

*The European Union's Political and Development
Response to Somalia*

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The study describes the situation in Somalia before January 2001.

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Acronyms

ACP	African, Caribbean and Pacific countries
CFSP	Common Foreign and Security Policy
CBO	Community-based organisation
CoC	Code of Conduct for International Rehabilitation and Development Assistance to Somalia
DG Dev	Directorate-General for Development
EC	European Community/European Commission
ECU	European currency unit
EDF	European Development Fund
EU	European Union
HQ	Headquarters
IGAD	Intergovernmental Authority on Development
IMF	International Monetary Fund
INGO	international non-governmental organisation
IPF	IGAD partners' forum
NGO	non-governmental organisation
PAR	participatory action research
SACB	Somalia Aid Coordination Body
SCR	Common Service for External Relations (now EuropeAid)
TA	technical assistant
UNCT	United Nations Coordination Team
UNDP	United Nations Development Programme
UNOSOM	United Nations Peacekeeping Mission in Somalia
WSP	War-torn Societies Project

Summary

This study explores the European Union's (EU) political and development response to Somalia.¹ Somalia descended into clan-based conflict in 1991 and has been without an fully recognised government and central state authority for 10 years². In many respects Somalia is the epitome of a politically fragile state and, as such, has provided a major challenge to the international community and its approaches to the provision of assistance for rehabilitation, reconstruction and development. Since 1995 the EU has been the largest and perhaps the most significant donor in Somalia and has played a key role in shaping international policies towards the country.

In terms of the size of aid flows, the EU is followed by the USA and Italy. Unlike the European Commission and Italy, most of whose expenditures are termed development expenditure, the USA provides predominantly emergency assistance, with almost half of its expenditures in 2000 going to a rural food security project implemented by the international non-governmental organisation (INGO), CARE. The European Commission is the largest donor in all sectors other than food security (USA) and governance (Italy). The remaining EU Member States provide predominantly emergency assistance, although Denmark, whilst only a minor donor, has recently assumed an important role as chair of the Somalia Aid Coordination Body (SACB). In the absence of a government, the International Monetary Fund (IMF) and the World Bank are not present in Somalia.

Due to the unique and prolonged situation of a lack of a central government, the EU has been required to adapt almost all aspects of the way it works in order to provide assistance that goes beyond humanitarian aid. Without a government, Somalia was unable to sign up to Lomé IV and Lomé IV *bis*, and subsequently was unable to benefit from the funding available to African, Caribbean and Pacific (ACP) states via the 7th and 8th European Development Funds (EDF). However, following a Commission proposal and Council decision in 1992, it was decided to interpret Somalia as an 'exceptional circumstance' within the Lomé framework, and to replace the role of national authorising officer of the funds (usually a member of the recipient government) with that of the principal authorising officer, the head of the Commission's Directorate-General for Development (DG Dev). Thus, funds from the previous EDFs 5 and 6 of Lomé III that were unspent due to the prevailing political conditions, became available for use in Somalia, paving the way for the establishment of the EC Somalia Unit in Nairobi and the appointment of the EC Special Envoy in 1994. Two rehabilitation programmes have been financed out of EDFs 5 and 6. With the negotiation of the Cotonou Agreement it became imperative to find a longer-term solution that would be adapted to the realities of the situation of an absence of government. Following pressure from both within the Commission and external sources, a special provision was incorporated into the new Cotonou Agreement allowing special support to ACP States which, 'in the absence of normally established government institutions, have not been able to sign or ratify this agreement' (Article 93, paragraph 6).

The complex process of securing EDF funds for use in Somalia demonstrates the rigidity of the legal framework of the ACP-EU agreements. However, it also demonstrates the EC's willingness to interpret and adapt the framework in order to allow the provision of rehabilitation and development-oriented initiatives in the unusual situation of the absence of a government. The new provision is particularly significant in that it represents the recognition on the part of the EU of the possibility of complete state collapse. The availability of EDF funds for Somalia has allowed the Commission to develop programmes that, due to the nature of the situation, have necessarily been adaptive and innovative in terms of both management and strategy, although challenges remain.

The EC's prominent role in Somalia has been facilitated by its relationship with EU Member States. Due to the relative lack of strategic interest in the region, the weakness of the most obvious lead agency, the UN,

¹ In this paper, 'Somalia' refers to all the regions that were formerly part of the Democratic Republic of Somalia. This does not infer any particular political perspective with regard to the status of Somaliland.

² It should however be noted that following the Djibouti Peace Process which took place in Arte between February and August 2001, a Transitional National Government was established in Mogadishu. This interim government has been recognised by the UN.

and the difficulties associated with intervention in Somalia, most Member States have been willing to allow the Commission to take a dominant role in shaping international strategies and in aid coordination. The Commission's unusually political focus was also facilitated until 1998 by the creation of the position of the EC Special Envoy.

Challenges and Opportunities for the EU

Underlying the main challenges and issues that arise from the institutional and legal framework of the EU in Somalia has been the lack of optimal adaptation of instruments and the administrative framework and procedures. The problems associated with the use of these instruments and the administrative framework include the following:

- long programming cycles and delays in the project cycle;
- administrative delays in approving projects at the Headquarters level in Brussels;
- complex administrative procedures;
- the lack of transparency;
- the lack of capacity and institutional memory;
- non-adaptive pressures from Headquarters level in Brussels; and
- the variable quality of implementing partners.

In addition to the lack of institutional adaptations to the situation in Somalia, certain shortcomings and issues have been identified concerning the policy orientation and implementation approaches of the EC and the wider international community, particularly the peace dividend approach. These shortcomings include:

- defining peace (peace according to whose definition);
- the limits of a peace dividend where full engagement with authorities is precluded by a lack of recognition;
- abrogation of humanitarian principles when conditionalities are imposed on assistance;
- understanding the importance of the trade infrastructure and other macroeconomic factors; and
- concerns regarding the accountability and transparency of donor interventions.

Nevertheless, the EU's approach in Somalia also offers several lessons and opportunities for an improved response to EU relations with politically fragile states. At the policy level, these include:

- mainstream governance, conflict prevention and peace building within rehabilitation and development strategies;
- develop, in coordination with other donors, guiding principles and a strategic framework for programming rehabilitation and development resources;
- develop modalities, in coordination with other donors, for relations with emerging and unrecognised authorities;
- recognise and minimise the dangers of conferring legitimacy to illegitimate actors via external assistance;
- recognise, analyse and encourage positive peace-building/conflict prevention processes at the local level through rehabilitation and development interventions;
- focus on and reward the form rather than the substance of interventions;
- encourage and support, but do not dictate positive macro-political processes (e.g. peace processes);
- support and encourage local actors to advocate constructively on international policy and provide mechanisms to increase the transparency of donor actions to local actors; and
- recognise the importance of the trade/economic infrastructure in ensuring the sustainability of interventions.

At an institutional/administrative level, the lessons and opportunities for an improved response include:

- adapt instruments and programming to allow for optimal flexibility in response to political/social developments;
- decentralise authority, simplify administrative processes and decentralise staff to country delegations in order to minimise delays, and enhance flexibility;
- provide resources for a permanent field presence to improve communications, and thus the transparency of the EU'S actions to local actors;
- provide the capacity within the country delegation for adequate monitoring and support to implementing partners;
- encourage closer relations between staff at a country level and Headquarters in Brussels, both EuropeAid and DG Dev;
- ensure that regular evaluations are carried out to inform future interventions and to contribute to the EC's understanding of cooperation with politically fragile states;
- ensure staff in DG Dev and EuropeAid to visit the region regularly;
- assign personnel with in depth experience of the region in the geographical unit in DG Dev and EuropeAid.

Added value of the EC

The experiences of the Commission in Somalia suggest that there are several areas in which the EC offers true added value in relation to Member States' bilateral approaches:

- Despite the current climate of 'donor fatigue', the Commission has been able to commit significant resources for non-humanitarian assistance. This has ensured a permanent international presence in Somalia in the form of the EC liaison offices and EC-funded INGOs.
- The Commission's permanent presence in Somalia has allowed it to build up a significant level of analysis and understanding of the situation, which has proved to be a useful resource for Member States who might only have a limited engagement.
- The Commission's understanding of the situation has allowed it to play an informed role in discussions with Member States and other donors on political engagement. Furthermore, its lack of strategic interest has allowed it to use this informed position and development perspective to balance the more politically oriented views of Member States.
- The Commission's funding of INGOs in Somalia has put it in a position where it can help to ensure that implementing agencies, such as INGOs, meet professional standards, and can encourage and support innovations in the design and implementation of programmes.

1 Introduction

'Somalia is unique insofar as it is the only country in the world which has endured an absence of central state authority for such a time. Yet, many of the trends are not unique, and are more suggestive of the global patterns affecting the modern world' (Bernard Harbourne, United Nations Coordination Team).

In this study, the European Union's (EU) political and development response to Somalia³ will be explored. Somalia descended into clan-based conflict in 1991 and has been without an internationally recognised government and central state authority for 10 years. In many respects Somalia is the epitome of a politically fragile state and, as such, has provided a major challenge to the international community and its approaches to the provision of assistance for rehabilitation, reconstruction and development. Since 1995 the EU has been the largest and perhaps the most significant donor to Somalia and has played a key role in shaping international policies towards the country.

2 Country Overview: Somalia

2.1 Historical Background to the Conflict in Somalia

The dynamics underlying the collapse of the Somali state into conflict can be traced back to the process of independence, subsequent social, economic and political developments, and Somalia's relationship with the two superpowers, the USSR and the USA, during the Cold War era.

