DIALOGUE FOR PEACE

Somali Programme

A Force for Change

Promoting the Roles of Civil Society & the Private Sector in Peace-Building and Reconciliation in South-Central Somalia
This publication is dedicated to the memory of Abdulkadir Yahya, whose life’s work promoted peace and reconciliation for the Somali people.

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Front cover photo: Civic groups, women’s networks and youth organisations are joined by members of the public to celebrate Peace Day in Mogadishu, September 2004.

Back cover photo: Pastoralists and traders bargain at a livestock market. Domestic and export livestock trade is the backbone of the Somali economy © Dr. Roland Geiger

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The Dialogue for Peace
How WSP International and its three partners are working to consolidate peace and support better governance across the Somali region

Rebuilding a country after conflict is about far more than repairing damaged buildings and re-establishing public institutions. Fundamentally, it is about restoring the people’s trust and confidence in governance systems and the rule of law, rebuilding relationships at all levels, and providing the population with greater hope for the future. These processes are all critical to the consolidation of peace and security in fragile post-conflict situations. When they are neglected, the threat of conflict re-emerging is very real.

In this sense, state-building and peace-building are potentially contradictory processes – the former requiring the consolidation of governmental authority, the latter involving its moderation through compromise and consensus. The challenge for both national and international peacemakers is to situate reconciliation firmly within the context of state-building, while employing state-building as a platform for the development of mutual trust and lasting reconciliation. In the Somali region, it goes without saying that neither of these processes can be possible without the broad and inclusive engagement of the Somali people.

WSP International – recently renamed the International Peacebuilding Alliance (Interpeace) – launched its Somali Programme in the northeastern part of the Somali region known as Puntland in 1996. It subsequently expanded its programme to Somaliland in 1999, and to south-central Somalia in 2000. Working with highly respected local peace-building institutions established with the programme’s support – the Puntland Development Research Centre (PDRC) in Garowe, the Academy for Peace and Development (APD) in Hargeysa, and the Center for Research and Dialogue (CRD) in Mogadishu – WSP has employed a highly successful ‘Participatory Action Research’ methodology to advance and support interlinked processes of peace-building and state formation. WSP’s experience in the Somali region over the past decade indicates that the understanding and trust developed through the PAR methodology can help to resolve conflicts directly, while at the same time building consensual approaches to address the social, economic and political issues necessary for a durable peace.

As well as groundbreaking research throughout the Somali region, the Dialogue for Peace programme has provided unique opportunities for the three partners to engage with each other in collaborative studies and shared projects. In 2004, the CRD and PDRC teams agreed to combine their efforts in a jointly-managed peace-building programme. While managing its component of the Dialogue independently, the APD has continued to collaborate with the other two institutions on key technical and methodological issues. Over the past two years, the three partners have met regularly with WSP’s Somali programme team to plan and coordinate their respective activities, as well as with a ‘Dialogue Support Group’ comprising the programme’s donors at the European Commission, DFID, USAID, Switzerland, Sweden, Norway, Finland, Italy and Denmark.

The Dialogue’s consultative process has involved extensive consultations with all sectors of society, from national-level political and business leaders to local elders and community leaders, youth and women’s groups, NGOs and civil society organisations. Its Participatory Action Research has provided for an inclusive, consensus-oriented dialogue led by local actors and facilitated by Somali research teams based at each of the partner institutions. The discussions have been documented in written and video form, and every effort has been made to engage the local media and disseminate the findings as broadly and objectively as possible.
Initial consultations by each partner institution were based upon detailed ‘actor and conflict mapping,’ which enabled the programme to identify local and regional priorities for dialogue, as well as respected leaders to guide and promote the dialogue process. At the Project Group meetings held in November 2004 by PDRC and CRD in Nairobi and by APD in Hargeysa, several areas of focus, or ‘entry points,’ were agreed upon for research and discussion in each area. For APD, the focal areas were: democratisation; decentralisation of governance; and resource-based conflict. The PDRC’s areas of focus were: democratisation; public fund management; consolidation of the Mudug Peace Agreement; and reconciliation. The CRD’s focal areas were: security and stabilisation; the roles of the business sector and civil society in peace-building; and reconciliation.

At the outset of the main ‘consultative phase,’ Working Groups of primary stakeholders were established to guide the work on each focus area and to develop plans of action. The groups’ activities included: information gathering and analysis; the identification of key local, regional and national actors whose views or engagement would be required; consultations through interviews, workshops, informal and formal meetings at local, inter-regional or national levels; and the engagement of resource persons to provide particular expertise on complex issues. Extensive consultations over a period of a year or more were essential to ensure sustained public interest and to raise key issues to political decision-makers. Each of the partners also organised regular forums for public discussion of topical issues of concern, as well as engaging in informal liaison as a means of conflict prevention.

This report forms part of a final series of publications designed to formally ‘package’ the findings of these consultations – both as a record for those involved, and as a formal presentation of findings and recommendations to the national and regional authorities and their supporters. Together with a short documentary film on each of the focal areas, it is also hoped that these publications will provide a practical platform for the sharing of lessons learned during each of these groundbreaking consultations.

In response to requests from different stakeholders, including members of the different governance structures, the Dialogue for Peace also set out to take its ‘research-for-action’ beyond the stage of recommendations to include more material contributions to peace- and state-building. One example was the reduction of tensions in Sool after a high-profile exchange of prisoners between Somaliland and Puntland, following extensive behind-the-scenes mediation supported by the APD and PDRC. To ensure that such practical hands-on support will continue into the next phase of the Dialogue, WSP has also initiated a comprehensive programme of managerial training, technical capacity building and fundraising support at each of its partner institutions. And of course, it is continuing to provide practical opportunities for the three institutions to meet together and with other like-minded organisations in order to support other initiatives to foster long-term peace for the Somali people.

The current socio-political context in south-central Somalia has been changing rapidly since early 2006. This report represents the situation in that area from early 2004 to early 2006 and the participatory action research conducted by the Center for Research and Dialogue during this period.
Section One: Civil Society

1. Introduction

In an unpredictable environment, with constantly changing political and security dynamics, south-central Somalia’s active civil society organisations have in recent years emerged as a dynamic force for reconciliation across the region. From the promotion of vital peace-building negotiations and conflict-resolution training to physical mediation between warring factions in some of the region’s most insecure ‘hotspots’, civil society groups have put their lives on the line to help reduce political and inter-clan tensions at this critical juncture in Somalia’s history.

Over the past two years, the Dialogue for Peace process initiated and carried out by the Mogadishu-based Center for Research and Dialogue (CRD) and WSP International (now known as Interpeace) has supported a variety of civil society groups in key peace-building interventions. Civic networks and women’s organisations have played a particularly prominent role in raising awareness and mobilising citizens to tackle some of the serious security challenges in Mogadishu, while local human rights organisations have undertaken the often dangerous role of monitoring human rights violations. In addition, the post-civil war period has seen the growth of a vibrant, privately-owned Somali media – consisting of radio and television stations, newspapers and websites – which has proved that, by working more closely with civil society, it can play a crucial role in promoting and disseminating important conciliatory messages.

The past 18 months have seen a number of critical breakthroughs in the security situation in and around Mogadishu, which owe a large part of their success to the actions of prominent civil society groups. The CRD has supported several of these groups in the provision of community policing training, laying the foundations for a widely-acclaimed network of ‘neighbourhood watch’ systems across the city. The Center has also provided strategic planning and conflict-resolution training to several women’s groups, which have championed a variety of high-profile peace-building initiatives, including the symbolic crossing of militia ‘lines’ and the signing of the important Mogadishu Security and Stabilisation Plan (MSSP). Despite the various impasses that have held back broader political progress, several peace negotiations have reached successful conclusions with the support of civic groups – including the consolidation of the Medina Peace Agreement, and a lasting truce between the communities in conflict in Mudug and Galguduud.

With the return of the Transitional Federal Government (TFG) to Somalia in 2005, the CRD played a central role in providing linkages with members of the business sector, civic groups and the media, including support in drawing up a plan of action and mobilising funding for the MSSP. The Center also helped to organise the first visit by the Prime Minister of the TFG to Mogadishu, and dialogue between the UN’s Special Representative for the Secretary General and Mogadishu’s civic movement.

As an increasingly strong and visible constituency in the search for sustainable solutions for peace and good governance, civil society groups have emerged as a relevant and integral component of long-term peace in south-central Somalia. Despite this realisation, however, these groups continue to face a number of hurdles that prevent them from playing a more prominent and productive role in building peace in their country. These include the widespread insecurity and lack of formal civic structures, which deny them access to broader public recognition and funding, and the need for greater training and resources to improve their administrative and technical capacities – and to strengthen their links with the country’s authorities.
While reaching out to involve civil society organisations in its peace-building efforts, the CRD/WSP partnership has helped to engender a stronger sense of awareness of their vital role in ending the conflict. Local NGOs and community-based organisations (CBOs) continue to demonstrate their willingness to play a key role in peace-building negotiations, with strong civic support for mediations supported by the CRD in Gedo, Juba, Bay/Bakool, Hiran and Mudug/Galgalduud.

Despite the shocking murder in Mogadishu of CRD director Abdulkadir Yahya in July 2005 – which undermined morale throughout Mogadishu’s civic movement – the Dialogue for Peace has continued to build engagement with both civic actors and different levels of the Transitional Federal Institutions. The CRD has also established satellite offices in Baidoa, Kismayo and Belet Weyne in order to extend CRD/WSP activities to these regions.

**Beginning the Dialogue**

The CRD’s formal targeting of civil society for support under the Dialogue for Peace (DfP) began during a strategic review held in Nairobi in July 2005. The review revisited the progress of different areas of research and dialogue under the DfP, the main opportunities and challenges encountered, and potential means to diversify these areas of focus to make them more meaningful and responsive to changes on the ground. While the review exercise was taking place, the TFG, established at the conclusion of the IGAD-led Somali National Reconciliation Conference in late 2004, was facing the challenges of internal differences of approach between groups based in Mogadishu and in Jowhar. During this period, the CRD was called upon to provide channels of communication between different influential actors and civic leaders in an attempt to mediate differences and reduce the risk of military confrontation.

Due to increasing awareness in the earlier phase of the Dialogue of the critical importance of organised civil society, **Support for the Engagement of Civil Society** was identified as a key focus for the programme during its mid-term review. The main objective of this focus would be to mobilise civil society to bridge the gap in approaches within the Transitional Federal Institutions (TFIs). In particular, the need was identified for a national forum to unite the voices and actions of civic groups, and to assist them in supporting the resolution of conflict and the consolidation of peace.

To understand the issues faced by civil society organisations in Somalia, it is necessary to briefly review political developments during the recent past. Somalia became independent on July 1st 1960 and established a parliamentary democracy, with Aden Abdullah Osman Daar as president. He was defeated in the 1967 elections by Abdirashid Ali Sharmarke. While society enjoyed relative freedom of speech, fluid clan alliances dominated the political arena. This fuelled grievances, particularly among those in Northern Somalia (former British Somaliland, which had reunited with the South to form the Somali Republic in 1960), who felt that southern Somalis were sidelining unity issues and manipulating Somali politics in their favour.
The alienation of the North, the lack of transparency, and accusations of election-rigging eventually triggered the assassination of President Sharmarke on October 21st 1969. Six days later, Major General Siad Barre seized power, ostensibly to restore law and order. In the initial years of his rule, Barre gained popularity by banning clannism in all walks of life through the promotion of ‘scientific socialism’ and introducing Somalia’s first written script and a countrywide literacy programme. However, as time progressed, he became increasingly autocratic, jailing opposition members and banning freedom of speech. Following defeat in the war to reclaim the Ogaden region from Ethiopia, the national government became increasingly oppressive and exploitative, using ‘divide-and-rule’ tactics to split the country’s major clans. The government also capitalised on Cold War competition in the Horn of Africa to attract huge amounts of military and economic aid, which resulted in a bloated, corruption-ridden bureaucracy.

The Somali state collapsed in 1991 after prolonged armed struggles by a number of opposition groups, including the Somali National Movement in the North, the Somali Salvation Democratic Front and the United Somali Congress, deposed the government. While Somalia declared unilateral independence in the North in 1991, elsewhere there was no unified post-government political platform or plan. In the power struggle that ensued, the major clans carved up Somalia. In Mogadishu, factional fighting began in which thousands of residents were killed and tens of thousands displaced, as warlords divided the city into their own personal fiefdoms. The conflict gradually expanded throughout south-central Somalia, with Mogadishu at its epicentre.

Elsewhere, relative peace was restored after the war. Puntland was established as a federal state of Somalia in 1998 with its own administration, which has succeeded in maintaining a stable and relatively peaceful environment for trade and development. In Somaliland, residents successfully elected their first parliament on September 29th 2005, in their third round of democratic elections.

In the more populous and resource-rich areas of south-central Somalia, however, the conflict has continued, fuelled by faction leaders with heavily-armed militias. In Mogadishu, in particular, these leaders have failed to uphold the outcomes of the many peace conferences staged over the years. As a result, the TFG, formed in late 2004 following the IGAD-led Somali National Reconciliation Conference, was not able to establish offices in Mogadishu – instead relocating first to Jowhar in May 2005 and later to Baidoa in February 2006. A new phase in the shifting political dynamics emerged from June 2006, when the Islamic Courts Union took control of the capital and other towns in south-central Somalia. As of September 2006, the situation remained fluid, with widespread fears that the conflict could degenerate into further violence if a national framework for peace and institution-building is not furthered in the new political context.

