

## The recognition of Somaliland In the interests of the world

"For us, recognition would be transformative, enabling us to mobilise all the resources we can to meet the needs of our people. But for the world it will be transformative too. Through the simple act of recognition, the international community will enhance security, drive economic development and entrench democracy in one of the world's most unstable regions. That is surely a very big prize."

Mohamed A Omar, Foreign Minister of Somaliland, 2012 [PORTLAND DRAFT - UNAPPROVED]

### Serving the vital strategic interests of the international community

Somaliland's lack of international recognition directly impacts the vital strategic interests of countries throughout the world. By recognising the country, the international community would:

1. Address critical security issues in the region
2. Stimulate Somaliland's economy so that it can create jobs and fund services to tackle widespread poverty in the country
3. Entrench democracy in the Horn of Africa
4. Strengthen the peaceful co-existences of the countries of the Horn

Moreover, governments around the world would help investors and industries in their countries take advantage of the significant commercial opportunities in Somaliland – not least in the extractives sector.

### The security dividend

"Standing at the point at which seismic global social, political and economic fault lines grind together, Somaliland stands to play an important role in whether these can be effectively managed or slip further out of control."

The Brenthurst Foundation, *African Game Changer? The Consequences of Somaliland's International (Non) Recognition – Discussion Paper 2011/05*, (Johannesburg: The Brenthurst Foundation, 2011)

The Brenthurst Foundation has examined threats to the international community from the Horn of Africa. It finds that there are a wide range of issues that could be more effectively addressed by recognising Somaliland:

- **Terrorism:** Somaliland provides a centre of relative calm at the core of one of the world's most threatened regions; recognition would make it markedly easier to maintain collaboration to monitor and control terrorist activities.
- **International security:** Non-recognition prevents other states and international organisations from providing necessary assistance to the Somaliland army, including training and appropriate weaponry, though some assistance has filtered through to the fledgling coastguard on the basis that this is a 'policing' operation. Recognition would also make it possible to exclude Somaliland from international sanctions rightly imposed on Somalia as a whole.

- **Piracy:** The Somaliland coast borders the vital commercial waterway of the Gulf of Aden, currently threatened by pirates based largely in neighbouring Puntland; while some international aid has helped to strengthen the Somaliland coastguard, further collaboration, including the use of Somaliland ports by other navies, is prevented by non-recognition.
- **People trafficking:** Again because of its strategic location, Somaliland provides a natural departure point for trafficking people into the Arabian Peninsula and further afield.
- **Arms trafficking:** This is a region of extensive unregulated arms flows, especially of small arms, which could more effectively be controlled under a normal state framework.
- **Financial crime:** Because of its massive diaspora and very high dependence on remittances, Somaliland stands at the centre of financial flows that may readily be exploited for money laundering, narcotics, piracy and terrorism; despite the cooperation of the local authorities and private remittance businesses, this could more effectively be regulated by a recognised state.
- **Other crime:** Somaliland is denied membership of Interpol, and normal mechanisms for tracing the movement of criminals and controlling cross-national crime do not apply.

"Somaliland is a model that proves democratic governance in Somalia is possible. Hargeisa's connections to Mogadishu are limited to the extent that Somaliland's government is forced to deal with the effects of the TFG's failures. Somaliland is a willing partner in the fight against piracy and terrorism and can do more, but is prevented from doing so by the fact that it lacks state status and therefore cannot participate in international forums."

Raoch M L and Walser R, *Saving Somalia: The Next Steps for the Obama Administration*, 18 May 2012 (US: The Heritage Foundation, 2012)

### The economic stimulus

"Yes, we have built a successful free-market economy from the ruins of the war, but we desperately need to connect that economy to the global economy so that we can create jobs and trade our way to greater prosperity. Recognition will connect us to the world."

Dr. Abdinasir Mohamed Abdulle, Minister of Finance, 2012 [PORTLAND DRAFT - UNAPPROVED]

Recognition would provide a major stimulus to the private sector while allowing the government to access critical funds to invest in infrastructure development and capacity building. With youth unemployment running at an estimated 60-70%, Somaliland badly needs recognition as a means to create jobs and tackle poverty.

- **International finance:** It is very difficult for the government and businesses to access international capital markets, denying government an important channel to fund infrastructure projects and stifling the opportunity for businesses to invest. Recognition would give Somaliland access to new sources of finance.
- **Guarantees and export credits:** Firms that want to trade with or invest in Somaliland are denied access to guarantees and export credits by Export Credit agencies, such as the US Export-Import Bank. Recognition would remove this serious disincentive for companies seeking to do business in Somaliland.
- **Assistance from key multilateral organisations:** Somaliland's status prevents it from receiving support from key programmes and initiatives managed by the World Bank and African Development Bank. Recognition would immediately qualify Somaliland for assistance.