Prior to colonisation, the Somali people did not share a single political entity. Social organisation was based on nomadic pastoralism with a decentralised democracy based on the complex relationships between clans, sub-clans and families. At the end of the nineteenth century the colonial powers divided the Somali people into five distinct units: Côte Française des Somalis (now the Republic of Djibouti), which was ruled by the French; the Ogaden district of Ethiopia, which was conquered by the Ethiopians between 1887 and 1895; Somalia Italia; British Somaliland; and the Northern Frontier District of Kenya, which was colonised by the British. Independence came in 1960 when Somalia Italia and British Somaliland were united to form the Democratic Republic of Somalia, and multi-party democracy was established using an externally drafted constitution. Significantly, more than two-thirds of the Somali population lived outside the borders of the Republic, and the dream of uniting the five units was a mobilising factor behind the subsequent nationalist movements.

During the first 10 years of independence the new Somali state already showed signs of inherent weakness. By the end of the 1960s the lack of clear leadership and policies contributed to the eruption of clan-based parties and candidates, reflecting the potential for fragmentation in Somali domestic politics. In part as a result of the political instability created by the proliferation of parties, in 1969 Siad Barre, the leader of the armed forces, staged a bloodless coup and ruled Somalia until the state collapsed into clan-based conflict in 1991.

The period of Siad Barre's dictatorship was characterised by large inflows of economic and military support from the USSR and subsequently from the USA, the militarisation of society, nationalism (marked by the unsuccessful Ogaden war with Ethiopia in 1977), and the domination of Somali politics by Barre's own clan, which profited from international support and the spoils of the state, and the alienation of the majority.

³ In this paper, the term Somalia refers to all the regions of what was formerly part of the Democratic Republic of Somalia. This does not infer any particular political perspective with regard to the status of Somaliland.

With the collapse of the state, the Barre regime was replaced by a collection of warring factions. These factions did not represent coherent and coordinated group seeking to take over what was left of the state. Rather, they were loosely coordinated militias centred on sub-clans and even sub-groups (although lacking the traditional leadership of elders), whose main aims were survival and resource allocation.

An international military intervention between 1992 and 1995, under the umbrella of the United Nations Peace-keeping Mission in Somalia (UNOSOM), and various other attempts to forge national unity, have been largely unsuccessful. Although the UN intervention initially aimed at consolidating a secure environment for the delivery of relief supplies in the midst of severe and widespread famine, its remit evolved to include political reconciliation, disarmament and the establishment of police forces and district councils – essentially, to rebuild the state.

Following large troop casualties, the UN pulled out of Somalia in March 1995, its operations widely regarded as a failure. Many accused the UN and associated relief operations of fuelling the conflict by supplying the faction leaders with the raw materials of patronage, contracts, relief, supplies and prestige. The focus on faction leaders in political rehabilitation served to recognise militia leaders with weak and illegitimate constituencies of support, and contributed to a mushrooming of factions. Five years since the withdrawal of UN troops, the Somali landscape is characterised by internal regional disparities in the levels of social, economic and political recovery, with some areas experiencing ongoing conflict.

2.2 The Current Social, Political and Economic Situation: Regional Recovery and Areas of ongoing Conflict

Large parts of *southern Somalia*⁴ are still in a situation of protracted crisis with the chronic threat of factional and clan-based conflict. Governance in many parts is based on factional control and a war economy is in evidence, particularly in the banana-growing regions. From the perspective of international actors, these areas are in urgent need of emergency relief, and the situation is exacerbated by natural disasters such as drought and floods. The political instability and military activities have led to flows of people, particularly young militia members, into urban areas, notably Mogadishu. Islamic Sharia courts, supported by business, have been used by the population as a means to control conflict and banditry, together with clan-based systems of redress. A few areas of the south are, however, more stable⁵ with evidence of improvements in governance, safety, security, trade and commerce. Furthermore, a new Transitional National Government now in place in Mogadishu (see section 2.4) has been making attempts to establish control and neutralise the war lords.

In the *northwest*, ‘Somaliland’ claimed independence from the rest of Somalia in 1991 following a period of severe repression of the dominant Issac clan during the latter years of the Barre regime. Weak, although evolving political structures have been established and a number of conferences have sought to address the issue of reconciliation between the major sub-clans in the area and the selection of a political leadership. The authorities have made efforts to provide their communities with improved security, basic services, local governance and general stability for economic activities, and to demobilise the militias. Somaliland remains politically unrecognised at the international level, a situation that has constrained the process of reconstruction and international engagement. There has been some tension between ‘Somaliland’ and the administration in the northeast over the control of the Sanaag and Sool regions.

In the *northeast* an environment of fragile recovery exists and weak local political structures have emerged following the establishment of the ‘Puntland’ state of Somalia in 1998. The evolution of inter-clan reconciliation has been blocked by the prospect of national reconciliation. Many of the measures to provide security, basic services and local governance have been geared towards enhancing opportunities for commercial and trade activities, including livestock and fishing.

⁴ Southern Somalia comprises the areas south of Galkayo in Mudug, Galgaduud, Hiran, Middle and Lower Shabelle, Bay, Bakool, Gedo, Middle and Lower Juba.

⁵ These areas include Mudug, Galgaduud, Hiran and Gedo, as well as districts in Bay and Bakool.

2.3 Key Challenges facing Somalia: the Absence of Recognised State Structures and Political Instability

The prolonged absence of formal and recognised state structures and the political instability have had profound impacts on the socio-economic environment in Somalia.

Politically, following two decades of a centralised and increasingly corrupt system of government, followed by the collapse of the state, the Somali people lack experience in building up local administrative or governance systems. Without a fully recognised government, Somalia has not been represented in the full range of international fora, and thus has been precluded from signing trading and other international agreements, with negative effects on the economy. Despite the conflict, however, a Somali civil society does exist, with both traditional elements and more modern forces, and is becoming increasingly organised, filling more political and social space.

Socially, Somalia has experienced large-scale population movements, internal displacement, a huge decline in social services and the loss of livelihoods. The decline in the levels of education has resulted in the phenomenon of a ‘lost generation’ and has exacerbated the tendency for young men to join ‘militias’ in order to gain respect and livelihoods in areas where conflicts are most likely to flare up. Segments of the population, the majority men, are also increasingly reliant on the use of *qat*, a stimulant leaf, which has negative effects on the household economy and family relations. Women remain acutely vulnerable, although social changes accompanying the conflict have led to a shift in gender relations and have opened up opportunities for women, particularly in the informal economy. Islam has a significant influence on many aspects of life, as demonstrated by the prominent role of Koranic schools and Islamic welfare organisations. There has been an increase in the number of Somalis, in particular members of the educated elites, seeking to emigrate overseas, particularly to the USA and Northern Europe.

Economically, the collapse of the state and the civil war have led to the destruction of the formal command economy. Subsequently, public regulatory mechanisms and banking facilities are weak or absent, and there is little formal access to international markets. Informal forms of the local economy, most notably private enterprise, have emerged and prevailed, in particular the communications infrastructure, currency exchange and remittance facilities. Livestock productivity and trade, which is at the centre of Somali economic life, has remained largely unaffected by the conflict, although the absence of recognised trade structures has increased its vulnerability to economic shocks, such as the regular bans on the sale of Somali livestock in Saudi Arabia. The lack of a regulatory framework, poverty and insecurity have led to the degradation of the environment, resulting in a reduction of the carrying capacity of the land and over-exploitation of marine resources.

2.4 Recent Political Developments: the Guelleh Initiative – Unity or further Fragmentation?

After a period in 1997 when both Egypt and Ethiopia hosted parallel, competing and ultimately unsuccessful attempts to forge national unity and reconciliation, in 2000 President Guelleh of Djibouti launched a renewed initiative to find a solution to the Somali problem within the framework of the regional organisation, the Intergovernmental Agency for Development (IGAD).⁶ This has become known as the Guelleh initiative or the Djibouti peace process.

The Djibouti peace process, which took place between February and August 2000 at a conference in Arte, Djibouti, resulted in the inauguration of a transitional national assembly, made up of members selected during the conference and the subsequent election of a transitional national government, now in residence

⁶ The IGAD Member States are Djibouti, Eritrea, Ethiopia, Kenya, Somalia and Uganda.

in Mogadishu. This government has since been recognised by the UN and a number of Arab states. In contrast with previous attempts to forge national unity, the Djibouti peace process represented a real attempt to involve all sectors of Somali society, including traditional leaders, more modern elements of civil society and intellectuals from the diaspora. Furthermore, it represented an attempt to marginalise the role and significance of faction leaders, and has attracted the support of large segments of Somali society who are tired of the environment of instability created by the factional militias. Despite its inclusive nature, the peace process has been weakened by the absence of official representation and support from Somaliland and Puntland, as well as of a number of key faction leaders. The government has now been recognised by

The new government now faces a number of key tasks, the successful execution of which will determine its long-term prospects. These include securing control over the areas of Somalia dominated by faction leaders, in particular Mogadishu, the creation of administrative structures where they do not exist, the forging of national unity and reconciliation through dialogue and negotiation with existing structures in Puntland and Somaliland, the demobilisation of the militias, and the development of positive and constructive relations with the international community. The potential for national reconciliation and the prospects for future peace will also be determined by the sensitivity with which international actors undertake the challenging task of providing support to the new government in the prevailing situation, and the dangers associated with the pursuit of a national political context demonstrated by previous attempts at national reconciliation. The form and substance of this support is still in the process of being developed, and it is too early to provide a substantial analysis of the international community's response to the new government.