Civil Society Arrives

Although a few civil society groups were operating in Somalia in the 1950s, they were severely restricted by the dictatorial regime of Siad Barre, whose response to any serious civilian criticism was to imprison the perpetrator. However, with the collapse of the state in 1991 and the power vacuum that followed, local organisations once again emerged to provide some of the essential services traditionally provided by government. These service providers originated with the huge international relief operation of 1992-93, during which UNOSOM employed local NGOs to assist it in the delivery of aid and rehabilitation. However, while some local organisations benefitted in the short term, when the UN pulled out in 1995, funding dried up overnight – and many NGOs simply vanished. As Civil Society in Somalia (SOCDA) described the situation in a recent report: “The vast majority were ‘pocket’ or ‘briefcase’ NGOs, patronised by wheeler-dealers… Others were fronts by faction leaders or businesspeople out to secure lucrative grants and contracts from international agencies seeking local counterparts through which to work.”
Although marginalised by the faction leaders, some civil society organisations continued to deliver social services, particularly in providing primary education. By the year 2000, there were several NGOs and civic networks engaged in peace-building, human rights and food security projects, as well as basic social service delivery. Some of the better-known and more proactive civil society organisations operating in south-central Somalia today include: SOCDA, the Coalition for Grassroots Women’s Organisations (COGWA), the Peace and Humans Rights Network (PHRN), Haweenka Horseedka Nabadda (Women Pioneers for Peace and Life, or HINNA), Civil Society in Action, Save Somali Women and Children (SSWC), Iida, Somali Peaceline, the Ismail Jimale Human Rights Organisation, the Elman Peace and Human Rights Organisation, the Formal Private Education Network for Somalia (FPENS), the Schools Association for Formal Education in Somalia (SAFE), and the Somali Medical Association.

In 2005, the international NGO, SaferWorld, launched a project in partnership with the CRD in south-central Somalia (and its counterparts PDRC in Puntland and APD in Somaliland) to encourage greater networking and collaboration between ‘non-state actors’ (NSAs). Support for this process by the three partners engaged in the Dialogue for Peace provides a parallel track for enhanced capacity for engagement by civic groups, together with representatives of professional associations and the private sector. An extensive mapping survey was conducted by the CRD, which documented over 140 civil society organisations operating in 11 south-central regions between South Mudug and Lower Juba. Most of these organisations are engaged in activities such as primary education, healthcare, water and sanitation, food production, advocacy for human rights, and peace-building training. Subsequently the CRD facilitated the formation of a five-member NSA Advisory Board, comprising prominent religious, civil society and women’s group leaders. The advisory board supported the CRD in the formation of an NSA working group comprising 26 members, representing non-state institutions throughout south-central Somalia. During this process, the Center also compiled a formal directory of south-central NSAs. Working group members in every region of south-central Somalia act as focal points, linking member institutions with a wide range of professionals – including five legal associations, 11 universities, 10 media-house owners, and a variety of transport and telecommunications companies.

In May-June 2005, the peace-building potential of local civic groups was prominently displayed when a coalition of women’s organisations, business groups, NGOs and CBOs came out in public support of the Mogadishu Security and Stabilisation Plan. The plan, which provided a schedule for the cantonment of local militias and the clearance of heavy weapons from the capital, originally aimed to make the city safe for the relocation of the TFG. In a forceful display of solidarity, HINNA – with the support of the CRD – raised major funding for the plan’s implementation from local civic groups, businessmen, and members of the public.
2. Stakeholders

Women’s Groups

In recent years, women’s groups have emerged as an influential and powerful voice for peace throughout Somalia, building upon the traditional role of Somali women in peacemaking. Although the activities of these groups largely centre on the welfare of women and children, they have played a prominent role in several key peace-building and national reconciliation efforts. Transcending boundaries created by the formal political system and clan restrictions that tend to exclude them, Somali women have taken initiatives to restore peace and security in their communities and to involve themselves in wider reconciliation efforts. In post-conflict situations, men may come to the negotiating table directly from the battlefield, while women arrive from civil activism and family care – and tend to perceive peace in terms of social security, building on the idea of a better future for their children.

Recent efforts by women’s groups to build peace in south-central Somalia, with technical support from the CRD, include the following:

- A group of women attempted to counteract the spread of guns by contacting the spouses of militia members and urging them to convert their husbands into peace-builders;
- Mogadishu women’s groups, spearheaded by HINNA, championed several peace-building initiatives aimed at armed faction leaders, with technical support from the CRD;
- Mogadishu women challenged civil society to play a more proactive role in promoting peace after male-dominated organisations failed to make progress. Their actions included crossing lines demarcated by warring factions to advocate for peace and persuading militiamen to dismantle roadblocks on some of the city’s main highways;
- In Merka, a local women’s development organisation launched a demobilisation project, offering education and alternative income opportunities for a number of teenage boys who were serving in local militias;

Informal discussions between CRD researchers and a leading civic activist in Mogadishu
• A women’s group joined forces with a youth-for-peace group to persuade militiamen to stop fighting in various conflict ‘hotspots’. Beyond convincing their peers, the youths also had a great impact in changing the attitudes of many older community members;
• In several areas of Mogadishu, women were behind the creation of neighbourhood watch groups to protect communities from incidents of theft, kidnapping, and other crimes;
• Women’s groups continue to play a ‘fire-fighting’ role to avert armed conflict in different areas of south-central Somalia, such as in South Mudug.

Student Networks

In 1999, the now-famous Formal Private Education Network for Somalia (FPENS) began to stand up and call for peace in south-central Somalia. Through the network, some 50,000 students have since demonstrated against clan conflicts and other types of violence. Somalia’s educational institutions, largely represented by FPENS, have spoken out repeatedly on the need for lasting peace. FPENS continues to play a prominent role in promoting educational opportunities for more Somali children, and particularly the rights of girls to equitable access to schooling.

The Somali Media

Following the outbreak of civil war and the disintegration of the state in the early 1990s, Somalia’s state-controlled media ceased to function. Mogadishu witnessed the growth of new, privately-owned newspapers and radio stations, many of which became mouthpieces for the city’s competing warlords. From the late 1990s, numerous Somali websites emerged, some of which also promote the political agendas of various clans. However, the mainstream media in south-central Somalia also plays an important role in conflict prevention and advocacy for peace and human rights, by providing a neutral political space in which communities can exchange comments and views.

Through impartial and responsible reporting, media companies can play a vital role in peace-building, as well as alerting communities to looming humanitarian emergencies. However, the ownership of media companies also plays a role in how their editorial opinions are perceived. A highly politicised environment like Somalia’s is an extremely challenging context for a truly independent media. While a number of leading media organisations have become involved in promoting peace-building efforts, local journalists continue to face threats and intimidation from faction leaders and their militias. One of the CRD’s priorities is to support the establishment of a formal regulatory framework to govern the conduct of the local media, drawing upon experiences in Somaliland, where media groups signed a code of conduct in July 2005 in the run-up to the parliamentary elections.
Religious Groups

In general, Somali religious leaders continue to command respect and play an important role in attempting to encourage dialogue. Without setting any conditions, local religious scholars have supported all the major peace-building processes since the Djibouti initiative in Arta in 2000. Although the IGAD-sponsored peace talks in Kenya from 2002-04 did not give any formal space to religious leaders, they continued to support initiatives that appeared to be heading in the right direction. They have also spoken out through local media channels on inter-clan reconciliation processes. In the absence of a national government or tribal authorities to bridge political divisions, many Somalis continue to see their Islamic faith as providing a consistent framework for their lives and values.

Diaspora Organisations

Refugees escaping the civil war have added to the numbers of Somalis already living in the Gulf States, Europe and North America. Members of the Somali Diaspora have been engaged both in supporting the conflict and searching for paths to peace. They have helped with disaster relief, the development of new businesses, and the generation of new ideas, as well as the provision of remittances (a critical lifeline for many families in Somalia, estimated at more than five times the annual overseas aid budget). Communities on all sides of the conflict have used remittances to support themselves, which must therefore be considered a factor in resolving conflict and consolidating peace. In recognition of the important influence of the Somali Diaspora, the CRD is engaging more systematically with respect to their actual and potential contributions to peace-building and reconciliation efforts.

Benefiting from Peace

Because civil society organisations are working on peace-building initiatives with communities on the ground, they understand better than the factional leaders and many of the political elites the true cost of the conflict to ordinary people – and what Somalis in general stand to gain from peace.

The resolution of conflict and the consolidation of peace would help such organisations with their work in a number of ways:

• It would allow group members freer movement within communities, both to organise broader networks and to reach out to those who need help, without fear of retribution or attack by faction leaders and their militias;
• It would enhance opportunities to gain broader public support for peace, which remains difficult to do while the threat of violent conflict continues;
• It would help organisations attract more consistent funding and support, both locally and abroad, in an environment in which funders are naturally reluctant to spend money without clear signs of progress. Broader-based funding could in turn enhance opportunities for greater collaboration between such organisations;
• Those media outlets that may contribute to the conflict by disseminating partisan reports would be less inclined to do so if the clans were working together to promote peace;
• Civil society groups attempting to restart public services disrupted by conflict, such as healthcare, education, transport and water supplies, could do so with more confidence that their efforts will not be undermined or destroyed by a resurgence of conflict.
Since the Dialogue for Peace began in early 2004, the Center for Research and Dialogue has gone to great lengths to ensure that the local media is kept abreast of the findings and achievements of its various peace-building activities. Regular reports are sent to all the major media organisations, informing them of the different groups participating in each activity and the outcomes and recommendations of each. The larger public gatherings have attracted broad and comprehensive coverage, with the Mogadishu Forum in June 2005 broadcast live by a record seven FM radio stations – enabling a significant proportion of the populations of Mogadishu and Middle and Lower Shabeelle to follow the proceedings as they occurred.

In general, the Somali media is dynamic and innovative, and has evolved rapidly in south-central Somalia with the potential to reach mass audiences, particularly through the radio. Although it is a powerful means for public mobilisation, however, many local journalists are young and lack training in professional guidelines for reporting. There have been frequent criticisms that the Somali media shares the general tendencies of mass Western media to focus predominantly on violence rather than on peace. Initiatives that have averted or resolved conflict tend to get less coverage and on occasion the media has been used to mobilise communities to raise militia members to fight. Peace reporting remains one of the critical challenges for the growing Somali media.

The Mogadishu Forum, which brought together senior business and political leaders, the Sharia courts, women’s and other civic groups to discuss a plan of action for the Mogadishu Security and Stabilisation Plan, also attracted significant coverage in the city’s newspapers, and on the many websites that have sprung up to serve the estimated 1.5 million-strong Somali Diaspora. Other CRD-supported workshops and events that have attracted widespread media coverage include: a significant workshop to establish a regional civic security network in Marka in April 2005, which was reported live on several radio stations and by the Hiiraan and Midnimo websites; a workshop with militia leaders to consolidate the newly-signed Medina Peace Agreement in May 2005, which drew extensive coverage in and around Mogadishu; and the conflict resolution workshop for Sa’ad and Saleebaan militia leaders facilitated by the CRD in Galkayo in April 2006, which was widely reported by the BBC’s Somali Service and Diaspora websites, as well as by local radio stations – some of which even invited militia leaders to participate in call-in shows.

Somali websites have in particular increased communications between the CRD, other peace-builders and members of the Diaspora, with the Hiiraan Online, Soomaalilweyn and Shabbelle radio stations and websites reaching more than 1 million visitors and listeners daily. The CRD is now working increasingly closely with Hiiraan and other Diaspora websites to spread the word about the Dialogue for Peace to Somalis at home and abroad.
3. Activities

Traditional Leaders

Forum for Traditional Leaders in Peacemaking, February 29\textsuperscript{th} 2004

In February 2004, as the first consultations were taking place under the Dialogue for Peace, the CRD was requested to host a forum to mobilise traditional leaders for the IGAD-sponsored National Reconciliation Conference in Kenya. The 55 participants, drawn from the clans of Benadir and including some of Mogadishu’s most respected elders, exchanged ideas about the roles and duties of traditional leaders in the Somali peace process. The forum was used to nominate the elders who would represent each clan at the IGAD conference. A number of representatives from civil society groups also provided the participants with presentations on various aspects of peace advocacy and awareness-raising.

During the forum, the participants traced the important leadership position that was held by the clan elder, Duubab (Ugaas, Suldaan or Malaaq), before the arrival of Somalia’s colonial administrations, and the manipulation of elders by subsequent Somali governments. They also discussed changes that had occurred during and after the civil war, and the need to recover the key roles and responsibilities of elders. It was pointed out that Somali conflicts traditionally arose over issues related to women, or competition for water or land. Yet for each of these issues, Somalis had traditional conflict-resolution procedures and mechanisms whose effectiveness had been repeatedly proven over time. Sadly, however, it was noted that the overriding authority – and the peacemaking role – of traditional leaders has been gradually relegated and eroded over time.

Although the overriding authority and peacemaking role of traditional elders have been eroded, they continue to play an important role in mediating on behalf of their communities.
The forum urged the traditional leaders to play an active role in the selection of the delegates to the conference, whose election could not be left to faction leaders alone. Some participants warned the elders against the manipulations of faction leaders and the potential repetition of the “awful mistakes” made at the height of the civil war – when some elders supported faction leaders, recruiting militiamen for them in the name of protecting their clans.

