

 <b>Council of the EU General Secretariat</b>	
<b>Political and Security Committee</b>	
<b>m.d.:</b>	<b>03/13</b>
<b>source:</b>	<b>EEAS</b>
<b>date:</b>	<b>11.01.2013</b>

## **Discussion Paper for the EU's approach in post-transition Somalia**

### **I. Introduction**

This paper has been prepared by the EEAS and European Commission services, following the invitation of the PSC at its meeting of 4 September to elaborate on ways forward in Somalia in the light of political and security developments. It has been coordinated with the EU Special Representative (EUSR) for the Horn of Africa.

The EU is engaged in Somalia through a comprehensive and large investment encompassing *inter alia* the political, security and development fields. Implementation of this approach now needs to be adapted to the changed environment. This paper is embedded and should be seen in the context of Strategic Framework for the Horn of Africa, supporting and promoting alignment and an "all of EU approach" on Somalia. The main objective of this paper is therefore to guide the discussion in PSC on EU policy and action<sup>1</sup> in Somalia in the medium term leading up to general elections. In particular, PSC's views are sought on possible EU objectives as set out in this document.

In practice, the EU's action and support with regard to Somalia should constantly adapt, in cooperation with others, to the new realities on the ground. It should be guided by the principles of Somali ownership, leadership and sovereignty. The component parts are examined below.

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<sup>1</sup> This includes action by the EU and its Member States.

## II. A Country in transformation

Somalia has turned a page. The political transition was completed with a peaceful handover of power to a new leadership. This marks the beginning of a *new political era* and a break with the past. A leaner, more legitimate Federal Parliament is in place and has elected a new Speaker and President, committed to genuine change. With the appointment of a new Prime Minister and Cabinet, the new Government raises hopes for more effective government.

Political progress has been matched with the expansion of territory under the control of the African Union Mission in Somalia (AMISOM), Somali National Security Forces (SNSF) and allied forces. This translates into a *larger security space* in which state institutions capable of executing essential government tasks can be re-built. The fall of the city of Kismayo –Al-Shabaab's last stronghold –in October changed the dynamics of the conflict. At the same time, at sea, successful pirate attacks are decreasing.

An atmosphere in which to begin a process of reconciliation, form administrations and bring local development must follow, building on the new momentum. The new leadership is in the process of re-defining the articulation between the core and periphery and is committed to federating Somalia.

Public expectations are high. But the *challenges* facing the new leadership are numerous. The consequences of over twenty years' of civil conflict and statelessness within Somalia and beyond its borders –including extreme poverty, piracy, terrorist activities, a dire humanitarian situation, a war economy, institutional collapse –need to be tackled. Key transitional tasks are still to be implemented (reconciliation, justice, human rights, security, dealing with corruption) and the Provisional Constitution is incomplete, leaving open the role of the Federal Institutions and their interaction with the regional entities and clan structures. Efforts to stabilise the areas recovered from Al-Shabaab and extend the reach of the centre to the regions to set up a Federal system are also challenging.

There are also many *risks*. Despite security achievements, Al-Shabaab has not been defeated. It has withdrawn from key cities into the surrounding rural areas in south-central Somalia and into northern Somalia, posing a risk of a new type of insurgency. This could mean an increase of asymmetric attacks and other guerrilla tactics not only in south-central Somalia but potentially in the more stable regions of Somaliland and Puntland, where the EU itself has much at stake (successful counter-piracy activities and development programmes, forthcoming activities of EUCAP Nestor). It could also lead to an extension of its campaign into neighbouring countries. There is also a risk of transformation of the conflict, as multiple local militias and non-state actors are vying for control and influence in the newly accessible areas, and as old grievances among clans and communities over land and scarce resources re-emerge. UN sanctions<sup>2</sup> reportedly continue to be violated by (local and foreign) non-state actors, fuelling the war economy. Security forces and allied militias are also a potential menace as they maintain a militia mindset, require discipline, a command structure and, could shift their allegiance unless they are equipped, fed and paid. Law enforcement and criminal prosecution capacities are lacking, human rights violations are not addressed, and while currently on decline, the number of successful piracy attacks might increase again if pressure by naval forces decreases as pirate networks' key capabilities remain intact, in particular in Galmudug and parts of Puntland.

The new institutions are fragile and are subject to multiple internal and external pressures. At the same time, they will need to deliver quickly and begin to bring tangible change to the lives of ordinary Somalis.