- **Bilateral donor support:** Foreign governments have been unable to provide direct help to the government, resulting in very little assistance being made available to support the building of government institutions. This form of capacity building is needed all the more as Somaliland seeks to harness its hydrocarbon and mineral resources.

"I recently tried to get our sales force down to Nairobi for specialist training. Only five could travel because they had foreign passports. How can the rest build their skills and fulfil their potentials with these barriers in place?"

Moustapha Osman Guelleh, COO, Coca-Cola Somaliland (Sbi), 2012 **[UNAPPROVED]**

- **Overseas travel:** With Somaliland passports not being recognised, much of the population is effectively trapped behind its borders, unable to meet business contacts, attend conferences or study abroad. Recognition would change this overnight.
- **Foreign travel advisories:** Many government travel advisories do not differentiate between Somaliland and Somalia – resulting in Somaliland being the subject of strict travel warnings that should only apply to its unstable neighbour. These serve as a major deterrent to potential investors.
- **Insurance costs:** Non-recognition complicates insurance coverage as foreign vessels wanting to use the port of Berbera have to pay higher insurance premiums. The perception of risk, exacerbated by foreign travel advisories, also forces higher insurance costs on businesses trading in and with Somaliland.
- **Links to neighbouring countries:** with approximately 65% of imports through Berbera destined for Ethiopia, full recognition with Ethiopia would enable the government to establish formal transit agreements – improving access to the country and boosting regional development.
- **Airspace revenue:** Somaliland is not a signatory of the 1944 Convention on International Civil Aviation, making it harder for Somaliland to negotiate bilateral air services agreements and collect over-flight fees from foreign aircraft using Somaliland airspace.
- **Harnessing fish stocks:** Under the 1982 UN Convention on the Law of the Sea, a state has special rights to exploit marine resources in an exclusive economic zone (EEZ) up to 200 nautical miles from its coast. Somaliland is unable to declare an EEZ along its 850km coastline, enabling fishing companies to pillage stocks with impunity. Recognition would allow Somaliland to develop a regulated fishing industry.

"I have built a successful business here and I want to expand it in the region. It will mean more jobs, new skills, and open up opportunities. But how can I if the government is not recognised? I have no-one to make the case for my company abroad; no-one to defend my business interests."

Abdikarim Mohamed Eid, Managing Director, Telsom **[UNAPPROVED]**

- **Defending and championing business abroad:** Without recognition, the government is largely powerless to defend its businesses or effectively promote its business interests overseas.

#### The entrenchment of democracy

"Some observers consider [Somaliland's elections] to be amongst the freest and most transparent democratic exercises ever staged in the Horn of Africa."

Mark Bradbury, *Becoming Somaliland (African Issues)*, (London: James Currey, 2008)

By recognising Somaliland, the international community will be sending a clear message that, by establishing democratic institutions and processes, countries can expect to be the beneficiaries of active and supportive international diplomacy.

- **Championing democratic governance in Africa:** there can be no better way to champion the democratic agenda in Africa than to recognise Somaliland and, in so doing, showcase the country's democratic achievements to the world.
- **Promoting Somaliland's unique form of governance:** Somaliland's ability to fuse traditional social systems with modern democratic principles through grassroots consultation could be a model for state-building in other countries. Recognition would help profile a valuable approach to statecraft for those seeking to build stable governments in fragile and failed states.

"The time for U.S. recognition of Somaliland is now, not only because it is right, but because it is in the interests of the United States. Recognition of Somaliland, followed by expanded engagement by Somaliland with the international community, would serve as a powerful lesson for other countries within the region (not least of all southern Somalia) of the benefits associated with the creation and consolidation of democratic systems of governance. Somaliland would become a model to emulate, and the United States would be congratulated for undertaking a proactive policy in support of a moderate, Muslim democracy."

Prof. Peter J Shraeder, *Why the United States Should Recognise Somaliland*, (US: Center for and Strategic and International Studies, 2006)

#### The strengthening of the peace and co-existence of the Horn countries

An internationally recognised Somaliland will finally lay to rest the irredentist "Greater Somalia" policies which have led to two wars between the former Somali Republic and Ethiopia and to friction between the Somali Republic and Kenya. Somaliland's unequivocal policy towards its neighbouring countries is enshrined in the Somaliland Constitution and its practical application can already be seen in the co-operation and joint working that currently exists between Ethiopia (and the Federal Somali Region) and Somaliland.

Somaliland:

4. ... accepts that political disputes which arise shall be settled through dialogue and peaceful means, and shall respect the territorial integrity of other countries.

5. ... shall endeavour to replace the long-standing hostility between the countries in the Horn of Africa with better understanding and closer relations.

Articles 10(4) and 10(5): Somaliland Constitution