Women’s Groups

Training Workshop on Strengthening the Role of Women’s Groups in Peace-Building, September 7th-9th 2005

Since its establishment in 2000, HINNA has emerged as one of Mogadishu’s most active and influential women’s groups, with a membership in excess of 60 activists. As well as providing vital social services in impoverished neighbourhoods, HINNA’s volunteers have made a name as some of the city’s most courageous peacemakers – taking part in the dismantling of roadblocks, fundraising for the MSSP, mobilising the public for peace rallies and demonstrations, and reopening the famous Benadir Maternity Hospital. The group has also been highly active in campaigning and providing material support for the demobilisation of younger militia members.

In order to help HINNA improve its organisational capacity, networking and awareness-raising skills, the CRD’s research and training team facilitated a workshop for 40 of the organisation’s most prominent members, including the chair, vice-chair and representatives from each of the Benadir districts. Journalists from the major Benadir and Shabeelle radio stations, Somali websites and daily newspapers also attended the three-day event, which provided training on peace-building, advocacy and working with the media. Specific discussions were held to review HINNA’s past performance, areas that called for improvement, and opportunities for achieving the members’ organisational aspirations.

Forum for the Promotion of Women’s Roles in Reconciliation, Kismayo, November 16th 2005

Since the collapse of the state, resource-rich Lower Juba has been one of the most insecure regions of south-central Somalia. An assessment mission by CRD researchers in late 2005 found people keen to discuss reconciliation and ways to avoid a return to armed conflict and insecurity. Among the most active peacemakers in the regional capital of Kismayo have been a handful of women’s groups, which have been highly visible in the organisation of peace rallies and exchange visits between formerly hostile communities in Lower Juba’s five districts.

When the CRD team arrived in Kismayo in November 2005, they were approached by representatives of several women’s organisations who had heard of the support provided by the Center to women’s groups.
in Mogadishu in strategic planning and conflict management training. After receiving requests for similar help, the CRD organised a forum for one of the most prominent women’s organisations in Kismayo, the Wamo Women and Development Organisation. The participants included 35 members of Wamo, 12 from civic organisations such as the Kismayo Peace and Development Organisation, Kanava Youth and Juba Net, as well as the deputy chairman of the Juba Valley Alliance (JVA), the District Commissioner of Kismayo, and the famous local businessman, Bashir Yarrow. The meeting offered a neutral forum for the women to discuss reconciliation issues, and to identify ways in which the CRD could help to empower Kismayo’s women in future.

Following an introduction and film presentation by the CRD, the participants discussed the main opportunities and challenges for genuine and inclusive reconciliation in Lower Juba – and the unique potential for women’s groups to raise public awareness and influence local authorities in reconciliation activities. Several challenges were raised, including the poor organisational capacity and funding constraints of local women’s groups, which insecurity had deprived of much-needed capacity-building and financial assistance, as well as their isolation from other women’s groups around the country. The forum set itself a number of goals for the immediate future, including training on organisational development, financial systems and basic business skills, a strategy to engage and raise funds from the business community, and greater networking and experience-sharing with other women’s groups beyond the borders of Lower Juba.

Youth Groups

Training Workshops for the Shabelle Media Network, from December 2005

Between December 2005 and February 2006, CRD trainers facilitated a series of six well-attended workshops on ‘Youth Development, Good Governance and Democracy’ at the training hall of the Shabelle Media Network in Mogadishu. Through a series of lively debates and exchange forums, the workshops aimed to generate fresh ideas for local youth groups and their leaders to play a more active role in the development of the city’s communities and regional peace-building activities. The objective of the workshops was to help Mogadishu’s young people appreciate their right to determine how power and resources are used in their city – and become more involved in decision-making processes at both local and regional levels.

Internally Displaced People (IDPs)

Meetings to Engage Kismayo Civil Society in Assisting IDPs, June 10th 2006

In June 2006, Kismayo’s civil society groups called a preliminary meeting to discuss the growing number of refugees living in the town’s crowded IDP camps, and ways in which they could assist in protecting and supporting them. The meeting at the CRD’s Kismayo offices attracted 18 civil society representatives, the JVA’s Humanitarian Liaison Office, and CRD staff to discuss the town’s mounting IDP crisis, the need for a baseline survey to assess their situation and needs, and means in which local communities might be able to assist them.

At the first meeting, the participants agreed to establish a seven-member technical committee of civil society representatives to pay a visit to the camps and prepare a situation report, which would then be presented to a follow-up meeting with local authorities, the business community, and traditional leaders. On June 16th, a second meeting at the Tawakal Hotel drew 70 participants from the local authority, the community, businessmen and local leaders to hear the findings of the committee’s assessment on the IDPs’ situation and their most pressing needs, particularly during the forthcoming rainy season.
The meeting effectively launched an ongoing local-level dialogue and public awareness campaign on the plight of Kismayo’s refugees, as well as a fundraising drive by the business community to meet their most urgent social and healthcare needs. Since the meeting, there has been continued dialogue and coordination between the local authorities and civil society groups in efforts to initiate greater protection in the IDP camps, as well as representations for assistance to UN agencies and other potential supporters in the international community. The process contributed to increased awareness of the problems faced by Kismayo’s IDPs, who were subsequently provided with plastic sheets, household utensils and clothes by the ICRC and rice and other foodstuffs by a Kuwaiti charity.

**Civil Society and the Transitional Federal Government**

**Forum on Mogadishu and the New TFG for Local Civil Society, January 13th 2005**

As part of the uniquely impartial “neutral space” provided by the Dialogue for Peace, the CRD brought together a diverse range of political, social and economic actors for a forum on the future of Mogadishu at the Shamo Hotel. The forum included education and healthcare providers, social activists, neighbourhood watch leaders, businessmen and members of the Sharia courts in a unique spectrum of the city’s leadership, to consider the challenges and opportunities for the TFG’s relocation to Mogadishu.

After six hours of heated discussion, several issues emerged for urgent attention, including: the need to address the lack of social cohesion and political reconciliation between the residents of Mogadishu; the lack of a united vision and the potential for further political crises within the TFG; and the government’s call for the deployment of foreign peacekeeping troops prior to the establishment of national security institutions. These and other issues all pointed to mounting public concern in the capital that, while people want a government that can change conditions on the ground, this should not necessitate risks that may cause those very conditions to deteriorate further.

The civic groups subsequently played critical roles in supporting the development and implementation of the Mogadishu Stabilisation and Security Plan to address security concerns in the capital in mid-2005 (see also Dialogue Not Guns: Promoting Security and Stabilisation in South-Central Somalia, CRD/Interpeace, 2006).

**Workshops on Civil Society’s Role in Overcoming the TFG Impasse, July-August 2005**

From March 2005, serious differences in approach emerged within the recently-formed TFG, with divisions over the seat of government and the viability of the intervention of foreign forces. While many civil society groups wanted to convene a series of workshops to bridge these differences, they soon found that their own clan-based agendas were drawing them into the very same divisions. In addition, most of the leading civil society organisations were based in Mogadishu, and supported the implementation of the MSSP to improve security conditions in the city and enable the relocation of the TFG to the capital. There were thus concerns that civic groups were taking sides along clan and political lines.

In order to present a united stand in the face of the ongoing impasse, the CRD organised a workshop on July 30th 2005 to bring together professional and prominent individuals from civil society to debate their roles and harmonise their activities. The 26 participants agreed that the differences of approach within the TFG presented a unique opportunity for local civil society to work together in helping to overcome the differences within the government. They agreed to form a seven-member ‘taskforce’ of prominent civic representatives to strategise the roles and potential actions of local civil society, based upon the following recommendations:
Identifying and prioritising the main issues of contention;
Endeavouring to partner with traditional elders in peace-building activities;
Emphasising their neutrality in the current political deadlock;
Prioritising pressing issues for the residents of Mogadishu;
Using the current standoff to push for a Benadir administration;
Strategising all their activities to resolve the TFG conflict;
Campaigning for support from the international community to resolve the conflict;
Strengthening and institutionalising existing channels of communication.

On August 2nd, a follow-up meeting was held at the CRD offices, at which the taskforce presented the following ‘position paper’ on civil society’s role in the TFG impasse. Following minor amendments, the participants approved the paper and authorised the taskforce to present it to the Special Representative of the UN Secretary General and a delegation from the European Union, who were visiting Mogadishu at the time.

Representatives of leading civic organisations in discussions on how to support resolution of the political impasse and contribute towards formation of a Benadir administration

Civil Society’s Position on the Current Political Impasse, August 2nd 2005

Throughout the Somali peace process that resulted in the formation of the TFG in 2004, civil society groups in Mogadishu have been actively engaged in searching for sustainable solutions to the subsequent political turmoil.

In line with this sustained effort, civil society groups worry about the current divisive political dynamics undermining the two-year-long peace process, and hereby present the following initiative to resolve the current political impasse:
1. Civil society groups support the UN initiative to intervene in the political impasse. This initiative can be the cornerstone for a process that establishes genuine democratic state institutions, which promote the wellbeing of the Somali people in a transparent and accountable manner.

2. To avoid the experiences of Rwanda and Darfur, the UN Security Council should take bold steps towards the stabilisation of Somalia through peaceful means.

3. All parties must adhere to a comprehensive cessation of hostilities, based upon the following:
   a. A complete ceasefire;
   b. The abolition of all unilateral military and militia mobilisations;
   c. Termination of all negative propaganda through media outlets;
   d. Refraining from all unilateral sensitive decisions, such as controversial nominations.

4. Civil society groups also believe that violence should not be a means to achieve political ends.

5. The divisive status quo of the TFIs has increased instability in the capital. Therefore, civil society groups in Mogadishu request the TFIs to make all possible collaborations in the security and stabilisation of the capital city.

6. The role of civil society and intellectual groups towards the completion of the reconciliation process is vital for the sustainability of homegrown democratic institutions at this initial stage of state-building.

7. Civil society also supports the formation of interim local administrations throughout Somalia. These administrations will handle security, reconciliation and public service delivery in the interim period and will also continue to facilitate the formation of permanent democratic local institutions.

**Formation of Benadir Regional Administration**

Based upon the above seven points, civil society groups in Mogadishu believe the establishment of a functional regional administration in Mogadishu is a critical step towards resolving the current political stalemate. Civil society suggests that the formation of this administration can be achieved through the following actions:

1. All actors and stakeholders collaborate in the formation of an autonomous interim Benadir regional administration.

2. All international community actors support the civil society initiative of establishing an interim Benadir administration.

3. The Mogadishu TFG group accepts the Prime Minister as the appointed governor.

4. The Jowhar TFG group accepts and supports the stabilisation and pacification effort in Mogadishu.

5. Civil society groups in Mogadishu are committed to facilitating actions to bridge the gap in order to successfully realise the above initiative, and request the confidence and support of all local, national and international actors and stakeholders.
Civil Society Consolidation Meeting, September 6th 2005

In September, a further follow-up meeting was hosted by the CRD to consolidate the work of the civil society taskforce and to help civil society groups develop a common strategy to support resolution of the political impasse. At the meeting, 24 representatives from Mogadishu’s most active civic organisations approved the taskforce’s final position paper as an official guide for all civil society actions related to the TFG’s reconciliation. The meeting also appointed a standing committee and two sub-committees, with responsibilities as a contact group and for lobbying, to lead the reconciliation efforts of all civil society organisations in Mogadishu. The committees were mandated to establish channels of communication among the TFIs and to mobilise the community to create pressure on the conflict antagonists towards dialogue.

The meeting also discussed the potential contribution of civil society to the formation of a long-awaited regional administration for Benadir. Concerns were raised about conflicting moves to form an interim administration, when a regional governor-city mayor had recently been appointed by the Prime Minister. To help generate consensus on the way forward, the meeting agreed to form a technical committee to discuss and recommend solutions to the challenges confronting the establishment of a regional administration.

The meeting helped the most politically active of Mogadishu’s civic organisations develop a unified stance on several pressing national issues at a critical juncture in the country’s recent history. The three civil society meetings in July-September 2005 revealed the potential power of open dialogue and honest negotiation over even the most intractable of issues.

Forum on the Role of Civil Society in the Consolidation of Peace, December 28th 2005

As divisions between the Transitional Federal Institutions grew through 2005, with tensions rising across much of south-central Somalia, the CRD prepared to bring together various peace-building organisations to analyse their potential contribution to defusing these tensions. The result was a lively one-day forum in Mogadishu, attended by 60 participants from some of the country’s most prominent civil society organisations, including women’s groups, business associations, educational networks and the media, as well as leading opinion-makers and former diplomats. Some of the recommendations of the forum included:

• Civil society organisations should organise themselves and develop a common national agenda to strategise and streamline their work;
• Reconciliation between opposing parties within the TFIs should take place through existing institutions;
• The structuring and operationalising of the Supreme Court should be completed;
• Civil society organisations should develop a joint strategy for intervening in the current political impasse.

Regional Initiatives

Engaging Civil Society in Bay and Bakool, March 15th 2006

In order to reinforce the emergence of a newfound solidarity between the central southern communities of Digil and Mirifle, while also launching the new CRD satellite office in Baidoa, the visiting CRD team hosted a consultation for the highly respected inter-regional peace-building organisation, the Salvation and Security Committee of Digil and Mirifle. The Baidoa-based organisation, consisting of former MPs, intellectuals, elders and business people from the different clans of the two regions, has gained a strong reputation for uniting communities at peace-building events, mediating in local conflicts, and providing reconciliation-related advice to the Rahanweyne Resistance Army (RRA), the de facto leadership of the Digil and Mirifle
constituencies. The meeting was attended by 25 members of the organisation and community leaders, who worked together to draw up new ideas for mobilising the communities of the two regions.