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<sup>2</sup> Sanctions include an arms embargo pursuant to UNSCR 733 (1992), a ban on the import, purchase or transport of charcoal from Somalia pursuant to UNSCR 2036 (2012), and restrictive measures against persons and entities who seek to prevent or block the political process and stability pursuant to UNSCR 1844 (2008).

### **III. The way forward: the EU's comprehensive response**

Somalia is on the path of transformation *from a failed to a fragile state* but this process could be easily reversed. The EU therefore needs to ensure that the new impetus towards peace is maintained and to put Somalia on the path to resilience and help it emerge from fragility. The EU's collective efforts should be sustained and are necessary to consolidate gains, build peace, re-build the state, foster sustainable economic development and prepare for elections by universal suffrage in four years' time. The new leadership will need the political space to be able to define and take responsibility for its policies and its future. It has a vision to transform the country but not the means.

Key tasks of the Kampala 2011 Roadmap – critical to re-building a functioning state and Somalia's social fabric – are yet to be implemented. In order to put Somalia back on the path to recovery, re-establishing the rule of law, re-building viable institutions, providing the foundations for socio-economic recovery, delivering basic service and promoting justice, human rights and reconciliation are essential. All this must be underpinned by security and territorial control by the Federal Government, defined by President Hassan Sheikh Mohamoud as the most urgent priority. In parallel, efforts for recovery can begin in emerging areas of stability, while sustaining the political, developmental and rule of law gains in the regions of Puntland and Somaliland. The geographical scope of the EU's policies should progressively expand to those areas in south and central Somalia where there is security and access.

To achieve all this, consideration should be given to focusing the objectives around four interconnected areas: (i) supporting security, (ii) state building, (iii) economic and social recovery, and (iv) managing the regional dimension. They underpin EU developmental, democratisation and security objectives and core values, in line with the 2003 European Security Strategy and the Agenda for Change<sup>3</sup>, in seeking to support Somalia itself, promote regional stability and address transnational threats emanating from Somalia.

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<sup>3</sup> COM/2011/637 of 13 October 2011 and Council Conclusions of 14 May 2012.

The EU's approach to supporting Somalia as it emerges from crisis could be governed by a number of **key principles**:

1. increasing support for Somali-led processes at community, regional and central levels, reinforcing their ownership of the political and economic solutions and empowering Somali institutions;
2. delivery of the EU contribution as part of an integrated partnership with the new authorities, engaging more directly with the Somali people and institutions;
3. respect, in delivering EU development assistance, for the Busan *New Deal*<sup>4</sup> principles for fragile countries, including developing a "*Transition Compact*". This means coordinating and harmonising both within the EU (delivering as one) and with other donors, to avoid duplication and fragmentation;
5. making EU support both coherent and visible and flexible so as to be able to adapt swiftly to changing conditions on the ground;
6. building resilient solutions that will reduce the need of humanitarian assistance in the future.<sup>5</sup>

#### **i. Supporting security**

Establishing security will translate into an environment conducive to governance, development and economic recovery. AMISOM and the Ethiopian National Defence Forces (ENDF) remain at the forefront of military operations to help regain territorial control that will be brought gradually under the Somali authorities. The fledgling SNSF and local militias have been fighting alongside AMISOM and the ENDF. Ethiopian troops, which have supported AMISOM operations but remain outside its command, have a stated objective of withdrawing from Somalia.

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<sup>4</sup> The *New Deal* principles emphasise (1) legitimate politics: fostering inclusive settlements and resolving conflicts; (2) security: establishing and strengthening people's security; (3) justice: addressing injustices and increasing people's access to justice; (4) building economic foundations: generating employment and improving livelihoods; and (5) revenues and services: managing revenue and building capacities for accountable and fair service delivery.

<sup>5</sup> EU humanitarian aid is part of the EU's overall approach to Somalia. It is not a crisis management tool and is provided solely on the basis of needs to preserve life, prevent and alleviate human suffering and maintain human dignity in line with the fundamental humanitarian principles of humanity, neutrality, impartiality and independence.