3 The International Response to Somalia

3.1 The International Response Post UNOSOM

Since 1995, the EU has been the largest and perhaps the most influential donor in Somalia. The role of the European Community (EC)⁷ in Somalia was most prominent between 1994 and 1998, when the Commission's activities were led by the EC Special Envoy⁸ Sigurd Illing. The EC's leading role during this period was facilitated by the 'political space' left by the withdrawal and subsequent weakening of the UN in Somalia, the gradual withdrawal of other international actors, the status and leadership qualities of the EC Special Envoy, the levels of funding, which enabled the implementation of a significant rehabilitation programme, and the creation of an 'institutional space' in the form of the EC Somalia Unit. The EC Special Envoy chaired and led the development of the key donor coordination mechanism, the Somalia Aid Coordination Body (SACB), which was established in 1994 in response to the distinct lack of coordination by the international community in 1991–92.

It was under the EC leadership of the SACB that the major international donor policy orientations emerged, in particular the move to a more decentralised approach to rehabilitation, peace building and development in Somalia. This more decentralised approach has also been reflected in the 'building block approach' to the restoration of Somali unity adopted by the IGAD partners' forum. Since the departure of the EC Special Envoy in 1998 the EC's leadership role has declined, although the EC remains a significant actor in terms of aid flows and contributions to international policy development.⁹

Since 1998, IGAD has also been the locus of international discussions on political developments in Somalia following the creation of a Standing Committee¹⁰ on Somalia to address the ongoing conflict. This Committee is supported by the IGAD partners' forum (IPF), a group of international donors,¹¹ which in 1998 established a sub-committee on Somalia to include representatives from countries and organisations most concerned about the conflict. This sub-committee was consulted by President Guelleh during the initial stages of the recent Djibouti peace process.

⁷ The activities of the European Community (EC) are those implemented by the European Community and its institutions, including the European Commission.

⁸ The position of envoy is no longer used by the Commission and has been replaced by EU Special Envoys who are located within the intergovernmental framework of the CFSP.

⁹ Denmark currently holds the chair of the SACB.

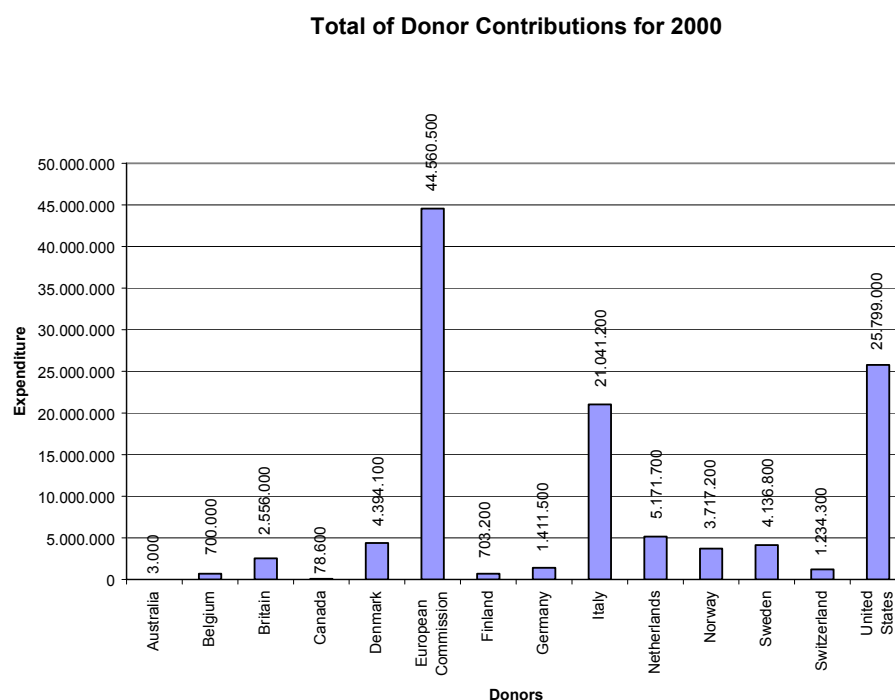
¹⁰ The Standing Committee is led by Ethiopia and is mandated by IGAD to lead on the resolution of the conflict in Somalia.

¹¹ The IGAD partners' forum includes representatives of Egypt, the EU, Italy, the League of Arab States, the Organisation of African Unity, the UN, the USA, and Yemen.

3.2 Who is doing What?

3.2.1 Aid Flows

According to SACB statistics (see table 1), in 2000, 42% of the overall aid contributions to Somalia were spent in the north (Somaliland and Puntland) and 31% in the south of the country. A further 27% was spent on programmes implemented on a countrywide basis. Although donors have different criteria for defining emergency and development assistance, based on SACB data for 2000, emergency assistance accounted for 45% of overall contributions, and development assistance 55%. Food security accounted for the largest proportion (26%) of donor expenditures, followed by water, sanitation and infrastructure; health and nutrition; and governance programmes (17%).



Source: SACB

3.2.2 Major Players

The European Union is the largest contributor to Somalia, with the European Commission as the largest single donor, followed by the USA and Italy. Unlike the Commission and Italy, most of whose expenditures are termed development expenditure, the USA provides predominantly emergency assistance, with almost half of its expenditures in 2000 going to a rural food security project implemented by the international non-governmental organisation (INGO), CARE. The European Commission is the largest donor in all sectors other than food security (USA) and governance (Italy). The remaining EU Member States provide predominantly emergency assistance, although Denmark, whilst only a minor donor, has

recently assumed an important role as chair of the SACB. In the absence of a government, the International Monetary Fund (IMF) and the World Bank are not present in Somalia.

3.2.3 Coordination Mechanisms: the SACB

‘The SACB is a voluntary coordinating body, which provides a framework to develop a common approach for the allocation of international aid to Somalia’ (SACB, 2000). It represents a response by the international community to the absence of a defined framework for intervention and the imperative for a single voice in order to avoid manipulation by faction leaders. It also provides a framework for working towards the complementarity and coherence of donor policies, and comprises all the key international actors in Somalia, including UN agencies, donors and NGOs.

In the absence of a legal framework for donor assistance, the SACB has adopted certain principles and strategies for the allocation and programming of resources. These include the Addis Ababa Declaration in 1993, the Code of Conduct for International Rehabilitation and Development Assistance to Somalia (CoC) in 1995, and the Strategy of the International Aid Community in 1997. These strategic orientations form the backbone of the EU’s approach to Somalia and are examined further in section 4. The establishment of the transitional national assembly in Somalia has also recently prompted an ongoing review of the SACB’s policy framework, which outlines the respective responsibilities of the emerging political entities and of international development partners.

The key functions of the SACB are:

- to provide policy guidance and practical assistance to the implementing agencies on issues of policy, security and operational constraints;
- to provide policy and operational coordination for rehabilitation and development activities, particularly at the sectoral level;
- to develop recommendations for the allocation of resources to different regions; and
- to provide a base for possible resource allocation.

The coordination infrastructure of the SACB represents a significant institutional adaptation to the lack of a clear framework for intervention in Somalia and the imperative to develop common policies. However, despite, or possibly because of, the imperative to work closely, relations between donors have not been without tensions. Of significance have been the occasionally difficult relations between the EC and the UN. The existence of such tensions inevitably undermines the coherence and quality of interventions, as donor capacity is focused on resolving internal differences in approach rather than maximising the effectiveness of interventions. These tensions can be speculatively attributed to a number of factors and assumptions including:

- *Institutional approaches and conceptual lenses.* One factor that has arguably led to tensions has been the different approaches of the UN and EC. The UN has a clear mandate to restore the sovereignty and territorial integrity of Somalia and has at times favoured a more centralised approach to rehabilitation and reconciliation than the EC, which has placed concerns about the dangers associated with the strict pursuit of the national context at the forefront of its thinking.
- *Leadership and personality issues.* As discussed above, following the appointment of an EC Special Envoy and funding of EC rehabilitation programmes via the European Development Fund (EDF), the EC took a leading role in Somalia, filling the operational and political space that followed the withdrawal of UNOSOM forces. Thus, in the context of complete state collapse and the lack of a government, the UN arguably had the mandate to take the lead in the international political and development response, but lacked significant support or resources. This, coupled with the fact, that in the absence of clear operational guidance on how to proceed in politically fragile states, the role of personalities has a greater impact on international activities and the competition for visibility of actions in a climate of donor fatigue, may have contributed to the tensions that have undermined coordination.

3.2.4 Regional Perspectives

The conflict in Somalia has not surprisingly impacted on and has been affected by neighbouring states. Elements of this spillover include the presence of Somali refugees in neighbouring Kenya, Ethiopia and Djibouti, and clan-based conflicts in the Somali regions of Ethiopia and Kenya. Somalia has also been used as a gateway for the supply of arms and other illicit materials to the region. Both Ethiopia and Eritrea have on a number of occasions been accused of being directly involved in the internal affairs of Somalia, in particular by waging a 'proxy conflict' in which they provided arms and troops to opposing Somali factions, in contravention of a 1992 arms embargo.

Despite the regional dimensions of the conflict in Somalia, coordination among donor agencies in the region has been surprisingly lacking. Strategies and solutions to the conflict have been sought within the IGAD framework, but these have not translated into practical responses to regional issues. There are, however, a few examples of regional approaches from within donors that are worth mentioning:

- *EC: Rehabilitation of the Berbera corridor.* Using regional funds, the EC has been instrumental in the rehabilitation of the road from Ethiopia to the port of Berbera in Somaliland. This has facilitated the use of the port for importing grain into Ethiopia and may serve to enhance relations between the two countries.
- *The UNDP refugee rehabilitation and reintegration programme in Somaliland.* Although only in the planning phase at the time of writing, the UNDP aims to adopt a regional approach in a programme to reintegrate Somali refugees from Ethiopia in Somaliland. This programme will seek not only to address the needs of the refugees and the communities into which they will be reintegrated, but also the social and economic problems in Ethiopia resulting from their removal.