**Engagement of Civic and Business Groups in Mudug-Galgaduud, since April 2006**

With the increase in violent conflicts between the Sa’ad and Saleebaan sub-clans in South Mudug during 2005, and at the request of the TFG leadership as well as local community and political leaders, the CRD and PDRC made the conflict a specific focus of its peace-building activities under the Dialogue for Peace. Following a series of groundbreaking meetings and workshops between local elders and militia leaders, the CRD facilitated a unique five-day workshop from April 19th-23rd 2006, which brought together over 60 leaders from the rival militias to study conflict resolution, negotiation and management techniques in South Galkayo in late April 2006.

According to militia and community leaders interviewed by the CRD, the training had an immediate and positive impact on security in the region, with a notable reduction in confrontations and revenge killings between the two sub-clans and significant improvements in security in South Galkayo and parts of Mudug. Two months later, the sub-clans staged their first formal peace conference in Hobyo, after which a group of senior elders, opinion-makers and businessmen from Mogadishu formed a ‘Peace Caravan’ and travelled over 200 kilometres from the Indian Ocean to the Ethiopian border, passing through many villages to brief communities on the success of the conference.

Extensive consultations and briefings by the CRD with civic and business leaders in Mogadishu and Nairobi, as well as in Mudug, had laid the ground for reconciliation and played an essential role in sustaining the process. This included a number of informal meetings in Mogadishu and a working lunch in Nairobi in April, which helped to dispel rumours and reinforce support for the reconciliation process on the ground.
The CRD team reported that positive effects of the Mogadishu meetings were apparent in Mudug and Galgaduud and large delegations began to converge there in support of the peace process during May.

On May 20th 2006, the Center organised a briefing session in Mogadishu for over 50 people from the two communities in conflict, including women's leaders, elders, businesspeople and civil society. The goals were to brief members of the community on progress in the peace process, to seek financial contributions for the process, and to increase the participation of these groups in the main social reconciliation conference. The meeting welcomed the all-inclusive nature of the process and recognised the critical role played the business community in both escalating and de-escalating the conflict; in turn the business representatives pledged to commit a further $20,000 to the peace process, to send a delegation of business groups and civil society members to the region, and to address the tendency of some local media channels to stir inter-clan rivalries in the recent past. As well as co-funding the peace caravans, business representatives from both clans provided financial support to elders in their efforts to mitigate the conflict.

Local women's groups played an equally significant role in mobilising their communities in general – and local militias in particular – to work with the elders in resolving localised conflicts and ending revenge attacks. The women's groups also provided practical support to the peace process by collecting goats for meat and milk to sustain the reconciliation meetings in more remote areas.

Subsequent briefings and consultations in Galkayo with members of the Diaspora and the business community were vital in building confidence and maintaining the momentum of the reconciliation process. Investments in South Mudug by the Diaspora and the business community began the long-awaited reconstruction of primary schools and infrastructure – and reinforced local confidence in the prospects for peace. Although the process was temporarily suspended in September 2006 due to the changing political dynamics in south-central Somalia, the reconciliation already achieved between the two communities has held and efforts continue to complete the process with a final conference to address outstanding issues.

More information about efforts to support reconciliation in Mudug and Galguduud are available in the reports Reconciliation in South-Central Somalia (CRD/Interpeace, 2006) and Peace at the Crossroads: Consolidation of the Mudug Peace Agreement (PDRC/Interpeace, 2006).

**Security in Mogadishu**

**The Mogadishu Forum, June 6th 2005**

Under the title “Nagu raagtaye, yaan loo kala harin” (“It’s too late to wait, we must stand together”), this high-profile consultative meeting on efforts to pacify Mogadishu was widely welcomed and supported by civil society groups across the capital. The CRD was one of the principal conveners of the meeting, which brought together key stakeholders, local politicians, opinion-makers, and civil society groups to discuss key issues affecting security in the capital.

Civic groups played a crucial role in enabling the June 2005 Mogadishu Forum to take place – and in implementing some of its most critical resolutions.
The main objectives of the meeting included:

- To review ongoing efforts and commit new resources to the initiative to pacify Mogadishu;
- To seek popular support and the consent of prominent politicians for the initiative;
- To build consensus among the key actors and stakeholders on issues concerning the city’s long-term security.

Chaired by the Parliamentary Speaker, Sharif Hassan Sheikh Aden, the meeting was attended by 72 invited participants, including some of the most prominent opinion-makers and deal-brokers in Mogadishu. Among them were two former presidents, Ali Mahdi Mohamed and Dr. Abdulkasim S. Hassan, the Deputy Prime Minister, Mohamud Jama Sifir, six TFG ministers, 20 MPs, two respected religious leaders, seven eminent politicians, including the Governor of Lower Shabeelle, nine representatives of business groups, and 24 civic activists.

The day-long forum was both a high-profile event and an inclusive discussion between key decision-makers. It was the first gathering of its kind in which senior politicians, faction leaders, civil society members and businessmen sat together to discuss the long-term security of their city. Many of those present had not met one another for over 15 years and considerable efforts had to be exerted to bring them all together. The meeting was broadcast live on several local radio stations, providing a powerful tool to engage the broader public in the initiative. At the conclusion of the forum, the MSSP was formally endorsed and a joint statement was issued by the politicians and civil society groups to both the local and international community.

Civic groups participating in a follow-up workshop on security issues after the Mogadishu Forum

The very next day, with strong support from the civic movement, virtually every checkpoint in Mogadishu was dismantled or circumvented. At some checkpoints, local women’s groups led efforts to persuade the militias to stand down – haranguing and even stoning those who refused to leave. Over the following days, civic groups redirected traffic from roads where checkpoints were re-erected, in order that no money could be collected and the checkpoints would prove redundant. Removal of the checkpoints not only improved the free movement of people and goods across the city, but was a major symbolic step forward and a moral boost for the entire civic movement of Mogadishu. Women’s groups, empowered by their joint initiatives over the past two years, played a vital role in the process, providing shelter, food and civic education for militia members in the camps, as well as mobilising practical and financial support for the MSSP from the business sector.

More information on the achievements of the Mogadishu Forum is available in the report Dialogue Not Guns: Promoting Security and Stabilisation in the Communities of South-Central Somalia (CRD/ Interpeace, 2006).
Meeting on the Security and Stabilisation of Mogadishu, August 2nd 2005

Following the groundbreaking Mogadishu Forum, which formally endorsed the MSSP in June 2005, the CRD was asked to provide technical assistance at a meeting attended by over 25 representatives of the business sector, the Sharia courts, the Civil Society in Action network, TFG ministers and MPs, the Governor and Mayor of Benadir, and the Governor of Lower Shabeelle. The meeting, chaired by Hon. Omar Hashi Adan, focused on providing support for the militias in the cantonment camps, removing the remaining checkpoints in Mogadishu, and establishing a regional administration through a broadly participatory process. In particular, it looked at ways to convince local people to contribute to the MSSP during the continuing political stalemate. Although there was no concrete resolution to this dilemma, the meeting did recognise that inclusive consultations would be critical to keep the momentum of the original Mogadishu Forum going.

The civic movement, with support from the CRD, continued to lobby for the development of a blueprint for the Benadir administration. The committee of Mogadishu MPs led by Muse Sudi concluded its study by recommending the appointment of an expert panel of 6-7 lawyers to prepare guidelines for the formation of a regional administration, until special legislation for the capital city could be passed by the parliament. However, a significant proportion of civil society appeared to see the process as compromised and unacceptable to the broader political groups in the absence of a significant breakthrough in the political impasse facing the TFG. The assassination of the CRD director, Abdulkadir Yahya, at his home in Mogadishu on July 11th 2005 also had a huge impact on the morale of the city’s civic movement, and compromised its ability to sustain its advocacy in support of a long-term security plan.

Although further progress in Mogadishu and elsewhere was largely put on hold due to continuing political differences within the TFG through 2005, and evolving dynamics within the city in the first half of 2006, the MSSP still provides a valuable blueprint for other areas of the country. While the security dynamics in Mogadishu changed radically following the ousting of armed faction leaders in May-June 2006, many members of the public continue to believe that the Mogadishu Security and Stabilisation Plan could be successfully adapted for the management of security in the city.

Meetings on the New Dynamics in Mogadishu, May-June 2006

After the faction leaders were ousted from Mogadishu in June 2006, several civil society groups saw the critical need for dialogue with the Islamic Courts Union, which had taken control of the capital. In late May, prominent civil society leaders approached the CRD to arrange a meeting for them to discuss changing dynamics within the city. This initial meeting, at CRD headquarters on May 31st, brought together prominent members of FPENS, Peaceline, SIMAD, the National Civic Forum and Civil Society in Action to discuss the most appropriate fora for civil society to open dialogue with the Islamic Courts, and the potential avenues of collaboration that might be open to them in addressing urgent issues of security and law and order.

At the end of the meeting, the participants decided to invite the leaders of Benadir’s business community and other prominent personalities to a second meeting the following day. This meeting, at the Daammey Hotel, was attended by the same participants together with four prominent members of the business community and representatives from the Benadir Port Services (Elma’an), NationLink Telecom and Telecom Somalia. After three hours of deliberations, the participants agreed to appoint a committee comprising civic and business representatives to meet with the leaders of the Islamic Courts on issues of mutual concern.
A third meeting took place at the Daammey Hotel on June 5th, at which the newly-appointed committee briefed the same participants on current indications of the Islamic Courts’ agenda. This agenda remained unclear – a fact that was attributed to the Courts’ speedy defeat of the faction leaders, which had not allowed them sufficient time to develop a comprehensive political agenda. This was also seen as another reason for civil society and business groups to engage with the Courts in developing options for the formation of interim structures to handle pressing issues of security and administration.

However, several prominent participants warned that the Courts’ leadership may perceive such proactive engagement as a challenge that undermined their authority and questioned their capability. After lengthy discussions, the participants agreed to meet with the Courts’ leaders in a larger group and present their views regarding the future of Benadir’s administration. The business community was asked to invite the Courts’ leaders to this next meeting, and the participants then drew up five points to present to the Courts as representing their combined position on the immediate future of Benadir:

1. A Benadir regional authority must be established;
2. The formation of this authority must be through a process that is inclusive and participatory;
3. The new authority must comprise the existing structures (the local council and the Governor-Mayor), complemented and/or modified with representatives from the Islamic Courts and any other previously excluded group;
4. A short-term Security Committee must be established to address security issues during the transition to stability, i.e. until basic functioning administrative structures are in place;
5. All media releases from the courts must be conciliatory and foster peace and reconciliation among the different actors and stakeholders, including the TFG.

A fourth meeting sponsored by the CRD took place at the Hotel Ramadan on June 6th. The top leadership of the Islamic Courts Union, headed by its Chairman, Sheikh Sharif Sheikh Ahmed, attended the meeting and was given the above recommendations for consideration with the wider Union. Further dialogue was postponed due to the Arab League-sponsored talks in Khartoum between the Islamic Courts and the TFG on June 22nd, and again in mid-July when a further round of heavy fighting erupted in Mogadishu. This temporarily shelved efforts to chart a coordinated path for the city’s future security. Nevertheless, further progress was made and, in August, the city’s port and airport were reopened for the first time in 11 years. Although security in Mogadishu remained stable through to late 2006, many people identified a pressing need to provide the former militias of the faction leaders with alternative livelihoods. It was also clear that formal security structures, such as police forces and stations, were urgently required – although a proposal...
by civic and business leaders for a Security Committee to set up these structures in collaboration with the Islamic Courts militia did not meet with a formal response from the Courts leadership.

The Joint Needs Assessment

Engaging Civil Society in the Joint Needs Assessment, May 17th-18th 2006

In recent years, the role and fundamental importance of civil society groups in Somalia’s reconciliation process has grown immeasurably, particularly in Mogadishu. Across the south-central regions, they have become engaged in a broad variety of critical social activities, including the provision of health and primary education, peace activism, and various development programmes. As a force that is clearly in touch with the needs and priorities of communities on the ground, it was clear that their ‘voices’ should be heard as part of the Joint Needs Assessment (JNA) process led by UNDP and the World Bank.

To encourage the participation of civil society in Benadir, the JNA authorities requested the CRD’s facilitation of a two-day workshop for local civic groups in May 2006. The workshop brought together 50 participants from some of Benadir’s most active and influential civic groups, including peace-building and human rights organisations, professional associations, media groups, higher education institutions, and women’s and youth groups. The participants set out to explore the different roles of civil society in Somalia’s post-conflict environment, formulating a list that included: reconciliation, awareness-raising, social service delivery, human rights advocacy, security and law and order, reconstruction and development projects, and research.

The workshop then examined the main opportunities and challenges facing Somali civil society in conducting their activities. The participants drew up lists of opportunities that included broad community acceptance, a free media, and external funding; and then a (naturally longer) list of challenges, which included limited professional and administrative capacity, lack of training, poor fundraising potential, lack of national policies, for example on education and health, and insecurity and poor accessibility to the capital.