A phased approach will be required to establish security. The new Federal Institutions need first to *consolidate existing security gains* to avoid a security vacuum. The swift re-deployment of AMISOM to the recovered areas will be needed to stabilize them in the first instance. These include areas currently under ENDF control. AMISOM will need to coordinate with the ENDF to match its re-deployment with the planned Ethiopian withdrawal. The Federal Institutions must then begin to re-establish the rule of law and enhance their capacities to stabilise the country both inland and along the coast. AMISOM must gradually be replaced by Somali civilian and military security forces to provide local security. This will free up AMISOM capacities to carry out further operations and to expand territorial control.

The SNSF do not yet have sufficient capability to assume control from external actors or to conduct military operations alone. National policing capacities are also weak. The Somali security institutions are being developed, in line with the needs identified by the National Security and Stabilisation Plan (NSSP) for the security sector<sup>6</sup>. The build-up of law enforcement and security forces would need to take into account the federal nature of the Somali Provisional Constitution. They will need to be representative of the different clans and regions, and accountable to civilian bodies. They will also assume security responsibilities when their capacities grow. The integration of militias into the SNSF must also be phased in and a national disarmament, demobilisation, rehabilitation and reintegration (DDRR) programme will be required to avoid swelling the ranks of the future force, as well as to check the flow of arms from disengaged combatants returning to their communities.

AMISOM's presence in Somalia will therefore remain essential to continue expanding security across the country in the coming years while Somali security institutions and capacities are being developed. The UN and AMISOM strategic reviews will be decisive in determining the AU forces' future role in the country and its links with the Somali forces. In view of its continued role, it is vital that a solution for predictable and sustainable financing for AMISOM troops be found.

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<sup>6</sup> The NSSP was endorsed in August 2012 by the Transitional Federal Government.

### ***Possible EU objectives***

1. Promote Somali ownership on the basis of the NSSP and related security sector reform strategies.
2. Help develop Somali military and police security capability, both coastal and land, that supports the authority of the state across the country, provides for protection of the population, respects human rights, and is fully accountable to political authority and in which the population will have confidence.
3. Reinforce and sustain international mechanisms and UN and AU mandated missions in support of security sector development. Ensure sustainability of AMISOM as an essential guarantee for further development.
4. Support sustainable funding for AMISOM and synchronise this support with the scaling up of the SNSF.
5. Promote and facilitate coordination and coherence of security and stabilisation efforts, ensuring that they reinforce local development strategies, and coordination and complementarity between donors.
6. Continue fighting piracy until Somali authorities can assume the control of their territorial waters and are able to prevent piracy and other criminal networks operating anywhere on Somali national territory.

For the EU to effectively attain these objectives, security interventions funded under the European Development Fund (EDF), the African Peace Facility, those implemented by CSDP missions and operations, and bilateral Member State contributions / actions must be mutually reinforcing and their action coordinated. Enhanced coordination with other donors under a revamped Joint Security Committee and related bodies, as well as reinforced dialogue with new actors in the security sector, will further increase the impact.

### **ii. Re-building the Somali state and building peace**

In practice, the Somali Federal Government has the task of re-building a government almost from scratch. Furthermore, as more territory is recovered there is a risk of a return to inter-clan conflict or other conflicts over scarce resources. The main post-transition objective is therefore to enhance Somalia's state capabilities so that it can emerge out of fragility. It will be necessary to empower the new institutions and help build the credibility of the new leadership. For this to happen, it will be vital for the government to show that it is capable of

providing basic services to its people. Somalia's transformation process must begin by building accountable institutions at local, regional and national levels. The objective is to bring back into the fold of the state those coping mechanisms that were developed as a result of state collapse, establish public authorities that enjoy the trust of the Somali people, and to help create a political culture that goes beyond clan or sectarian interests. The role of civil society and the media in particular will continue to be important to keep the new leadership accountable, as well as to express social agendas.

Building on the current momentum, it will also be critical to help *stabilise* the areas recovered from Al-Shabaab to win the peace and permanently exclude warlordism and insurgency. Local communities should quickly see for themselves the benefit of functioning institutions, the rule of law and basic services. Stabilisation needs to be managed fairly and inclusively, involving local clans and social groups in establishing administrations through a bottom-up approach linked to the federal government, to put in place viable structures. Only such a context would be conducive to embarking on efforts to *reconcile* Somalis on a local and national level. At the same time, actions to counter violent extremism and radicalisation and establishing law enforcement and prosecution of terrorist offences structures would support such an environment.

*Democratic processes* need to be developed to prepare for a popular referendum on the finalised Constitution that will reflect the will of all Somalis, and for general elections that will contribute to bringing about a permanent political order in the longer run. The justice system, based on equal treatment of women and men, needs to be significantly reinforced in order to enable it to start tackling persistent extrajudicial killings and human rights violations.