3.3 Key Challenges facing the International Community

'It would be a challenge to the ingenuity of the international community to establish mechanisms which would allow financial assistance to flow into Somalia even before a formal central government and other institutions were re-established.'
(UN Secretary-General)

The failure of the UN military intervention in Somalia clearly demonstrated the difficulties associated with international intervention. The protracted social, economic and political fragility of the country continues to throw up numerous challenges for international donors, which can be summarised as follows:

- *The absence of an internationally recognised government and legal framework for international engagement.* This situation has forced the international donor community to seek new modalities for programming non-humanitarian assistance to unrecognised administrations and non-state actors, as well as creating an imperative for enhanced donor coordination.
- *Regional variations in the levels of conflict and the rates of recovery and rehabilitation.* The various 'crisis', 'recovery' and 'transition'¹² areas necessitate an area-based and flexible approach to programming.
- *High levels of poverty and the chronic need for humanitarian assistance.* These conditions, together with weak and fragile social, economic and political infrastructures that are vulnerable to external shocks, present enormous challenges in the design of interventions that are sustainable and avoid situations in which the international community is expected to subsidise welfare.

¹² Both the UN and the EC have used the terms 'crisis', 'recovery' and 'transition' to define different areas of Somalia.

- *Areas of political instability and insecurity.* The existence of such areas increase the possibility that aid will be delivered in a stop-go manner, undermining its impact and sustainability, as well as the likelihood that the provision of aid will exacerbate existing tensions.
- *A culture of aid dependency and negative perceptions of external assistance.* Such perceptions are related to the high volume of aid in the 1980s and the experience of military intervention in the early 1990s.

As a result of these challenges, any effective international involvement in Somalia requires flexibility and innovation in the design of interventions, and in the methodologies of planning and implementation. In essence, effective intervention in a politically fragile state such as Somalia requires adaptations to the institutional setup, management modalities and strategic orientations that are normally applied in developing countries where 'business is as usual'.

4 The EU's Approach to Somalia and Adaptations

‘The current Somali political landscape and its associated social and economic reality calls for a review of the way the Commission acts if improved impact is to be achieved on any front.’ (European Commission)

Due to the unique situation of the lack of a central government, the EU has been required to adapt almost all aspects of the way it works in order to provide assistance that goes beyond humanitarian aid. For this reason, we can give an overview of both the EC's strategy and a description of how it has adapted the way it operates. The adaptations have not always been sufficient and are open to question, however. Section 5 explores some of the key challenges that the EU continues to face in Somalia.

4.1 Adaptation of Legal Instruments of the ACP–EU Lomé Conventions and the Use of Community Instruments

Due to the absence of a recognised government, the European Commission's engagement in Somalia has required an unprecedented adaptation of the legal instruments of the Lomé Convention.¹³

Without a government, Somalia was unable to sign up to Lomé IV and Lomé IV *bis*, and subsequently was unable to benefit from the funding available to African, Caribbean and Pacific (ACP) states via the 7th and 8th European Development Funds (EDF). However, following a Commission proposal and Council decision in 1992, it was decided to interpret Somalia as an ‘exceptional circumstance’ within the Lomé framework, and to replace the role of national authorising officer of the funds (usually a member of the recipient government) with that of the principal authorising officer, the head of the Commission's Directorate-General for Development (DG Dev). Thus, funds from the previous EDFs 5 and 6 of Lomé III that were unspent due to the prevailing political conditions, became available for use in Somalia, paving the way for the establishment of the EC Somalia Unit in Nairobi and the appointment of the EC Special Envoy in 1994. Two rehabilitation programmes, amounting to ECU 38 and 42 million, respectively, have been financed out of EDFs 5 and 6. In 1995 a special provision was introduced into Lomé IV *bis* (Article 354a), which allowed Somalia to accede to the Convention should an internationally recognised government be established.

Due to the continued absence of a government, Somalia was unable to accede to Lomé IV via Article 345a, and by 2000 only ECU 10 million remained unspent from the previous EDFs. Although finance from the Community rehabilitation budget line was allocated to Somalia, allowing for the programming of a third rehabilitation programme, it became imperative to find a longer-term solution that was adapted to the realities of the situation of an absence of government during the negotiations on the Cotonou Agreement. Following pressure from both within the Commission and external sources a special provision was incorporated into the new Cotonou Agreement:

‘The Council of Ministers may decide to accord special support to ACP States party to previous ACP–EC Conventions which, in the absence of normally established government institutions, have not been able to sign or ratify this Agreement.’ (Article 93, paragraph 6)

Although funds via Article 93 will only become available in mid-2002, a decision has been made to allow Somalia to benefit from the transitional mechanisms put in place to cover the period between the conclusion of Lomé IV and the ratification of the Cotonou Agreement. These mechanisms provide for the use of unspent funds from EDFs 7 and 8 under the provisions of the new agreement. EDF assistance has also been supplemented by finance from the Community budget lines for rehabilitation, food aid, human

¹³ The Lomé IV and IV *bis* Conventions represent intergovernmental agreements between the EU and ACP States, which ran from 1990 to 2000 and were replaced by the Cotonou Agreement in 2000. These agreements cover aid and trade relations between the two groups of countries.

rights, and the removal of landmines. Finance for humanitarian assistance for Somalia has been provided via the European Community Humanitarian Office (ECHO). At the time of writing it is too early to assess how the EU will engage with the new Transitional National Government in Mogadishu and the modalities for the provision of assistance.

The complex process of securing EDF funds for use in Somalia demonstrates the rigidity of the legal framework of the ACP–EU agreements. However, it also demonstrates the EC’s willingness to interpret and adapt the framework in order to allow the provision of rehabilitation and development-oriented initiatives in the unusual situation of the absence of a government. The new provision is particularly significant in that it represents the recognition on the part of the EU of the possibility of complete state collapse.

The availability of EDF funds for Somalia has allowed the Commission to develop programmes that, due to the nature of the situation, have necessarily been adaptive and innovative in terms of both management and strategy.

4.2 Strategic and Policy Orientations and Adaptations

Since the establishment of the EC Somalia Unit in 1994 the Commission has developed and refined its strategy for the EC cooperation programme. The EC’s strategic orientation is contained within strategies adopted in the broader context of the SACB and as such has influenced and to some extent has been influenced by the actions of other members of the international community, including EU Member States. The EC’s strategy has also been clearly documented in two papers published in 1999: *The EC Political Strategy for Somalia* and *Strategy for the EC Cooperation Programme in Somalia*. The process of strategic thinking is ongoing and is likely to progress further in response to political developments in Somalia in the form of the transitional national government.

Although the strategy has its limitations, and there are unresolved challenges (see section 5.1), a number of key elements within the EC’s strategy represent an endeavour to orientate interventions to fit the politically fragile nature of the country:

- *Adapting to the absence of a framework for international engagement and linking the conditions for rehabilitation activities to the strategic objectives of peace building and political stability.*

As noted above, in response to the challenge of providing assistance in a situation of absence of defined interlocutors and persistent insecurity, the SACB, under the leadership of the EC Special Envoy, has adopted certain principles and conditions for the allocation and programming of resources for rehabilitation and development activities in Somalia. These include the Addis Ababa Declaration, which emphasised that although essential emergency assistance would remain unconditional, peace and security as well as adequate Somali participation would be prerequisites for reconstruction and rehabilitation. In addition, in 1995, a Code of Conduct for International Rehabilitation and Development Assistance to Somalia (CoC) established rules for the conduct of agencies working in Somalia and the conditions to be provided by responsible Somali authorities. The CoC also introduced the possibility that activities would be suspended in areas where the Code is not observed.

In 1997 the SACB adopted a Strategy on Humanitarian, Rehabilitation and Development Assistance to Somalia, which developed prior conditions and formalised the concept of a ‘peace dividend approach’. The strategy linked the use of conditions for rehabilitation activities to the strategic political objectives of peace building and political stability:

‘Rehabilitation and development programmes should aim to address the root causes of the Somali crisis. Peace, security and the existence of Somali authorities at the local and regional levels are prerequisites for the provision of rehabilitation and a development assistance approach. This “peace dividend approach” aims to ensure that international assistance is not only relevant to local efforts of reconstruction but also to peace building.’ (SACB Executive Committee, 1997)

In order to programme activities in Somalia in the absence of recognised interlocutors, the EC has used international non-governmental organisations (INGO) as the primary implementing partners. Some funds are also provided to UN agencies.

- *Accommodating regional differences in the levels and rates of recovery and rehabilitation, and the dangers associated with the strict pursuit of a national political context.*

Although the peace dividend approach adopted by the SACB remains the underlying strategic approach of the EC as a framework for intervention, the EC's 1999 strategy stressed that the strict pursuit of a national political context has hampered the ability of the international community to follow this approach. This is seen as incompatible with the reality on the ground, particularly in view of the large number of failed efforts to encourage reconciliation between faction leaders. At the political level, the establishment of the transitional national assembly following the Djibouti peace process may well prompt the EC to re-evaluate this position. However, with respect to the programming of rehabilitation and development assistance, there is still a need for the EC to accommodate regional differences in the levels and rates of recovery, and to interact with authorities at a decentralised level.

The EC's 1999 strategy introduced the need to describe geographical areas in terms of the prevailing socio-political and economic circumstances, and to adapt programming accordingly. The EC has therefore adopted an area-based or regional approach in which areas are broadly categorised in terms of their operational environments on a relief-to-development continuum, i.e. as experiencing recovery, crisis or transition, although the need for flexibility in approach is recognised. The emerging political entities of Somaliland, Puntland and areas of the south are described in terms of these categories.