After evaluating these strengths and weaknesses, the participants considered how best Somali civil society could improve its operating environment in order to significantly and effectively contribute to future reconciliation. All the participants agreed that the best way forward for them would involve the formulation of a national agenda for Somali civil society, the specification of the roles of civil society in the national constitution, and the establishment of a Somali Civil Society Council.
4. Achievements

Since it hosted its first forum on the relationship between civil society and the newly-formed TFG in January 2005, the Center for Research and Dialogue has responded to a vast variety of requests for support – from the facilitation of sensitive political meetings, to training in conflict-resolution techniques, to technical support in the development of strategy papers and legal documentation. Among its main achievements under the Dialogue for Peace to date are the following:

- The CRD responded to requests from members of the TFIs in Mogadishu to bring together key parties with representatives of the business sector, civic and women's groups, the sharia courts, and the local media to progress with a plan of action for the Mogadishu Security and Stabilisation Plan. As well as providing technical assistance in the formulation of the MSSP, the CRD helped to mobilise material support for its implementation, which by the end of June 2005 totalled more than US$140,000.

- The Center has responded to numerous requests for facilitation and mediation from a variety of national and international sources, including dialogue between de facto and newly-appointed officials in Benadir, assisting in the facilitation of the Prime Minister's first visit to Mogadishu, and providing an enabling environment for dialogue between the UN's Special Representative for the Secretary General and Mogadishu's civic movement.

- Between July and September 2005, the CRD convened three one-day workshops for Mogadishu's leading civil society organisations to strategise and coordinate their efforts to support the resolution of differences of approach within the TFG. The Center also provided technical support in developing a position paper on Civil Society’s Position on the Current Political Impasse to demonstrate their unity and impartiality in assisting the transitional government.

- The CRD has hosted two workshops to promote the role and unique potential of women's groups to accelerate reconciliation activities in Mogadishu and Kismayo. The two workshops provided strategic planning and training in peace-building, advocacy, fundraising and networking for 40 members of HINNA, Mogadishu's most influential women's organisation, and 50 members of WAMO and other civic groups based in Kismayo.

- At the request of Mogadishu's civic movement, the CRD engaged with the Prime Minister and the Minister of Planning in August 2005 to arrange a meeting in Jowhar to foster dialogue with civic representatives (although the meeting did not materialise due to the political crisis during this period).

- Together with local leaders and various civic partners, the CRD has supported a number of crucial inter-regional reconciliation initiatives, including: implementation of a UN-supported district formation project in Bay and Bakool; facilitation of a reconciliation process between the communities in conflict in Mudug and Galgaduud, and the defusing of tensions between local militias and the Puntland Darawishta, in collaboration with the PDRC; technical advice and logistical support for a peace accord between the Harti and Sade clans in Kismayo; support to local reconciliation initiatives between sub-clans in Jamame; and support to an awareness-raising campaign on the need for functional, community-elected district and regional administrations in Lower and Middle Juba and Gedo.
5. Recommendations

Moving away from individual and fragmented advocacy towards collective action is essential if civil society organisations are to become a strong, countervailing force to the armed faction leaders in Somalia. The CRD/Interpeace partnership will continue to support this endeavour by continuing to work with civil society groups and to encourage dialogue and collaboration between them. It will also assist the most responsive of these groups in their efforts to identify new sources of funds, training and other support. The connections that the CRD and Interpeace have made with the TFG, local business and religious leaders, and senior members of the Diaspora should prove particularly useful in helping to generate greater support and recognition for local civil society organisations.

Specific findings and recommendations made by the CRD after the first phase of its Dialogue for Peace include the following:

• Civil society organisations should be helped to expand their source of funds so that they are not all reliant on the same international organisations and non-governmental organisations. International donors interested in promoting sustainable peace and security in Somalia should be encouraged to commit substantive long-term resources to civil society organisations to engender institutional stability and strengthen their organisational capacities;

• Training in organisational and financial management, reconciliation and mediation techniques, income-generating skills, media liaison, and other professional skills should be provided to women’s groups and youth groups to enhance their capacity and effectiveness in pushing for peace;

• Efforts should be made to actively encourage networking among civil society organisations, including the sharing of information and resources and the transfer of communications technologies;

• A regulatory framework must be developed to govern the media throughout Somalia. The code of conduct signed by media organisations in Somaliland in July 2005, prior to the parliamentary elections, could serve as a useful model for this process;

• The Somali Diaspora should be encouraged to become more involved in peace-building efforts by increasing their support to civil society organisations and ending their support to the warring factions;

• Efforts should be initiated to evaluate the establishment of formal channels for dialogue and planning between civil society organisations and the Transitional Federal Government so that these groups have an impact on the formation of government, its institutions and programmes.
Section Two: The Private Sector

Part of this chapter was adapted from material provided by CRD/Interpeace to International Alert for its 2006 publication, Local Business, Local Peace: The Peacebuilding Potential of the Domestic Private Sector (International Alert, London).

1. Introduction

Long before civil society organisations were formally approached under the Dialogue for Peace in mid-2005, the CRD/WSP partnership had been cultivating relationships with some of south-central Somalia’s key business leaders and associations in the pursuit of peace. As in other regions of Somalia, and indeed the entire Horn, the business sector plays a central role in both political decision-making and social service provision – and will thus be a pivotal force in any sustainable peace-building solutions.

Despite the civil conflict that has long afflicted south-central Somalia, the main business sectors throughout the Somali region – livestock, import-export, telecommunications, transportation, and remittances – have continued to demonstrate the flexibility and ingenuity to survive, and even thrive. In the absence of a functioning government, private businesses have taken over the provision of health and education services, water and power supplies, and foreign exchange. And in a region once known for the prominent role played by businessmen in the promotion of war, the private sector has recently emerged as a powerful force for peaceful change.

Since the Dialogue for Peace was launched in mid-2004, the CRD has attempted to engage the business community on a number of levels: in peace-building discussions with other sectors of society; as mediators in local-level disputes; as sources of financial support for civil society groups; and as members of civic alliances pushing for national reconciliation and reconstruction. The engagement of the private sector has, by its very definition, overlapped with efforts to engage civil society and religious and political leaders in peace-building initiatives. Facilitating the emergence of peace constituencies in this way is a key element of peace-building. The remainder of this report will attempt to describe the existing and potential contributions of the business community to peace- and state-building.

The Business of War

During the Cold War, Somalia’s geostrategic importance meant that it received extensive foreign assistance from both the Soviet Union and the United States, which enabled Siad Barre to build a bloated bureaucracy and one of the largest military forces in Africa. Trust-based money-handling networks also extended beyond the Somali border, and, after the collapse of the Barre regime, formed the foundations for the hawala (remittance companies) that took the place of Somalia’s formal banking institutions.

Since the collapse of the state, the business community has had both negative and positive effects on the politics of south-central Somalia. On one hand, the business sector has provided badly-needed social and economic services in the absence of a central government. Without the contribution of certain powerful businessmen, it can be argued that the entire economy would likely have collapsed. On the other hand, many business groups have benefited from the prolonged insecurity, developing armed militias to protect their own business and to provide paid ‘protection’ to other parties.
Following the arrival of United Nations troops in 1992, the private sector became more independent of local faction leaders and businessmen were able to pursue profitable opportunities through UN and NGO contracts. However, following the departure of UN troops in 1995, many businesses were forced to arm themselves for self-defence, and businessmen – perhaps inevitably – became a source of financial and military support for some of the region’s most active freelance militias.

In some parts of the country, heavily-armed business groups have continued to extort money from society. Some local analysts believe that these groups are largely responsible for the continuing civil strife in south-central Somalia, pressing local leaders to maintain the ‘war economy’ in order to enrich a small elite section of the population. Although there has been insufficient analysis of the region’s ‘middle-class’ business community, and the implications of their role in local politics and society, initial consultations by the Dialogue for Peace confirm that their involvement is paramount to the success of any serious peace-building and conflict resolution efforts.

Since the 1960s and the launch of extensive government support to veterinary, water and range management, Somalia’s livestock industry has been the economic mainstay throughout the Somali region. Despite initial successes in state-run meat, milk, sugar and textile industries, however, the devastating dabadheer drought of 1974 and the Ogaden War with Ethiopia in 1977 brought Somalia into conflict with its former Soviet bloc allies, and forced the country to abandon its experiment with ‘scientific socialism’. Over the following years, the military government lost its grip on national affairs and the state-run economy gradually gave way to a thriving black market, which continued to grow following the ousting of the Barre government in 1991.

Today, livestock remains the most important sector of the economy, although the unregulated industry has suffered from damaging import bans imposed by Saudi Arabia following reports of Rift Valley Fever in Somalia. In recent years, several exporters have overcome the bans by shifting their focus to chilled carcasses, with five abattoirs today air-freighting nearly a million carcasses to the Gulf each year. While remittances from overseas, estimated at $825 million annually in 2004, continue to prop up the Somali
economy, the absence of a central government has submitted the country to an unregulated private sector, lack of public services and infrastructure, and a growing economic inequality. In south-central Somalia, a large and privileged ‘business class’ has emerged, comprising the heads of armed militias, merchants and heavyweight politicians.

While international aid remains an important source of income in south-central Somalia, funds for rehabilitation have dropped off over the past 10 years. In the late 1990s, many donors adopted a ‘peace-dividend approach’ that made aid conditional on security and good governance – and directed more money to the relatively peaceful areas of the north. Today, the south-central regions continue to suffer from woefully inadequate health and education coverage, poor agricultural and transport infrastructure, as well as illegal fishing by foreign vessels and widespread environmental destruction.

Despite the absence since 1991 of a central authority that would regulate or guarantee international transactions by Somali nationals, several Somali businessmen have built profitable import-export businesses, offering a wide range of consumer products. These businesses have benefited from Somalia’s close proximity to the Gulf States, many of which have enabled Somali businessmen to establish local offices with internationally recognised business licences. The complete absence of taxation on commodities imported from or exported to south-central Somalia has also been an important factor in encouraging the growth of trade.

Relative Socio-economic Success

In the absence of central government, many would assume that Somalia would quickly dissolve into a state of chaos and continuous anarchy. However, when compared to the socio-economic benchmarks of other countries in the region, Somalia actually fares better in some key areas. In Somalia, 43% of the population lives on US$1 or less a day compared to 58% in Tanzania and more than 52% in Rwanda and Burundi. This surprising success appears to stem from the Somalis’ historical propensity for trade, as well as remittances from its extensive Diaspora – estimated at between $800 million and $1 billion per year – half of which are direct payments to families. Long, porous borders with Ethiopia and Kenya, and the presence of ethnic Somalis on both sides of these borders, have also encouraged Somalis to provide neighbouring markets with relatively cheaper products – free of the taxes collected in Mombasa and other neighbouring ports.

Despite these signs of economic success, only very limited reliable socio-economic data have been available in Somalia since 1991. Somalia has not been ranked in the UNDP’s global Human Development Index since 1997, being listed as one of the countries for which statistical data are considered inadequate. The World Bank/ UNDP’s Somali Socio-Economic Survey 2002, published in January 2004, provides key macro-economic and socio-economic data, supplemented by UNICEF’s End Decade Multiple Indicator Cluster...
Survey and UNDP’s 2001 Human Development Report. Based on this data, Somalia still ranks among the poorest countries in the world, with a per capita income of just $226 ($291 in towns, $195 in rural areas).

As well as its long and brutal civil conflict, Somalia’s economic development has also been seriously undermined by the widespread use of khat – an addictive stimulant plant chewed to produce a mild ‘high’ – on which Somalis spend an estimated $100 million of their already-overstretched household resources each year. This represents an enormous outflow of revenue to Kenya and Ethiopia for khat exports to Somalia.

Across Somalia, half of all household income is estimated to come from small-scale trade and other self-employment, with the remainder from remittances (22%), wage labour (14%), and rental income or aid (13%). While before the war, the most prosperous parts of Somalia were in the southern commercial agricultural zones and around Mogadishu, the situation has now been largely reversed, with the more peaceful areas in the north enjoying much higher levels of social and economic development.

In the previously prosperous South, meanwhile, inter-clan conflicts combined with a shrinking workforce and a brutal cycle of droughts and floods have conspired to destroy what remained of the once profitable agricultural sector. Although large sums of money were poured into southern Somalia during the UNOSOM intervention from 1992-95 – leading to a ‘gold rush’ of UN contracts for local NGOs and businesses – the economic boom was an artificial one, which quickly fizzled out when the UN left. Since 1995, there has been no external engagement that has come close to replicating the scale of UNOSOM. In the absence of a recognised government, donors have not contracted directly with regional administrations, local agencies or businesses – choosing instead to engage through UN agencies and international NGOs. Due to security constraints in the South, most aid funds have been spent in Somaliland and Puntland. A sharp increase in piracy off the Somali coast in 2005 also drove up the price of food aid delivery, as well as fuel and other imported commodities.

Sources of Stability

Today, the leading business actors in the South include remittance companies, three competing airlines, several telecommunications companies, 45 private hospitals, 55 electricity providers, 1,500 wholesalers of imported goods, emerging light industry and manufacturing, and, most recently, a Coca-Cola plant – constructed in Mogadishu with a capital investment of over $8.5 million.

In many ways, the business sector has been one of the few sources of stability since the collapse of the Somali state, filling many of the state’s previous functions through private entities that provide services such as water, electricity and telecommunications. The larger remittance companies also offer basic banking services and are crucial in supporting the vibrant trade industry – representing a valuable asset for Somalia’s future economy. Despite their relative...
success, however, businessmen continue to pay a high price for the absence of government, most obviously in high overheads for security. Despite paying no formal taxes and operating in an unregulated environment, many businessmen support the return of a functional government and regulatory frameworks – although they would be likely to strongly resist a return to the high level of state control experienced under the Barre regime.

