issues, including the use of technology for virtual meetings.

The main recommendations, thus, are:

- Formalize the associations and advocate for cross-border recognition by local authorities.
- Provide Security clearance for key individuals- e.g. grazing committee representative who also play key conflict mitigation roles across the borders.

2. Strengthen integration for all stakeholders who geographically converge at the borderlands.

Integration is an important component of any cross-border programme and deserves due attention from the design, and planning stages. There is need to have a common theory of change for all cross-border actors to enable targeted communities to progressively build on their resilience and secure their livelihoods. In that regard, a sustainable mechanism needs to be established for government, private sector, NGOs, local authorities, and communities residing and working in the borderlands to integrate their operations. The mechanism should have inclusive representation of women, youth and people living with disabilities.

3. Facilitate gender-transformative enterprise development and training, geared towards changing household power dynamics and helping women find employment outside the home and beyond traditionally women-dominated fields.

In the Manderla Triangle, women are generally marginalized and are unable to access skills and opportunities for a complex set of reasons. Livelihood programming in the region has, in general, opted for traditionally women-dominated lower income service fields such as beauty care, hairdressing, catering and tailoring. Through innovative financial products such as IBLI (Index Based Livestock Insurance) and VSLAs, women's financial autonomy and economic empowerment can be advanced and these initiatives need to be further explored for their impact and lessons learnt in their implementation.

4. Leverage on technology by designing, developing and promoting virtual information sharing platforms for facilitating cross border trade.

BORESHA has designed a mobile-based trade and market information platform to offer daily prices of the most frequently traded commodities across the three countries and other relevant public information. This service has been used in other cross-border areas in line with the sharp increase of phone ownership across Africa in the recent years. Mobile based information platforms have critical cost advantages with expanding scale of operations due to low fixed costs and provide valuable benefits to cross-border traders.



BORESHA staff in Ethiopia, Abdawali Muhamed © Maslah Mumin / DRC

CONCLUSION

The experiences and challenges arising from BORESHA programming brings to fore critical policy considerations for cross-border movement and ICBT programming. The project has endeavoured to fulfil its objectives despite the border control dynamics including closure and movement restrictions. These restrictions have a particularly significant impact on women, given their involvement in ICBT. Although there is greater interest both from the local administrations and the private sector in interventions related to technical skills and business grants, the policy and business environment is far from conducive.

There is need for cross-border actors and policy makers to dialogue and find medium- and long-term solutions to the cross-border challenges. Achieving freedom from want and fear is when people have access to ba-

sic needs, and do not fear their government, its armed forces, or even their neighbours, a phenomenon that is foreign to the Mandera Triangle.

This position paper advocates for:

- (i) Contextualizing and creating progressive access rights;
- (ii) Strengthening integration for all stakeholders who geographically converge at the borderlands;
- (iii) Facilitating women-based training and enterprises;
- (iv) Leveraging on technology to expand the reach especially, for the hard-to-reach communities as necessary ingredients for building resilience of the cross-border communities

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