- *Intervention at a 'decentralised level' with a multiplicity of actors, including civil society.*

As demonstrated by its adoption of the peace dividend approach, the European Commission aims not only to improve the socio-economic conditions and thus the living conditions of Somalis through local-level sectoral interventions in various areas, but also to encourage and reward positive political processes. The EC aims to foster the emergence of responsible local authorities and a vibrant civil society that is able to promote peaceful coexistence of communities and the responsible management of public goods (structural stability) through the following activities:

- (a) *Interacting and engaging in dialogue with local authorities, where they exist, and a range of decentralised actors.* The EC has developed relations with a range of representatives of Somali society eligible in terms of the Addis Ababa Declaration, including local administrations and civil society organisations, depending on their strength and perceived legitimacy. Such interactions with local authorities were initially conducted by the EC Special Envoy, but they are now carried out by Commission officials, technical assistants (TAs) and liaison officers in the field. However, the attempts to engage significantly with nascent authorities (such as the Somaliland government) in terms of policy dialogue or the provision of resources have been hampered by concerns that they would imply tacit international recognition.
- (b) *Supporting peace building and good governance by promoting civil society.* Although the EC's willingness to promote the capacities of local actors and to support local-level peace building initiatives has been evident through its rehabilitation programmes 1 and 2 to date, and has been framed by the peace dividend approach and the concept of a relief-to-development continuum, there has not been a full strategy of support to civil society, peace building and good governance at a decentralised level. The third rehabilitation programme, however, has introduced support to civil society as a central and cross-cutting theme, and a five-year strategy for such support has been developed. This support is intended not only to enhance the ability of local actors, including the business sector, to become more involved in the delivery of development/social services, but also to enable them to represent the society they serve to the developing state structures. Importantly, this support also aims to address the legal framework of relations between civil society groups and the emerging administrative structures. Furthermore, the support to peace building and good governance through the promotion of civil society

are seen as cross-sectoral issues to be addressed in all interventions. Box 1 describes the EC's programme of support to civil society.

Box 1: The EC's Civil Society Programme

The EC's Civil Society Programme builds on previous experience of working with decentralised actors in Somalia and represents a move away from the *ad hoc* support to civil society groups to a more integrated and coordinated approach. In reflection of this new orientation, the programme describes itself as 'an integrated and coordinated programme to promote peace-building and good governance through the stimulation of Somali civil society all over the country'. The programme will start in 2001, for an initial period of 3–5 years.

In designing the programme, the EC has developed a working definition of civil society, which states that civil society comprises all individuals or groups that do not have legislative or executive powers, are unarmed and are actively pursuing the wellbeing of society at large through peaceful means. Through its analysis the EC has identified two categories of civil society representatives in Somalia – the traditional segment and more modern forces. The latter include the NGO movement and, significantly, professional associations.

The strategic underpinning of the programme is that civil society organisations can not only act as agents of development but can also play an important role in advocacy for the benefit of the community at large (i.e. constituencies of peace). Thus, supporting the technical and organisational capacity of such organisations will also increase their representative capacity. The new programme will also involve the business sector, capitalising on its desire to establish durable systems for the practice of trade and commerce. The aims of the programme are:

- to *empower* civil society organisations at the local, regional and national levels, focusing on improving the capacity of (a) local organisations, particularly community-based organisations (CBOs), to deliver sustainable technical or social services, and (b) civil society organisations to promote good governance, peace building, the rule of law and human rights; and
- to improve the *linkages* among civil society organisations, and between them and emerging state structures, private enterprise and interested foreign organisations (as well as the SACB), in order to enhance cooperation and dialogue.

In terms of implementation, the EC Somalia Unit will use international partners with a proven track record of working with civil society groups, such as NOVIB. The Unit will be closely involved in the choice of areas and zones, sectors and civil society organisations to be promoted, and in monitoring and evaluation in order to ensure the integration and effective coordination of the programme as it relates to other technical sectors (i.e. to help promote its cross-cutting nature).

- *Addressing the need for sustainability and 'to do no harm'*

In moving beyond humanitarian assistance in Somalia, one of the key challenges facing the EC is to ensure the sustainability of its interventions in an environment in which formal administrative structures are weak or absent, political instability and changing circumstances. Additional challenges include minimising the possible negative impacts of external assistance and ensuring the representativeness of interlocutors in a society with a history of aid dependence, clan-based corruption and the diversion of external resources to sustain elites and for belligerent purposes. The Commission has attempted to address these issues by introducing a number of key principles of programming which it requires its implementing partners to adhere to.

The EC encourages its partners to implement programmes at the 'lowest possible level', i.e. directly with communities, in order to prevent local elites 'capturing' projects and diverting funds to maximise their profits from external actors. The EC seeks to control the flow of aid to emerging administrations, thus discouraging aid dependence, and to encourage a limited public structure in order to overcome the past problems, such as clan elites capturing a large and repressive state. To encourage communities to

participate in and ‘buy in’ to projects, a 30% community contribution to projects is required, often in kind, such as by providing labour. The emphasis is on accessing the services of local organisations and encouraging ‘horizontal’ linkages in society, such as local professional groups and NGO networks, and building the capacity of these organisations. In some cases, the dialogue about a project is conducted via local elders and, where none exist, local management committees are encouraged and supported to oversee common resources such as water. In cases where a project involves large-scale infrastructural rehabilitation, such as road building (e.g. the Berbera–Ethiopia road) local companies are contracted through a competitive system and consortia are encouraged in order to avoid domination by one group. The EC increasingly views its role in rehabilitation and development as facilitating locally owned processes (see Box 2).

Box 2: K-Rep: Building a Micro-Finance Institution in Puntland

The EC-initiated and funded Kenyan micro-finance organisation K-Rep in Bossasso, Puntland, provides a good example of a project that has adapted to the lack of recognised authority and the challenges of building sustainability. It also addresses the problem of the lack of local financial institutions.

The institution is based on the principle of local management by a board of directors. The initial board members were recruited by K-rep from local personnel on the basis of their experience and acceptability, but future board members will be selected through the voting rights of the beneficiaries. In the early stages of the project, in order to ensure the representative nature of the initial management board and to avoid possible conflicts, K-rep invested a considerable amount of time developing its understanding of the local social and political environment, and in training new recruits and explaining their responsibilities.

The local authorities and community representatives in Bossasso, such as the administration, police, courts and local elders have been involved in the development of the institution from the outset. They play an important role, alongside the management board in cases of non-payment (loans are given out on the basis of group liability and are repaid weekly). The institution has also adopted an advocacy role with the local administration, and is pressing for regulations and good banking practices.

Underpinning K-Rep’s work is a long-term vision and time frame for the project, which has been supported by the EC. The management board has been central in developing the vision of the institution and has produced a five-year plan for budgets and development. The long-term vision involves the identification of alternative sources of finance, including remittances from the diaspora, and the possibility that the institution will grow into a bank.

K-Rep has had to adapt to the local religious and cultural realities of Islamic banking practices, which prohibit profit making, and have therefore introduced a small service charge.

The success of the EC’s strategic orientation is also contingent on the nature of the relationship between INGOs and local partners. Certain implementation modalities used by INGOs appear to have greater impacts than others, particularly with regard to promoting local capacity, self-reliance and ownership. Arguably, the most successful relationships and increased levels of sustainability arise where INGOs seek to identify and nurture the existing local capacity and emerging processes, to build trust by adopting a ‘hands-off’, facilitative approach, and to avoid failures by developing a keen understanding of the local environment and subsequent careful selection of partners. This approach contrasts with that of an INGO that views itself as more of a service provider to the community and retains a large and visible presence.

In order to foster the sustainability of the community-based approach, the EC recognises the need to link its activities with support to existing and emerging institutional structures in different regions. The lack of international recognition of structures such as the Somaliland and Puntland governments in the north, and the difficulty in identifying representative structures in the south, present considerable challenges that continue to hamper the long-term sustainability of development activities. Some attempts have been made, however, to involve emerging administrations in dialogue in various ways, depending on their degree of

maturity. At a basic level, information about projects being delivered in an area, including about the implementing partners and personnel, is shared with the local authority or regional administration. Financial information is often not shared, however. In some instances, such as in the implementation of a health and education project in Puntland, following a needs assessment and a period of consultation, the INGO approached the local administration to contract local communities (often the elders) to carry out the work it is funding. This approach has helped to involve the administration, to create a sense of local ownership and to promote the role of the INGO as a facilitator rather than implementer.

In Somaliland, UNDP has made progress in the development of a modality of cooperation with the local government on development policy planning. Although donors are reluctant to provide budgetary support to the administration, UNDP has facilitated a dialogue among donors, INGOs and the government in order to jointly identify priorities and to coordinate activities. This process is described in Box 3.

Box 3: National Development Plan (Somaliland) initiated by the UNDP

In 1999–2000 the UNDP facilitated a process of development planning between the Somaliland administration and international actors working in Somaliland. This process was developed in response to a number of issues that have arisen out of the particular circumstances in Somaliland, in particular the unrecognised status of the government, and the lack of capacity within the administration. Significantly, the UNDP saw it as a ‘hook’ on which to hang the relationship between themselves, other international actors and the administration. The aims of the planning process were:

- to improve the complementarity of international interventions and government activities, and to link local interventions to the administration;
- to seek improved coherence, coordination and communication between the vertically structured government departments;
- to provide an avenue through which the Somaliland administration could access the pool of technical expertise within the international community;
- to share information and data between the international community and the Somaliland government;
- to promote the goal of achieving a regional and rural/urban balance in development activities; and
- to encourage the development of an integrated, long-term vision, rather than *ad hoc* interventions, through a five-year strategic plan.