The unregulated economy has benefited from the entrepreneurship of Somalis, particularly those who have been able to create less sophisticated institutions that provide quick and cheaper transactions. These institutional structures eschew bureaucracy and streamline complex transactions in the transfers of money and goods. A simple phone call and a guarantor – preferably a known businessman or an elder relative – can complete the transaction or transfer.

In more complex sectors, such as telecommunications, where international service providers are involved, private sector enterprises have been creative in borrowing from foreign jurisdictions. Returning Diasporans have brought new ideas of entrepreneurship, as well as more sophisticated machinery and electronic equipment, from host countries in the West. Consumerism has also grown rapidly, fuelled by aggressive sales campaigns and innovative forms of down-payment and ‘hire-purchase’.

Schools, universities and hospitals have also become the domain of the private sector, with Somalis slowly learning to pay for essential services. Across Somalia, private power stations and water-pumping stations distribute to different zones, with services generally more reliable in smaller towns where there are fewer providers. Ironically, with the disappearance of the corrupt and centralised state apparatus as a result of the civil war, some previously neglected areas enjoy better services than existed under the Barre government – although these are only accessible to those who can afford to pay.

As well as widespread loss of life and livelihoods, the civil conflict and prolonged state collapse have resulted in a significant out-migration from Somalia. While the Diaspora remain closely connected with events in Somalia and make a very significant financial contribution to extended families and the overall economy, the ‘brain drain’ combined with the lack of educational opportunities for a ‘lost generation’ have left a substantial gap in human capacity – particularly outside the urban centres. The absence of recognised government has hindered international investment and representation for Somalia in aid and trade agreements, such as the EU’s Cotonou Agreement, as well as impacting in basic ways such as Somalis’ ability to travel with Somali passports.

The primary costs of prolonged conflict for the business sector include: high security costs, including guards, compensation and the costs of looting and sabotage, which can together account for 20-25% of a company’s annual budget; poor, damaged or destroyed infrastructure (including ports and roads, with associated high transport costs); and problems associated with lack of regulation. The latter has severely limited external trade in key commodities, such as livestock, as well as investment in the absence of both a banking system and a recognised legal framework. Since 9/11, the lack of regulation coupled with increasing monitoring of financial transactions has also constrained – if not threatened to curtail – the operations of Somalia’s remittance companies.

After the departure of the UN peacekeeping forces in 1995, Mogadishu’s port and airport remained closed up until mid-2006 due to competing claims for control. This necessitated use of a natural beach port north of Mogadishu, Elmaan, which was built and managed by businessmen. Together with the port of Kismayo, Elmaan provided the basis for a profitable import/export trade in south-central Somalia as well as Somali-inhabited areas of Ethiopia and Kenya. Although the four major airports in south-central Somalia – Mogadishu, Kismayo, Baydhaba and Ballidogle – remain largely intact, little investment has been made
in road infrastructure, which requires substantial investment but with unreliable returns in an insecure environment.

**Systems of Trust**

Despite the conflict and destruction of the 1990s, the decade was also a period of new directions in entrepreneurship, trade and enterprise. Much of this can be attributed to the globalisation of trade, which eased the availability of goods. Somali traders had ready access to the nearby and cheaper markets of the Middle East and South East Asia. In addition, retail trade within Somalia and with neighbouring countries was able to establish networks that transcended clan confines. Clan networks and personal trust also allowed for the continuation of foreign trade, especially in livestock, despite the absence of central government. Livestock owners would offer credit to the exporters at an agreed-upon price, and would wait until their goods were sold (“soo cade”) – a practice that long predated the civil war. Similarly, the hawala or remittance companies – institutions based largely upon trust – took over the role of more formal banking structures.

Although the war weakened the social fabric of Somali society, clan structures provided basic security, networks, and the necessary ‘stock of trust’ deemed essential for the private sector to function. The residual ‘stock of trust’ was established by crosscutting business ventures that transcended clan confines, and created networks of members from different clans with common interests. For example, when a convoy of trucks loaded with food aid was looted near Burhakaba, the businessman with the contract to deliver the aid contacted a businessman in the area who mobilised his forces and returned the looted goods (Ayaamaha Press, December 2005). This *quid pro quo* for facilitating business across clan lines has evolved further throughout the prolonged period of state collapse as a survival strategy in the absence of alternative regulatory systems.

The reciprocal relationships based on trust within Somali society have provided a basis for functional systems that were not available from the weak institutions of the country’s post-colonial systems. The failed military government had weak institutions marked by a lack of transparency and trust, which did not provide the necessary environment for the evolution of the private sector. The government banks were depleted of money. Over-regulation, rampant corruption and nepotism fuelled by over-centralised institutions discouraged private sector investment during the regime, even after the forced switch of alliance from the Soviet bloc to the US in the late 1970s. Informal trade and black marketeering boomed during that time, employing social networks that people trusted – networks that continue to this day.

**Financing the War**

The armed factions that toppled the Barre government were based upon clan constituencies. The provision of finances to the faction leaders’ causes fell on the shoulders of every clan member as a part of the group obliged to pay *diy ah*, or ‘blood compensation’. The clan’s businessmen were expected to pay the lion’s share of this *diy ah* – putting their wealth at the disposal of the faction leaders. The excessive blood compensation payments required during the early days of the war was one of the factors that prompted some businessmen to broaden their means of revenue collection – for example, using armed militias to confiscate property from clan members who refused to pay. This was one of the ways in which businessmen were drawn into playing an increasingly active role in financing the conflict. In the early stages of the war, it was virtually impossible to do business without partnering with a faction leader or a powerful clan.

The complex economic interactions and relationships between businesspeople and faction leaders at times blurred the distinction between these two groups to the point that they became largely indistinguishable.
In various ways, they combined in undesirable symbioses, using reciprocal strategies to maintain their own activities – with businessmen doing business to sustain conflict, and faction leaders engaging in conflict to protect, pursue or promote their own agendas.

Apart from well-documented cases of looting and the extortion of ‘taxes’ at road checkpoints, faction leaders and ‘businessmen’ made money in various ways during Somalia’s civil war: stealing food aid, exporting goods stolen during UNOSOM, ‘confiscating’ government-owned industrial and agricultural machinery. Whole industrial plants were demolished and sold off to neighbouring countries, creating ‘overnight millionaires’ in the process. At the same time, these ‘entrepreneurs’ required weapons and freelance militiamen to protect their businesses. Thus a vicious circle grew up, with businessmen and faction leaders entering into partnerships to protect their wealth and fund their power struggles.

During the early post-Barre period, the flight abroad of large sections of the business community left a vacuum, with new opportunities for trade and business. The new entrepreneurs (or faction leader associates) filled this vacuum, taking high risks in the line of fire – and often reaping high profits. A classic example was the revitalisation of the banana export trade in the early 1990s in Lower Shabelle, through investment by two multinational companies that partnered with local businessmen and faction leaders. Ultimately, the power struggles between different factions for transport and security contracts, dubbed the ‘Banana War’, rendered the trade unprofitable – while the companies were criticised for financing political factions and exacerbating the civil conflict. In other cases, powerful businessmen who were faction leader associates received lucrative contracts from major donors for delivering food and essential medicines to remote areas. The money they earned was reinvested in private businesses, such as export/import and construction.

**Business as a War Deterrent**

When UNOSOM arrived in December 1992, it weakened the faction leaders’ role while empowering those businessmen with enough clout and power through lucrative contracts. During UNOSOM, over $2 billion was reportedly injected into the Mogadishu market. Over time, the protracted nature of the civil conflict wore down the factions leaders’ resources while the businessmen began to reinforce the crosscutting networks that transcended clan boundaries.

When the Transitional National Government was formed with the support of Mogadishu’s businessmen in 2000, faction leaders boycotted the government and vowed to stand in the way of its establishment. Ensuing clashes between the faction leaders’ and businesses’ militias caused significant casualties in the capital. However, ultimately the faction leaders accepted the role of the ‘armed businessmen’ – as long as they were not challenging their political roles.

In the most recent stage of the conflict, intensive confrontations give way to small incidents or flare-ups. By this stage, the businessmen had built sophisticated and expensive infrastructure – and the lines between them and the faction leaders were often indistinguishable. The fundamental distinction between the ‘faction leader army’ and the ‘business army’ is that usually a faction leader’s militia are dominated by his clansmen, while businessmen hire gunmen from different clans. The rationale is simple: the businessmen want to undertake ventures in various clan network domains.

**Taking Advantage of the Vacuum**

A number of unscrupulous businessmen have profited greatly from the dynamics of Somalia’s conflict and its enduring lack of regulation. The country remains one of the primary routes for weapons smuggling into eastern Africa – particularly from Yemen, which has been described as a ‘weapons supermarket’. The
profitable export of scrap metal led to the destruction of vital infrastructure and factories in the early stages of the civil war. Expired or low-quality drugs and foodstuffs are exported from the Gulf States for sale in Somalia, while duty-free electronics are smuggled through Somalia into Kenya and the wider region. At the same time, thousands of tonnes of charcoal are exported from Somali shores to the Gulf – leaving devastated pasturage lands in their wake. Over-fishing of lobster and sharks’ fins bound for lucrative markets in the East also threatens the future of these precious finite resources.

The importation of printed Somali currency by powerful political and faction leaders in association with businessmen has led to rapid inflation on several occasions, with resulting price increases that particularly impact on the poorest sections of society. For example, the value of the Somali shilling plummeted by over 250% between September 2000 and September 2001, following the infusion of the equivalent of $13 million of Somali currency. Because of its potential for rapid wealth generation and its association with the importation of weapons, currency printing was referred to the UN Security Council as a violation of the arms embargo in 2003.

**Partnering with the Courts**

Over the years, Mogadishu’s business community has worked with Sharia courts to intervene in a number of situations of insecurity and disorder in the capital. As well as improving general security in and around Mogadishu, the courts gained strong support – and financial backing – from local businessmen for initiating legal institutions and providing security for business transactions and pseudo-legal resolutions for trade conflicts.

In February 2006, a group of Mogadishu faction leaders announced the formation of the Alliance for the Restoration of Peace and War Against Terror to root out “foreign outlaws who are Al Qaeda elements.” The announcement served to revitalise the old partnership between the Sharia courts and local armed businessmen, who joined forces, with the support of the public, to drive the faction leaders out of Mogadishu in May-June 2006.

**A Key Role in Peace**

![Image](image.png)

Because of its vital economic role and connections that transcend clan boundaries, the business community can clearly provide an important contribution to peace-building and conflict resolution in south-central Somalia. When influential businessmen oppose faction leaders, they tend to divert militias away from the latter, which clearly provides a contribution to peace. Businesses have also established charities that have assisted hospitals, schools, and poverty alleviation initiatives across the south-central regions. They have mediated in disputes between warring factions, arranging...
the logistics and transportation for meetings. For example, a peace conference in Brava in May 2005 involving the Juba Valley Alliance and the Lower Shabelle administration was sponsored by prominent business personalities. What is lacking is a strategic vision for the business community to engage more fully in the peace-building process.

Although Somali businesses have shown great will and resilience in operating – and often thriving – in the absence of a central government, they have failed to institute the kind of sustainable peace that would bring greater advantages to their own sector. To this day, as already noted, insecurity continues to cost businesses as much as a quarter of their entire income. The lack of a functioning legal system means that business disputes remain unresolved or are brought to clan elders, contributing even greater costs – and discouraging further investment.

Likewise, the lack of a central or commercial bank means that businesses must depend on hawala to execute their transactions. While this system is widely used and trusted, especially by members of the Diaspora, there is growing international pressure on hawala agencies to conform to international regulations – particularly in the wake of the 9/11 attacks, when the US forced the closure of Al Barakat, accusing it of transferring money for terrorists. Although the hawalas cannot provide the broad financial services of modern banks, a fully functional financial institution will clearly have to wait until a modern system of governance can be installed.

**Incentives (and Disincentives) for Peace**

While many businesses in Somalia have flourished in the absence of government, this has come at a high cost to the nation as a whole. Without government regulation and official consumer protection agencies, Somalis are not protected from faulty or outdated medicines and other products. The Saudi livestock bans are a case in point. In recent years, there have been two bans, both linked to outbreaks of Rift Valley Fever, a viral disease spread by mosquitoes that can be transmitted to humans. The first ban was imposed in 1998 after a suspected outbreak of Rift Valley Fever in Somalia. It had just been lifted when a new ban was imposed in 2000, after outbreaks of fever in Saudi Arabia and Yemen. At a meeting between Somali livestock traders and representatives of importing countries, including the UAE and Yemen, an agreement was reached on standardising a certification system for Somalia under the supervision of the Food and Agriculture Organisation and UNDP. In the meantime, exports have continued, albeit at lower levels. There is as yet no accurate data concerning the long-term effects of the bans on the Somali economy.

Import duties and domestic taxation, which have been in the hands of private people and faction leaders in south-central Somalia since 1991, should provide a vital backbone for social services and the reconstruction of roads, airports and ports, which continue to make business transactions difficult and costly. Appropriate government regulations would also enable the protection of radio frequencies and the avoidance of ‘crossed...
wires’ for local telecommunications firms. However, checks and balances will also clearly be needed to ensure that officials enforcing public regulations are not corrupt or incompetent.