The planning process involved working groups chaired by the government and attended by local NGOs, international agencies and technical experts. The groups were organised around three themes: security/law, infrastructure/social services and the economy. The groups drew on existing data and reports in order to produce a situation analysis and a set of proposals.

Although the process of policy planning has been beneficial in its own right, the international community has not acted upon the plan produced by the process to the degree expected, due largely to differences in approach and poor communications between different branches of the international community in Somalia. This situation underlines the importance of good relations among members of the international community. However, the government of Somaliland has used the plan as the basis for its own three-year development plan.

The EC is increasingly recognising the importance of developing an innovative approach to needs assessment and analysis of the local environment. These are vital elements in its efforts to promote the sustainability of interventions and to build consensus between groups. The EC has been one of several donors that has supported a programme of participatory action research undertaken by the War-torn Societies Project (WSP) in Puntland and Somaliland (see Box 4). The EC hopes to build on this work by dovetailing its own initiatives with civil society into the priorities for action identified through the WSP’s participatory process.

Box 4: The War-torn Societies Project

The general objectives of the EC's War-torn Societies Project (WSP) in Somalia are:

- to identify, in collaboration with Somalis, factors essential to the long-term processes of rebuilding and development, both within selected subregions and in Somalia as a whole;
- to promote a better understanding of post-conflict rebuilding issues in a country without a central government, by looking more closely into individual, group and community initiatives and coping mechanisms, their outcomes and the obstacles they have faced;
- to promote constructive interactions and better understanding between internal and external actors in order to consolidate and strengthen the process of stabilisation and rebuilding; and
- to encourage supra-regional collaboration and reconstruction, which will open new avenues for dialogue and reconciliation, and will help to identify viable solutions to actual problems.

The project's approach is based on a participatory action research (PAR) methodology adapted and developed by the director, Mattias Steifel. The methodology involves setting up core teams of local people to undertake research in their own post-conflict societies, with a view to drawing up a 'balance sheet' or country note describing the state of the country, and a list of priority rebuilding tasks that need to be tackled. The first such team was set up in Puntland (1996), and later in Somaliland. The country note is not produced by researchers working in isolation, but is developed from the opinions and suggestions of many different individuals and groups, so beginning a process of interaction.

In Somaliland, for example, the team was based in a local research organisation, the Somaliland Centre for Peace and Development, and after five months of fieldwork in 1999 produced a country note, 'Self-portrait of Somaliland'. The team travelled widely, reaching people in all regions and sectors. The project treats the participants as authorities, and aims to provide the neutral space necessary for frank discussions.

Those consulted in the research are also invited to become members of a representative project group that will consider the results and decide on the most pressing tasks (entry points), usually no more than four or five, and ask for further in-depth research to be done. In Puntland, for example, the research has addressed issues such as opportunities for improving essential services, the integration of armed youths and militia, and the transformation to a regulated economy. At the end of the day, it is hoped that the results of the research can be used to draw up a set of negotiated policy recommendations that will suggest a way of moving forward in the process of rebuilding, taking into account local priorities.

Significantly, the WSP in Somalia has been supported by the governments/administrations where it has worked and who have, in the case of Puntland, been involved in the recruitment of researchers.

4.3 The EC's Institutional Adaptations

The EC Somalia Unit, established in Nairobi in 1994, is the locus of programming and management of the EC's development activities in Somalia. Following the discontinuation of the position of EC Envoy, the Unit is now under the leadership of the Delegate for Kenya, who has overall control of the Unit and its political strategy. In many respects, the position of EC Envoy reflected the increasing willingness of the Community to become involved in more political aspects of development but predated some of the key developments in the external political role of the European Union via the CFSP, such as EU Special Envoys. The discontinuation of the position of EC Envoy reflects the diminishing importance of the Somali conflict on the agendas of the international community and the EC.

The structure and role of the EC Somalia Unit reveal certain adaptations in the institutional setup of the EC to respond to the challenges of working within a politically fragile state such as Somalia.

4.3.1 Enhanced Institutional Capacity and Field Presence

The EC Somalia Unit makes extensive use of technical assistants (TAs), who help to meet the need for increased capacity to undertake the process of developing a strategy, programming and identifying and monitoring the implementation of programmes. The TAs are also developing relations with a wide range of decentralised and other international actors, and coordinating their activities.

Experienced TAs with a good understanding of Somalia in particular, and conflict issues in general, can add significant value to the EC's activities. They help to promote best practices and to improve the performance of the implementing partners by encouraging minimum standards and assistance and by providing advice throughout the project cycle. In this respect they play an 'informed, supportive and challenging role'.¹⁴ By monitoring the activities of the implementing partners they are able to ensure that projects fit within the EC's overall strategic orientation and that certain principles of the EC's approach are evident in projects. The TAs travel regularly to Somalia, and represent a vital source of information and expertise on socio-political developments and, in some cases, they provide a vital institutional memory.

Within Somalia, the EC has been able to develop its capacity for political analysis and understanding of political developments by employing a highly experienced TA dedicated to political issues. The TA's role is to ensure that the EC's strategy and interventions are in line with the political aims of peace building and promotion of structural stability. Intelligence gathering has also been promoted by the three liaison offices in the country, in Hargeisa, Bossaso and Mogadishu. These offices play vital roles in supporting implementing partners, identifying possible areas of intervention, developing relations with Somali administrations, organisations and individuals. They are also able to feed information on developments back to the Somalia Unit to assist aid programming and priority setting. Unfortunately, this vital role of liaison offices has sometimes been undervalued, with their merit seen as resting only in their ability to support expatriate populations in the event of security incidents.

4.3.2 Decentralised Authority and Financial Management

The EC Somalia Unit is characterised by a greater level of decentralised authority than is present in other EC Delegations. Although the level of decentralisation is not yet optimal, such as exists has helped to build in a degree of flexibility to EC activities that is vital for working in a politically fragile environment. For example, the choice of NGOs and partners to implement projects is made at the level of the Unit (rather than via a tendering procedure at headquarters in Brussels), as are all other relations with NGOs. However, authorisation (visas) is required from HQ via a process that, as will be discussed below, can cause long delays and can hamper the implementation of projects.

The head of Delegation has been granted various financial powers that assist flexibility, such as allowing NGOs to expand the time frames of their projects within the budget should the situation on the ground change, or by allowing budgetary amendments within the budget ceiling. One important move taken by the EC to facilitate activities in Somalia was to position the former EC Envoy as head of the relevant geographical unit within the Commission in Brussels. This appointment provided vital institutional memory and an experienced individual to promote the needs of Somalia within the EU system.

4.4 Programming and Relations with Implementing Partners and ECHO

As detailed above, the financial instruments used for development work in Somalia are the EDF and budget lines. Programming takes place in cycles, involving the identification of projects and their submission for approval by Member States. In response to the socio-political environment in Somalia, the EC Somalia

¹⁴ Comment by interviewee.

Unit has opted to implement small projects of less than € 1 million, with the aim of reducing the risks of negative impacts such as the diversion of resources, and limiting the level of exposure of a single INGO. It also takes into consideration the absorption capacity of communities by providing for smaller community-based initiatives.

According to a recent audit of the EC Somalia Unit, ‘project identification and project preparation are slightly different than in “normal” development circumstances’. In some areas of assistance, projects evolve from policy decisions taken within the ambit of the SACB. Projects are usually either initiated by an NGO, sometimes subsequent to a policy being identified by the SACB, or the TA for a particular area identifies an NGO with the skills and experience to undertake a project in a particular domain in order to push forward the EC’s programme.

In theory, and in line with the concept of a relief-to-development continuum, projects initiated by ECHO can be handed over to the EC Somalia Unit should the circumstances allow for a more development-oriented approach, and the conditions for sustainability arise. In practice, however, this situation is unusual and a ‘handover’ as such rarely occurs. In certain areas, the availability of both humanitarian and development instruments does permit a move from humanitarian to development activities, but a smooth progression from one instrument to the other within a project is unlikely. In practice the division of labour between ECHO and the Somalia Unit has tended to be geographical, with ECHO working largely in the more vulnerable areas of the south. Communications between the EC Somalia Unit and ECHO have been enhanced at times by ECHO staff working within the Somalia Unit itself rather than a separate ECHO unit, thus allowing greater integration of the two ‘arms’ of the Commission.

Although the institutional approach of the EC Somalia Unit constitutes only a minor concession to the levels of flexibility required to work effectively in a fragile state, the adaptations demonstrate the EC’s willingness to adapt and to take into consideration the particular circumstances of Somalia. Some of the key institutional issues and challenges that have arisen are discussed in section 5.

4.4 The EU Framework: Coordination on Development and Political Matters (CFSP)

The European Commission’s prominent role in Somalia has been facilitated by its relationship with EU Member States. Due to the relative lack of strategic interest in the region, the weakness of the most obvious lead agency, the UN, and the difficulties associated with intervention in Somalia, most Member States have been willing to allow the Commission to take a dominant role in shaping international strategies and in aid coordination. The Member State with the most obvious interest in Somalia, Italy, has welcomed the Commission’s role and, in the absence of a comparable level of funding for development, has sought to use its position within the EU to influence, support and co-fund the Commission’s activities. As mentioned the Commission’s unusually political focus was also facilitated until 1998 by the creation of the position of the EC Special Envoy.

With the existence of the SACB as a functioning coordination mechanism that seeks coherence and complementarity on development policy, and the IGAD partners’ forum as a meeting point for donors to discuss and develop a common stand on political developments related to Somalia, representatives of EU Member States and the Commission tend to meet only at the field level (Nairobi) when there is a ‘burning issue’ to discuss, such as an EU-wide response to a major political development or a security incident. When such a discussion does take place, it is usually within the framework of the Holmes meetings in Kenya, when Somalia is included on the agenda. At the headquarters level, the EC’s rehabilitation programme in Somalia is discussed sporadically within the framework of the EDF Committee when Member States’ approval for new programmes is sought. More recently, however, coordination on Somalia has taken place within the framework of the CFSP with a declaration by the Presidency on recent developments in Somalia. The Commission’s Horn of Africa Unit was able to play a key role in the process of developing the declaration and balancing the views of Member States, in view of its experience and understanding of political affairs in Somalia.

In operational terms, EU Member States do not automatically cooperate with the Commission. Although Italy has chosen to channel funds through the Commission's infrastructure and co-funds projects, many Member States provide funding and support to the activities of the agency, either multilateral or non-governmental, that they feel is best positioned to intervene in a particular area, and will withdraw funds if they doubt the agency's performance. In this respect, Member State support to the Commission is as conditional upon performance as it is with any other institution.

5 Challenges and Opportunities for an Improved EU Response

5.1 Challenges: Institutional and Strategic/Political

Although the EC's intervention in Somalia has revealed significant adaptations to the politically fragile nature of the country, in terms of both policy orientation and the institutional framework, it has not been without shortcomings, challenges and tensions. The following section outlines the main tensions and issues that have arisen. An understanding of these challenges, alongside an appreciation of positive examples of adaptation, form the basis of the recommendations for future EC cooperation presented in section 5.2.

5.1.1 *Institutional/Legal Framework*

Underlying the main challenges and issues that arise from the institutional and legal framework have been the lack of optimal adaptation of instruments (EDF and budget lines) and of the administrative framework and procedures suited to the needs of a political fragile state. With regard to the use of EDF funds in the absence of a government partnership, the EC Somalia Unit has essentially been required to undertake rehabilitation with development tools designed for use within the framework of a partnership agreement. The problems associated with the use of these instruments and the administrative framework include the following:

- *Long programming cycles and delays in the project cycle.* This situation leads to the imposition of donor time frames on local realities, undermining the EC's ability to work with and to maximise positive, locally driven development and political processes. It also weakens the potential for the EC to take preventive action, and encourages a focus on the substance rather than on the quality and nature of interventions.
- *Administrative delays in approving projects at Headquarters in Brussels.* Administrative procedures involve long delays between the needs assessment and implementation phases of the project cycle, which create negative knock-on effects. In order to manage local expectations and the tensions (including possible conflicts) that may arise from such delays, agencies are forced to downplay the needs assessment phase of the project cycle. This undermines the potential for this phase to be used strategically to identify common ground and to build local consensus on issues (as exemplified by the War-torn Societies Project methodology), and increases the likelihood of poorly designed projects. Furthermore, in a rapidly changing environment, a project may no longer fit local realities by the time it is implemented. Together, these factors work against the goals of the management of danger and instability, sustainability and the intention 'to do no harm' in interventions.
- *Complex administrative procedures.* The complexity of procedures, coupled with the use of different instruments (EDF and budget lines), create unnecessary complications in the management of rehabilitation and development assistance, and can confuse the implementing partners. The time that is wasted managing complex procedures could be used more effectively in developing and refining the design of interventions and developing relations with local actors.
- *Lack of transparency.* Complex and obscure administrative procedures and instruments undermine the transparency of the Commission's activities, and can damage trust and undermine relations with other donors, implementing agencies and, most importantly, local actors. This is particularly significant with regard to local counterparts who, in the absence of a clear understanding of the internal functioning of the Commission, are likely to interpret delays in projects or the lack of clear information on EC policy as part of a political agenda on the part of the EC. In turn, such suspicions can damage relations between the EC and local counterparts, thus increasing tensions and undermining the quality of interventions.

- *Lack of capacity and institutional memory.* Although the EC Somalia Unit has sought to bridge the problem of the lack of capacity by relying on technical assistants, this does not constitute an optimal adaptation. Unlike Commission staff, TAs are not legally mandated to represent the Commission in relations with local actors, although they invariably do. This is a significant drawback in an environment where identifying and developing relations with local interlocutors constitutes a significant element of the EC's role in Somalia. Furthermore, the use of external TAs rather than Commission staff undermines the potential for building the institutional memory and learning. Only one detailed external evaluation of the first rehabilitation programme has been undertaken, and none of the second. This lack of feedback has undermined the ability of the Commission to capture experiences that can be shared across geographical units and fed into policy development.
- *Non-adaptive pressures from Brussels.* The relative autonomy of the EC Somalia Unit in Nairobi, and its positive relationship with the Horn of Africa Unit in Brussels have encouraged administrative adaptations at the field level, although there are still a number of pressures from Brussels that impede the activities of the Unit. These include the pressure to increase the size of projects and the number of sectors of intervention. This goes against the judgement of the Unit, which is to implement a larger number of smaller projects, and does not take into consideration that in some sectors the European Commission may be the only donor. Poor communications between the Common Service for External Relations (SCR, now EuropeAid) and the EC Somalia Unit have exacerbated the administrative delays, and can be attributed in part to the extent to which administrators in Brussels are divorced from the reality on the ground and lack a sense of 'ownership' of the process.
- *Variable quality of implementing partners.* Although the Commission can go some way to encourage professional standards within the implementing partners (some very experienced INGOs are operating in Somalia), the experience of INGO staff, the quality of methodological approaches and the levels of institutional memory can vary. Not surprisingly, only a limited number of INGOs have an adequate understanding of the methodologies that are required to work in an environment characterised by the lack of defined interlocutors, and where any intervention requires an assessment of the legitimacy of local structures, leaders and political balances.

5.1.2 Strategic Policy Orientations

In addition to the lack of institutional adaptations to the situation in Somalia, certain shortcomings and issues have been identified concerning the policy orientation and implementation approaches of the EC and the wider international community, particularly the peace dividend approach.

- *Defining peace.* When seeking to operationalise a peace dividend approach, one of the key conceptual/analytical challenges is necessarily how to define peace. In this respect the ability of external actors in Somalia to judge the legitimacy of governance and to interpret locally driven processes has been questioned. In a volatile environment, judgements as to where the international community should invest are likely to be based as much on the security and logistical requirements of external actors (i.e. where it is secure enough to work) as on an in-depth analysis of the extent to which a Somali interlocutor is mandated by the population it claims to serve, or the particular political process underlying a shift to peace and security. There are concerns that governance programmes can lend legitimacy and give support to parties whose legitimacy is questionable, and that certain aspects of locally driven peace building efforts are being overlooked.¹⁵

15 The SACB is in the process of reviewing the implementation of the peace dividend approach, and proposes to address the issue through harmonised area-based planning. In those areas where technical capacity is available amongst its partners, the SACB will endeavour to focus in an experimental mode on 'peace dividend assistance' by refining their assessments, targeting the assistance and providing appropriate inputs, together with adequate social communication, monitoring the results and evaluating the impacts.

- *The limits of a peace dividend.* Some of the major constraints to the sustainability and the effectiveness of international interventions in Somalia have been the lack of formal recognition of emerging administrative structures, and of modalities for engagement with unrecognised administrations, thus precluding direct support. If the existence of responsible Somali authorities is a prerequisite for investment in rehabilitation and development, then it is important that assistance is provided to those structures through which stability is maintained. Providing assistance solely through local groups risks undermining the local authorities, skewing the development process and missing opportunities to support emerging administrations to become more than tax-collecting agencies that pay off militias for peace. The application of the peace dividend approach can also lead to tensions and divisions between regions receiving different levels of assistance.
- *Abrogation of humanitarian principles.* There are concerns that the implementation of the peace dividend approach could lead to the abrogation of humanitarian principles in areas that have been ‘sanctioned’ by the SACB due to security incidents. Also, in areas where there is a shift from relief to development, the emphasis on the sustainability of services could result in reductions in entitlements to humanitarian assistance.
- *The importance of the trade infrastructure and other macroeconomic factors.* In focusing on ‘software’ (human resources) and governance issues, it is important that donors do not downplay the importance of macroeconomic aspects such as the trade infrastructure and regional relations, which are vital for the long-term development of the country. Support is needed for the rehabilitation of roads and ports, the certification of livestock and the emerging banking system.
- *Accountability and transparency of donor interventions.* The major concerns expressed by Somali commentators when discussing international engagement in their country include the level of legitimacy, accountability and transparency of international rehabilitation and development actions in the context of the lack of a recognised administration and partnership arrangements. The resulting absence of formal checks and balances and of avenues for dialogue on international engagement have not been matched by attempts to include Somali expertise sufficiently in the policy-making process at the SACB level, or by actions to improve communications with local counterparts to ensure the transparency of international policy. These factors, combined with the huge mismatch between the resources of the international community and those of the Somali counterparts can serve to create an asymmetrical relationship characterised by a lack of trust on both sides, and the absence of a sense of ownership of the development process on the part of the Somalis.

5.1.3 *Relationship between the Commission and Member States*

Although recent political events have seen the introduction of EU CFSP instruments via a declaration on the new transitional government, in its day-to-day relations with Somali decentralised actors, which regularly and inevitably have political significance, the Commission has often operated independently. The majority of EU Member States have accepted the Commission’s undertaking of this role, but some have expressed concerns about the lack of clarity about whom the Commission is representing. For some Somali interlocutors the differences between an EU Member State and the Commission are unlikely to be entirely clear.