It is also clear that local businesses could – and should – benefit from actual reconstruction projects once peace is established. With much of the national infrastructure in disrepair, there is the potential for large contracts to fix roads, ports and airports. Livestock and large-scale agricultural production desperately need support and investment. Services that were impossible to deliver during the conflict, such as postal delivery, could also be re-launched.

There are, however, countervailing pressures on business that may dissuade some of them from fully embracing the establishment of an effective government. Conflicts between clans remain an important factor in the minds of many. Until these conflicts are resolved, business leaders will be torn between their desire for peace and their loyalties to their individual clans. Businessmen who have profited in the absence of government from illegal activities will clearly not support the constitution of transparent public institutions. A further obstacle for businesses that support peace and government in principle is the lack of a national organisation, such as a Chamber of Commerce and Industry, which could provide a central forum for reaching consensus on issues related to business.
2. Stakeholders

The major stakeholders and counterparts in the Dialogue for Peace’s focus on supporting the private sector include the following:

- Major businesses in telecommunications (NationLink, Hormuud and Telcom Somalia), airlines (Daallo and Jubba Airways), financial transfer agencies (e.g. Global Money Transfer, Dahabshiil, Qaran Express and Amal Bank), transport providers (e.g. Dalmar Cooperative), and livestock dealers and exporters (e.g. Somali Meat (SOMEAT) and the Mubraak Group);
- Small businesses and trade groups, such as Mogadishu’s Benadir Business Community, the Wabi Shabeelle Business Women’s Association, and the Benadir Company;
- Multinational businesses with operations in Somalia, such as Coca-Cola and the telecommunications firms whose businesses are associated with multinational corporations;
- Members of the Somali Diaspora, both those doing business with Somalia and those with no commercial connection to the country but with an interest in its future, such as the Somali Business Council in Dubai and the Somali Concern Group in the UK;
- Members of the Inter-Governmental Authority on Development (IGAD);
- UN institutions working in Somalia, including UNDP, UNICEF and UN-Habitat;
- International non-governmental organisations with operations in Somalia, such as COSPE, Progressive Interventions, and Saferworld.

3. Activities

The Dubai Forum, April 16th-17th 2003

Although it took place before the official launch of the Dialogue for Peace, the Dubai Forum that preceded the Djibouti Conference set the scene for much of the high-level dialogue that would take place between Somalia’s political and business communities during the national reconciliation process. Co-sponsored by the CRD/WSP and the Somali Business Council in Dubai, the groundbreaking forum brought members of the Somali business community together with Somalis living in United Arab Emirates to discuss common issues of concern arising from the enduring conflict, and means in which they might be able to positively contribute to peace and reconciliation. The forum’s discussions were inspired by two documentary films produced by the CRD’s Audio-Visual Unit, which provided a compelling overview of the effects of the conflict on the provision of goods and employment, and the contributions of business groups to the conflict itself.

During the two-day meeting, members of the Somali Business Council, representing all of the country’s territories and clans, resolved to work with stakeholders inside and outside Somalia to pursue opportunities to promote peace and reconciliation in the country, to develop business initiatives that would advance sustainable development, and to seek to reduce their individual contributions to the ‘war economy’. To coordinate these efforts, the Business Council established a Peace and Reconciliation Committee to collect information on opportunities available to the business community to support peace and reconciliation in the country.
The following month, on May 28th 2003, a follow-up meeting was held with Somali business leaders based in Nairobi to continue the discussions launched in Dubai. At this stage, the meeting did not produce substantial recommendations but did play an important role in continuing to highlight the need to engage the business community in the peace process and the willingness of the key business leaders to support this process.

The Djibouti Conference, July 21st-22nd 2004

Despite the efforts made to engage the business sector in the peace-building process, in the early stages of the Dialogue for Peace fears were expressed about the poor representation of the Somali business community in the national peace process. In order to rectify this imbalance, IGAD approached the CRD to facilitate a high-level dialogue in Djibouti in July 2004 to engage the support of the business community, both within and outside Somalia, for the National Reconciliation Conference taking place in Kenya.

Hosted by the Djibouti Government in conjunction with CRD/WSP and the UNDP, the high-level meeting aimed to demonstrate to Somalia's business leaders that their active involvement was essential to the process of rebuilding Somalia. Thirty-six businessmen and women, representing the country’s major economic sectors and geographical regions, attended the meeting, which took place during the critical final stage of the peace negotiations at Mbagathi in Kenya. The meeting incorporated a number of themed discussions on the roles of businesses, trade groups and the Diaspora in supporting the peace process and helping to develop strategies and policies for the promotion of commerce and industry in Somalia.

In the inclusive spirit of the peace talks themselves, the meeting was attended by a variety of distinguished politicians, including the President of Djibouti, the Foreign Affairs ministers of Djibouti, Ethiopia and Kenya, and diplomats from the UN, the US, Uganda, Sudan and Eritrea. As a long-term strategy to engage the business community in the rebuilding of Somalia, the meeting saw the appointment of a ‘Contact Group’ of business leaders to formally liaise with IGAD’s Facilitation Committee, the international community, and the transitional government that would emerge from the Mbagathi Conference. The group was chaired by prominent businessman Sharif Ahmed Sharif, who had already begun to work closely with the international community and to participate in the Mbagathi Conference.

The Djibouti meeting followed two previous forums on the role of the business community in the rebuilding of Somalia – the first in Dubai in April 2003, which was co-sponsored by CRD/WSP and the Somali Business Council, and the second in Nairobi in November 2003, which was sponsored by the UNDP’s Somalia programme.

The meeting heard persuasive calls from businessmen, Diaspora members and neighbouring governments on the need for close cooperation between Somalia’s new leaders and its business community to chart
the way forward for the country. The business group called for a government that not only protected the country’s business interests but facilitated commercial integration with the broader region. In three groups, the participants took part in several ‘working sessions’ to discuss key questions developed by the CRD on security, state budgets, taxation policies, and the roles of the business community and international supporters in peace-building and reconstruction (see Annex 2). The content of the deliberations was used to compile a joint communiqué from the business community and IGAD foreign ministers on support to the peace process.

In his concluding speech, chairman Sharif Ahmed described the business community’s “determination... to back the government with everything we have”. “We will make sure that we contribute to the restoration of peace in Somalia by siding with the government,” he said. “Prior to this meeting, we held two meetings in 2003, at which we asserted our determination to back the outcome of Mbgathi Conference.”

The Djibouti Conference was widely adjudged to be a success. Although it was expected that some of the participants would oppose the idea of a new administration, with the oversight and taxation it implied, there was virtual consensus that the benefits of a representative government would outweigh any potential drawbacks. Despite their acknowledgement of the need for a new administration, however, several businessmen expressed concern over the call to disarm their ‘security forces’, claiming that to do so may jeopardise their businesses – and their lives.

The conference was successful in focusing not only on the vital financial and political contributions of the business community to peace, but on their central roles in the demobilisation and reintegration of militias. On the other hand, the meeting also recognised the need of any new administration to respect and safeguard the ability of the business community to continue generating business and revenue. Representatives of the regional and international community repeatedly stressed the importance of the local business community to reconstruction and the implementation of peace on the ground, while members of the IGAD Inter-Ministerial Committee, the EU, UNPOS and UNDP made firm declarations of their unified commitment to the peace process and national reconstitution.

In a joint statement at the end of the conference, representatives of the business community

“Should we as a business community surrender our weapons to the very armed faction leaders who may together form a government for Somalia, when we are not sure of their true commitment? We have no problem giving the new government the benefit of the doubt, but until we have a full guarantee that our businesses and our lives will not be harmed, we will remain cautious about surrendering our weapons...”

Somali business leader at the Djibouti Conference

“The gains generated from the absence of formal taxation mean nothing in the long term”

H. E. Ismail Omar Guelleh, President of the Republic of Djibouti
expressed their commitment to the peace process and the creation of a workable national government, and pledged their support to the related processes of demilitarisation, demobilisation, and the maintenance of a ceasefire agreement (see Annex 1). They agreed to support and comply with the UN Security Council arms embargo, resolved to form a Somali Chamber of Commerce at the earliest opportunity, and stated their preference for a free-market economy in a reconstituted Somalia. They also pledged their commitment to economic integration with neighbouring countries, and made a formal appeal for regional and international support to promote Somalia’s economic recovery.

Follow-Up Meeting, Nairobi, August 12th 2004

A month after the Djibouti Conference, the ‘Contact Group’ chaired by Sharif Ahmed Sharif met in Nairobi to pledge the commitment of the Somali business community – financial and otherwise – to the outcomes of the National Reconciliation Conference. At the meeting, attended by representatives of all the key business sectors, from telecommunications and remittances to airlines, fuel and food importers and livestock exporters, Mr. Sharif asked for representation for the business community on various commissions working on the reconstruction of Somalia and the demobilisation and reintegration of armed militias. He also issued a formal request for international financial assistance and technical expertise for the establishment of a formal Somali Chamber of Commerce.

Diaspora Forum, Dubai, May 10th 2006

In May 2006, the CRD organised a unique ‘open forum’ for members of the Somali Diaspora living in the UAE, in order to discuss and promote their potential contributions to ongoing national peace-building activities. The forum was attended by 25 Somalis from all walks of life, including intellectuals, business people, religious leaders, and local associates of the CRD. It was deliberately arranged without any prior expectations or outcomes, in order to challenge the participants to come up with new, spontaneous and practical suggestions.

Through an open and inclusive discussion, in which everyone was given a chance to express their personal views, the participants delved deeply into some of the greatest challenges facing Diaspora members in the UAE – and the unique role they could play in supporting peace and reconciliation in their homeland. The main issues debated, which were recorded by the CRD team and documented for further consideration and action by the participants, included the following:

**Challenges faced by the business community in the UAE:** Although further steps forward by the Somali Business Council were stalled due to an internal crisis, solutions are now in progress. Some of the other ideas put forward for possible action include the establishment of a community association to link Somali professionals working in the UAE.

**Organising the Somali community in the UAE:** In order to help Somali expatriates support each other and relatives at home, it was recommended to collect data on all Somalis resident in the UAE and to promote the establishment of professional and social networks. The participants also discussed ways in which residents could assist the Somali Embassy in Dubai so that it could more effectively represent them, and Somali students who found it difficult to continue their studies after graduating from high schools in the Emirates. Since the Dubai meeting, follow-up meetings have been held in various cities in the UAE, including Abu Dhabi and Al-ain.
Mogadishu Meetings, May-August 2005

Following the formal pledges of support made by business leaders in Djibouti and Dubai, the CRD set out to assist the business community inside Somalia to devise formal strategies for supporting the reconstruction of the country. In mid-2005, as the TFG was beginning the long and sensitive process of relocating to Somalia, the Center hosted several high-profile meetings on peace and reconciliation in Mogadishu, at which local businessmen and business groups met with political and militia leaders to chart the way forward for the city and the wider region.

On May 2nd-4th 2005, following the signing of the groundbreaking Medina Peace Agreement in Mogadishu’s most populous and conflict-affected district, several prominent business leaders attended a key workshop with militia and civil society leaders to discuss the establishment of security infrastructure in the capital. Among the specific issues discussed with the representatives of the private sector were the expansion of educational opportunities for the district’s children and the establishment of new communications facilities and trade and employment opportunities.

At the end of the workshop, the participants drew up a consensual action plan to consolidate the gains made in returning peace to Medina. As part of the plan, a public rally was staged in downtown Medina on May 6th, at which major streets through the district were formally opened to traffic for the first time in more than a decade. Following the workshop, the security situation in Medina significantly improved, with cars moving freely between the district and neighbouring areas, and several new business premises opening in the district.

A month after the signing of the Medina peace accord, on June 6th, business leaders played a key role in endorsing the Mogadishu Security and Stabilisation Plan at the ‘Mogadishu Forum’ – a uniquely inclusive gathering of politicians, militia leaders, civil society groups and businessmen convened by the CRD to discuss the long-term security of the city. The meeting, which was broadcast live on several local radio stations, led to the immediate dismantling of many of Mogadishu’s feared roadblocks and, through the pledges of business leaders, helped to raise $140,000 for the demobilisation and retraining of 2,000 militia members and the cantonment of over 100 heavy weapons.

Two months later, on August 2nd, the CRD facilitated another meeting that brought some of Mogadishu’s most senior business leaders to the table with the Islamic Courts, the TFG and civil society groups to discuss continuing support for the militias, the removal of remaining checkpoints, and the proposed establishment of an interim regional administration. However, at the end of the meeting, a key Benadir businessman expressed doubts about the future of the MSSP, saying: “Earlier it was easy to raise contributory funds for the plan, but nowadays it has become very difficult to convince businesspeople to make financial contributions without any clear roadmap to end the current political stalemate with the TFG and establish a regional administration, through which internal and external support could be channelled.”

A significant and moving event during the workshop involved a discussion between a senior businessman who had invested his personal savings in a business in the area and the militiamen who had destroyed it. As he described the impact of this destruction, the militia leader responsible stood up and made a public apology. This was accepted and it was agreed to change the current nickname of the site – “the unlucky one” – to “the peace centre”. After this breakthrough, the business representatives at the workshop emphasised to the militiamen the potential resources that could be invested to generate employment in the district if the peace accord is sustained.
Although there was no immediate resolution to this stalemate, the meeting recognised the importance of continuing inclusive consultations to pave the way for genuine dialogue and lasting peace.