Similarly, although Member States have not voiced significant objections to the political role adopted by the Commission, some do feel that the UN is the most appropriate framework and has a stronger mandate to deal with political issues.

5.2 Lessons from Somalia and Opportunities for an Improved Approach: Strategic/Political, Institutional and Implementation

Although the activities of the EU in Somalia are by no means optimal, the more positive aspects of the intervention can provide a number of lessons for donors and the EU in particular in responding to politically fragile states. These lessons, combined with an analysis of the ongoing dilemmas faced by the EU, can help point to a number of recommendations for an improved response. The recommendations outlined below are aimed at the EU in general.

5.2.1 Lessons and Opportunities for an Improved Strategic/Political Approach

- *Mainstream governance, conflict prevention and peace building within rehabilitation and development strategies and project cycles.* The experience of the EU in Somalia shows the importance of developing a country strategy paper that mainstreams an analysis of the political situation and opportunities for conflict prevention and peace-building within intervention strategies and provides a focal point for discussion and coordination with Member States and other donors.
- *Develop, in coordination with other donors, guiding principles and a strategic framework for programming rehabilitation and development resources.* During the early 1990s the international community was manipulated by warring factions, who were seeking to maximise revenues from external resources. That situation demonstrated the importance of donor coordination and of presenting a united front with regard to the criteria for engagement. Although, the challenge remains to ensure that the introduction of engagement criteria does not lead to an abrogation of humanitarian principles.
- *Develop modalities, in coordination with other donors, for relations with emerging and unrecognised authorities.* Such coordination would ensure that the nature and limits of the interaction are transparent. Despite ongoing attempts, the donor community in Somalia still needs to develop internationally agreed, clear, transparent and coordinated modalities via which external actors can relate to emerging and unrecognised authorities. The EU could support research work and gather material on innovative modalities of cooperation with weak and unrecognised administrations and with local communities.
- *Recognise and minimise the dangers of conferring legitimacy to illegitimate actors.* Related to the requirement for agreed modalities, the EU and other donors can reduce the risk of conferring authority to illegitimate actors or vested interests through coordinated and improved political analysis and assessment at the local level.
- *Recognise, analyse and encourage positive political processes at the local level through rehabilitation and development interventions.* Through improved local level analysis, the EU would be better able to identify and support positive processes as they emerge, such as the development of ‘horizontal’ cleavages within civil society (e.g. professional associations) and reconciliation processes.
- *Focus on and reward the form rather than the substance of interventions.* When seeking to support positive processes, it is vital that the EU develops an approach to project implementation that focuses on processes rather than simply the outcomes, in order to provide sensitive support to often fragile processes. The EU should continue to encourage and support innovative modalities of intervention and best practices among the implementing partners.
- *Encourage positive macro-political processes.* Based on its permanent presence and analysis of the situation, the EU could facilitate, influence and encourage positive macro-political processes in various fora (e.g. within the framework of the CFSP, or regional political frameworks such as IGAD). The political role of the EC in Somalia demonstrates the value that the Commission can add by using its

permanent presence and experience to encourage such processes and to balance the responses of Member States.

- *Support and encourage local actors to advocate constructively on international policy, and provide mechanisms to increase the transparency of donor actions to local actors.* The EU could support activities that will improve the transparency of international donor interventions, and increase the involvement of local actors in the development of interventions. For example, the EU could improve the advocacy capacity of local organisations by improving their access to the decision-making processes of the SACB and other fora.
- *Recognise the importance of the trade infrastructure in ensuring the sustainability of interventions.* In moving towards a focus on ‘software’ issues, it is important that the EU does not overlook the important role of the trade infrastructure in ensuring the sustainability of social/economic interventions and subsequently in preventing conflicts.

5.2.2 Lessons and Opportunities for an Improved Institutional Approach

- *Adapt instruments and programming to allow for optimal flexibility in response to political/social developments.* It is vital that the EU improves the flexibility and speed of its responses. For example, the introduction of rolling programming and small, grants with realistic accountability requirements, would facilitate sensitive local interventions that will encourage positive political processes. Funding smaller projects would both encourage innovation and reduce the exposure of implementing partners to possible risks.
- *Decentralise authority, simplify administrative processes and decentralise staff to country delegations in order to minimise delays.* The EU’s experiences in Somalia have clearly demonstrated the need to decentralise authority and to increase the simplicity, clarity and transparency of its administrative processes, particularly financial management.
- *Provide resources for a permanent field presence to improve communications, and thus the transparency of the EU’s actions to local actors.* Although the extensive use of technical assistants in Somalia has helped to enhance the EC’s presence and communications at the local level, a more permanent and sustainable solution still needs to be found. The presence of personnel employed specifically to improve communications should not be seen as a luxury, but as a necessity.
- *Provide the capacity within the country delegation for adequate monitoring and support to implementing partners.* Experienced personnel could be designated to work on political matters with a cross-cutting status in strategic development and programming. The EC in Somalia demonstrates the value that can be added through the use of designated and experienced personnel; however, this needs to be an institutional rather than an *ad hoc* response.
- *Encourage closer relations between staff in the field and within SCR/EuropeAid.* The EC could improve relations between HQ and the field by providing resources for HQ staff to undertake more regular field missions. Such missions would improve interpersonal contacts and would help HQ staff to gain a better understanding of the operational environment.

Ensure that regular evaluations are carried out and that the findings contribute to the EC’s understanding of cooperation with politically fragile states. The EC should carry out more regular evaluations to ensure that the lessons learned are captured and opportunities for improving responses are identified. Such information should also be shared horizontally with other donors and within the EU. The vertical units within EuropeAid (e.g. the Human Rights and Good Governance Units) could act as a locus of knowledge in this respect.

Encourage closer relations between delegations and the relevant geographical unit in DG Dev. The EC Somalia Unit should continue to communicate regularly and to build positive relations with the Horn of Africa Unit in DG Dev. In particular, regular sharing of analyses and information relating to political developments would ensure that personnel in the Unit are able to contribute to discussions with Member States at the Council level.

Assign personnel with experience of the region in the geographical unit in DG Dev. Such personnel could act as a locus of institutional memory and provide checks and balances on the activities of the delegation. The positive role played by the former envoy to Somalia as the head of the geographical unit in Brussels demonstrates the value that can be added by assigning an experienced individual to this position.

5.2.3 Lessons and Opportunities for improved Coordination and Communications among Donors, including EU Member States

Increase the capacity of the country delegation to improve coordination and external communication (including with local actors). As with the need to increase the capacity to communicate with local actors, the EC needs to find a permanent solution to the lack of capacity for coordination and communications with both donors and other actors.

Maximise the added value of the EC's permanent presence and lack of linkages to national interests. Member States should be encouraged to regard the EC as a resource, in terms of expertise and analysis, and in finding common ground among Member States and other donors.

Recognise the role of personality and personal leadership. Such qualities should be fully utilised in cooperation with fragile states in order to minimise the negative impacts and to maximise the positive.

5.3 The 'Added Value' of the Commission in Somalia

Although some Member States do not automatically choose to cooperate closely with the Commission, the 'added value' of its presence in Somalia in relation to Member States and other bilateral donors has been noted by a number of Member States and other actors. In particular:

Despite the current climate of 'donor fatigue', the Commission has been able to commit significant resources for non-humanitarian assistance. This has ensured a permanent international presence in Somalia in the form of the EC liaison offices and EC-funded INGOs.

The Commission's permanent presence in Somalia has allowed it to build up a significant level of analysis and understanding of the situation, which has proved to be a useful resource for Member States who might only have a limited engagement.

The Commission's understanding of the situation has allowed it to play an informed role in discussions with Member States and other donors on political issues. Furthermore, its lack of strategic interest has allowed it to use this informed position and development perspective to balance the more politically oriented views of Member States.

The Commission's funding of INGOs in Somalia has put it in a position where it can help to ensure that implementing agencies, such as INGOs, meet professional standards, and can encourage and support innovations in the design and implementation of programmes.

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Interviewed Organisations

Aktion Afrika Hilfe, Puntland, Somalia
Candlelight, Somaliland
COSONGO, Somaliland
Danish Refugee Council, Somaliland
Danish Embassy/ Chair of SACB Executive Committee, Nairobi
DFID, Greater Horn Department, London
Delegation of the European Commission, EC Somalia Unit, Kenya
Delegation of the European Commission, Regional Political Adviser, Kenya
ECHO, Brussels

ECHO, Nairobi
 European Commission, Brussels, Head of Unit E/1, Horn of Africa, Adviser in Charge, Economic Adviser
 Foreign and Commonwealth Office, London
 French Embassy, Nairobi
 TAs: Governance and Civil Society; Infrastructure, Water and Sanitation; Political Affairs; Rural Development
 Horn Relief, Nairobi
 IOM, Nairobi
 Italian Embassy, Nairobi
 K-Rep, Puntland, Somalia
 Mayor of Bossasso, Puntland, Somalia
 Ministry of Civil Aviation and Air Transport, Somaliland
 Ministry of Finance, Somaliland
The Republican newspaper, Somaliland
 Royal Netherlands Embassy, Nairobi
 SACB Secretariat, Nairobi
 Save the Children Fund (UK), Nairobi
 Somaliland Centre for Peace and Development, WSP, Somaliland
 Terra Nova, Nairobi
 NAGAAD, Somaliland
 UNA, Nairobi
 UNA, Puntland, Somalia
 UNCU, OCHA, Nairobi
 UNDP, Somaliland
 UNDP Somalia, Nairobi
 UNDP, Puntland, Somalia
 UN Focal Point, Somaliland
 UNPOS, Nairobi
 War-torn Societies Project, Nairobi

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