**Networking with Civil Society**

In addition to the formal negotiations it has hosted, the CRD has provided a highly successful ‘networking service,’ introducing peace-building groups to potential supporters in the business community, and providing logistical support to a variety of peace-building events and activities. One prime example is the dynamic women’s group, Haweenka Horseedka Nabadda (HINNA), which reopened the Benadir Hospital for Women and Children with contributions from major remittance companies such as Global Money Transfer, Dahabshiil and Hormund. Through the CRD’s training and introductions to influential business leaders, HINNA was able to mount a successful fundraising drive in and around Mogadishu to reopen the city’s most famous maternity and paediatric hospital.

**Building Business Networks**

Through its growing contacts with prominent business leaders, the CRD has been able to promote the development of formal channels for networking between businesses operating in different sectors in south-central Somalia. In order to overcome the lack of business associations in the region, the CRD organised a series of meetings from July-September 2005 to promote the establishment of sectoral networks linking businesses operating in the fields of telecommunications, transportation, manufacturing, remittances, and public services.

The aim of the meetings was to develop fully institutionalised professional associations, which could address the needs and interests of their members while promoting their potential roles in the Somali peace process. The formation of these associations enabled their leaders to engage in more formal dialogue, both with the TFIs and, in the second half of 2006, with the Council of Islamic Courts. On July 24th 2006, the association leaders attended a forum organised by the CRD to discuss how a TFG-appointed Mogadishu administration could be integrated with the Islamic Courts, which had recently taken control of the city, in order to reduce the risks of a conflict-inducing power vacuum.

**Reconciliation in Mudug and Galgaduud**

Another important engagement of the business sector was their role in supporting the reconciliation process between the communities in conflict in Mudug and Galgaduud, which is described more fully in the previous chapter. Since the early stages of this process in April and May 2006, the CRD has engaged leading business representatives in successive consultations, both in Mogadishu and Nairobi. After the first of these meetings, business figures pledged both moral and material support to the reconciliation process, with an initial commitment of $20,000.
4. Achievements

Over the past two years, the Center for Research and Dialogue has made a concerted effort to reach out and involve members of the business community in ongoing efforts to establish a sustainable peace in south-central Somalia. While events in the first half of 2006 may suggest that the conflict is unlikely to be resolved anytime soon, the Dialogue for Peace has undoubtedly helped to open the eyes of business leaders to the critical role they will have to play in bringing the conflict to an end. The willingness they have demonstrated in taking part in inter-clan dialogues – often sitting opposite their former enemies – provides a shining example of the tolerance and forgiveness that will be required to overcome this most bitter and entrenched of civil conflicts.

In the various statements and resolutions made following the consultations described in the previous chapter, it can clearly be seen that there is a genuine desire on the part of many business leaders to help establish peace. That being said, there is also a clear awareness that the success of these efforts will be tied to progress in other areas – principally the resolution of disputes between the TFG and other stakeholders in the complex political dynamics of south-central Somalia.

Despite the best intentions of certain peace-focused business leaders, in the absence of a clear ‘roadmap to peace’, there will continue to be a limit as to how far they are prepared to go. When a dispute erupted among members of the TFG over the formation of government institutions, business support for the Mogadishu Security and Stabilisation Plan quickly evaporated. It is clear that business leaders, like many sectors of society, require clear and tangible results in order to sustain their involvement.

Similarly, in the latter half of 2006, when the Islamic Courts were offering a level of stability in Mogadishu and neighbouring areas, they earned the support of local business leaders, who took commercial disputes to them in the absence of viable formal alternatives. Despite this ‘truce’ between the two groups, however, it was unclear how their relationship would develop in the long term. What was clear was that most business leaders prefer a stable and predictable environment in which to conduct their operations.

As already mentioned, there are several businessmen who have profited from the lawless environment of south-central Somalia, and whose illegitimate ‘businesses’ in piracy, fishing, charcoal and the weapons trade could be threatened by the establishment of authority. However, if the business community can be persuaded that peace and the rule of law are in its best interests, there must be a strong hope that the majority will find this option more appealing – and more profitable – in the long term.

It is clearly crucial that continuing efforts be made to engage business leaders in the peace process in south-central Somalia. As a respected peace-building institution, it is also clear that the CRD, Interpeace and their supporters in the international community continue to press for the involvement of reputable business leaders in all high-level peace and reconciliation activities.

It would obviously benefit this process if Somali business could speak with one voice rather than many. To this end, a national Chamber of Commerce and Industry is sorely needed to bring business leaders together to discuss their common concerns, debate solutions, and coordinate their actions. Preliminary steps have already been taken to create such an organisation, with technical support from the CRD. The chambers of commerce in neighbouring countries, such as Djibouti, could provide useful institutional models for this process. Efforts could also be made to establish practical local-level business associations in major cities and towns, such as the Benadir Business Community in Mogadishu.
Somali business leaders could also benefit from the advice of business associations in other countries that have recently emerged from conflict. A report by International Alert earlier this year outlined the efforts made by businesses in several countries to bring about an end to conflict. A programme of information sharing between such businesses and business leaders in south-central Somalia could shed light on practical steps that the latter could take to further peace and mediate in conflict situations.

Among the greatest potential contributions of the local business sector is in the disarmament, demobilisation and reintegration of former fighters. Several efforts have already been made to provide vocational training to former combatants, including the training of 60 child soldiers in 2002 by UNICEF, the Elman Peace Centre, and the NationLink telecommunications company. Such efforts will need to be replicated on a massive scale if the thousands of former militia members in south-central Somalia are to once again become productive members of society. It is clear that business leaders will be called upon to play a major role in providing these individuals with the skills, the jobs and the confidence to rejoin their communities.
To strengthen the role of the business community in peace-building and reconciliation in south-central Somalia, the business forums and groups supported by the CRD have come up with a number of clear recommendations for urgent and sustained support, including to:

- Continue support for business efforts to establish a Somali Chamber of Commerce and Industry;
- Develop a programme to share with local business leaders the lessons learned by businesses and business associations in other countries and regions emerging from conflict;
- Develop an information campaign to persuade business leaders that it is in their long-term interest to have a sustainable peace in south-central Somalia;
- Continue advocacy for national-level politicians and international supporters to ensure that the business community is represented at all further peace negotiations;
- Involve business leaders in the development of a comprehensive strategy for the disarmament, demobilisation and reintegration of militia members, with concrete targets for vocational training and sectoral employment;
- Continue negotiations with business leaders to exploit their connections across clan divides and ensure that channels of communication are kept open with all groups involved in the reconciliation process.
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Joint Statement by the Somali Business Community in Djibouti

IGAD-SPONSORED SOMALI NATIONAL RECONCILIATION CONFERENCE
SOMALIA BUSINESS COMMUNITY
DJIBOUTI MEETING
21st-22nd JULY 2004

Members of the Somali Business Community held a High-Level Dialogue in Djibouti on 21st and 22nd July 2004 within the context of the IGAD-sponsored Somalia National Reconciliation Conference (SNRC). The critical meeting was hosted, sponsored, and addressed by H.E. President Ismail Omar Guelleh, President of the Republic of Djibouti, and attended by: the Djibouti Minister for Foreign Affairs and International Cooperation, H.E. Ali Abdi Farah; the Minister for Foreign Affairs of the Federal Democratic Republic of Ethiopia, H.E. Seyoum Mesfin; Kenya’s Minister of Natural Resources and Environment and leading mediator to the IGAD Ministerial Facilitation Committee, H.E. Kalonzo Musyoka; Kenya’s Special Envoy for Somalia, Amb. Bethuel Kiplagat; and Dr. Babafemi Badejo of the United Nations Political Office for Somalia.

1. The undersigned members of the Somali Business Community participated in the Djibouti meeting.

2. The Djibouti meeting was held as part of the third and final phase of the SNRC, in implementation of the decision made by the IGAD 7th Ministerial Meeting on Somalia, to discuss the role of the Somali Business Community on the stabilisation of Somalia during the transitional period. In particular, the participants agreed on the following:

   • To contribute to the creation and protection of a secure environment;
   • To create a contact group for the Somali Business Community to facilitate relations with the transitional institutions, IGAD countries, and the international community. The contact group will commence dialogue with the SNRC and the international community in Nairobi as soon as possible;
   • To support and participate in the economic reconstruction of the country.

3. The participants:

   • Noted with satisfaction the progress achieved at the SNRC and acknowledged that the conference is at a critical stage of forging agreement on the formation of transitional institutions;

   • Further noted the various phases of achieving control of the military situation inside Somalia and agreed to positively engage and cooperate with the Somali transitional institutions and with the international community in the realisation of the full continuum of establishing a secure environment, including: ceasefire, containment of heavy weapons, demilitarisation, demobilisation and reintegration in a step-by-step process that provides security guarantees to the business community;

   • Expressed commitment to the Security Council Resolution 792 (1992) imposing an arms embargo on Somalia;
• **Highlighted** their imperative role in the political and economic reconstruction of Somalia and **expressed** their strong desire to fully employ all of their capacities to consolidate a constructive cycle of economic recovery. In this regard, the participants would like priority consideration in the implementation of recovery programmes;

• **Expressed** a desire for the transitional institutions to adopt policies supporting a free-market economy and regional economic integration;

• **Acknowledged** the need to establish a structured approach of engagement in all matters concerning their role in the transitional period. In this respect, the participants agreed to explore the possibility to open a Somali Chamber of Commerce at the earliest opportunity, and requested support for that objective;

• **Expressed** their deepest concern about the long-term damage caused to the Somali economy and ecology by the dumping of toxic waste, the export of charcoal, and the export of female livestock;

• **Requested** specific assistance from the international community in support of economic recovery in Somalia, including lifting of the livestock export ban, unfreezing of the assets of thousands of Somali businesses and households in Al Barakat, and call upon the United Nations Environment Programme to ensure a ban on the exportation of charcoal from Somalia through representations to importing countries.

4. A more detailed report on the proceedings will be issued by the 31st July, to be distributed to all participants, and will be made available on the CRD website: www.crdsomalia.org

Signed in Djibouti on 22nd July 2004.

Witnessed by:

Djibouti Minister for Foreign Affairs and International Cooperation,
H.E. Ali Abdi Farah

Minister for Foreign Affairs of the Federal Democratic Republic of Ethiopia
H.E. Seyoum Mesfin

Kenya Minister of Natural Resources and Environment
H.E. Kalonzo Musyoka

Kenya Assistant Minister for Foreign Affairs
H.E. Mirugi Kariuki

Kenya’s Special Envoy for Somalia
Amb. Bethuel Kiplagat
Annex 2:

Critical Questions to Prompt Debate by the Somali Business Community at the 2004 Djibouti Meeting

1) Under what circumstances and through what mechanisms should income generating infrastructure (e.g. ports and airports) currently owned by business groups be transferred to the control of a new government? What alternative partnership arrangements between government and the private sector should be considered for the management of ports and airports? What about assets which have been created since the collapse of government and which, consequently, do not qualify as national infrastructure?

2) What government business and taxation policy, as well as other regulatory policies, would best support business interests and national economic development? (e.g. re-establishment of the Central Bank, Treasury, commercial banks, Chamber of Commerce, etc.)

3) What environmental policies should be top priorities for a new government? For instance, how can the charcoal business be managed to stop deforestation?

4) Under what conditions and to what extent is the business community willing to contribute to the initial budget of a new government? What conditions, if any, should it insist upon?

5) What steps can and should be taken to encourage the re-establishment of business activities inside Somalia, rather than in Dubai/by the Diaspora?

6) What role can the business community play in reconstruction projects and the rehabilitation of infrastructure?

7) What forum, structure or mechanism should there be for ongoing dialogue, partnership and consultation between a new government, the international community, and the Somali business community?

8) Which services should be returned to government control, which should remain in the private sector, which should be private-public partnerships, and which should involve competitive services offered by public, non-profit and private sectors?

9) What mechanisms will there be for the government to ensure compliance from businesses which committed crimes after 1991 or which are recalcitrant in relinquishing public assets? (e.g. sanctions, asset-freezing, disqualification from government or foreign contracts)

10) How could the business community assist in the establishment of a new government and the return of peace and stability within the first six months?

11) Who should control the business community’s militias? Under what circumstances should the business community willingly hand over its heavy weapons?
12) Should the business community be made to share the costs of a new police force?

13) What scope is there for private-public cooperation in other non-business matters, such as disarmament and demobilisation?

Annex 3:

Participants at the Somali Business Community Conference in Djibouti

Sharif Ahmed Mohamed
Khalif Issa Ali
Said Nur Qailiye
Abdulkadir Mohamed Nur (Eno)
Mohamed Abdulle Mohamud
Ahmed Duale Gelle
Hassan Moalim Omar
Abdirisaz Hassan Jimale
Abdirashid Shire Husein
Muhurned Ahmed Nur (Foodey)
Mohamud Omar Aden
Abdirahman Roble
Mohamed Abdallah Mohamed
Mahdi Dahir Sheikh Nur
Hassan Hashi Mohamed
Mohamud Omar Adun
Iman Mohamed Ali
Abdulkadir Osoble Ali
Abdirashid Osman Hassan
Mohamed Abdulahi Sheikh
Mohadein Mohamed Sheikh (Adawe)
Mohamed Aden Farah
Amin Omar Abubakar
Abdirizak Hassan Jimale
Abdirashid Shire Husein
Zeinab Jama Mussa
Asha Osman Ugas
Sirad Hassan Husein
Shamso Abdulle Butugey
Abdirisaq Osman Hagi
Mohamud Omar Aden
Yusuf Ali Osman
Abdikarin Sheikh