Ending the diversion of revenue from national assets as well as from foreign aid *by tackling mismanagement and corruption* will also be critical. This could be dealt with by public finance management reform, establishment of an anti-corruption commission or other accountability mechanisms, and by establishing a *revenue collection and management system*. National structures for full *accountability and transparency* should therefore be established. An ultimate goal will be to reintegrate Somalia into the international financial institutions.



***Possible EU objectives:***

1. Support the (re)establishment of functioning institutions at the federal, regional and local levels, including in the recovered areas through
  - a. continuing support for the rule of law, gradually expanding it to different levels of government and contributing to structural reforms of the judiciary sector
  - b. strengthening effective public finance management capacities and systems of the federal institutions through and assisting with fighting corruption
  - c. supporting Somalia's re-engagement with the international financial institutions. and of the police forces
2. Support the new political leadership, beginning by swiftly providing technical and advisory assistance (including through a role for the diaspora and for Somali community leaders) to the branches of government at federal level –the Executive, Federal Parliament and Judiciary. This will include the process to finalise and adopt the new Constitution by referendum, and prepare for elections in four years' time.
3. Support local development and reconciliation efforts through
  - a. support to the Federal Government's local administration and reconciliation strategy for the establishment of inclusive Somali-led and owned administrations at local, regional and central levels
  - b. establishing systems and procedures to identify, mediate and resolve conflicts between non-state groups in Somalia
  - c. encouraging dialogue and peaceful interactions between the centre and the periphery including talks and confidence-building measures between Somaliland and the Federal Government.
4. Support for the stabilisation of areas recovered from Al-Shabaab to provide peace dividends to the population.
5. Monitor the action of potential "spoilers" of the political process and seek appropriate action against those judged to be blocking progress and the stability of Somalia.

### **iii. Supporting the economic and social environments**

High levels of poverty, unemployment, food insecurity, continued displacement and low levels of education require immediate attention as they have a high human cost. They also cultivate the ground for extremism and criminality. A key aspect of helping Somalia emerge from fragility is therefore tackling inter-connected economic and social problems to improve the welfare and livelihoods of Somalis. It will be particularly important to enable the country to use its human and natural resources to generate wealth and create jobs that are viable alternatives to piracy, illegality or militia activities. At the same time, building resilience to food insecurity and malnutrition, and building education and health systems remains critical. Particular attention will also need to be given to establishing the appropriate conditions and a process for the voluntary and safe return of the hundreds of thousands of refugees and displaced persons.

Identifying and making optimal use of Somalia's main revenue generating assets (including ports and airports, business taxes) should underpin *economic recovery*. As rural Somalis rely on natural resource-based systems for their livelihoods, assisting the productive sectors and promoting trade provide a great potential to revitalise the economy. Pastoral and agro-pastoral activities have been drivers of growth in the drylands of northern Somalia and merit continued support, including in adapting to climate change. But the economy and employment opportunities should also be diversified, as the security environment improves in south-central Somalia but also along the coast by the contribution of maritime capacity building initiatives<sup>7</sup> and EUCAP Nestor. It will be particularly important to make the most of Somalia's large, but largely unexploited, offshore potential (fisheries, oil, natural gas). For this, the public sector will need to be strengthened and regulatory frameworks supported to enable productivity, trade and licensing.

Improving Somalia's education system can provide life chances to Somalis and can help prevent extremist ideologies. This can be bolstered by investing in the Somali youth and internally displaced persons – factors of potential instability – through education, employment and culture.

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<sup>7</sup> Including EU initiatives such as the critical maritime routes and maritime security programmes

***Possible EU objectives:***

1. Supporting the swift implementation of basic social provisions in south-central Somalia, particularly newly recovered areas, while strengthening structural services in northern Somalia.
2. Help build resilience, using a Linking Relief, Rehabilitation and Development (LRRD) approach where appropriate.
3. Support the sustainable management of natural resources (rangelands, pastures, water and soil) by local communities, and supporting alternative (renewable) energy sources to decrease charcoal production.
4. Support economic growth and market diversification, including through
  - a. diaspora investments, infrastructure development, sustainable energy and mineral exploitation. Somalia has, potentially, large natural resources. There is a need to develop the fishing and agricultural industry and to scale up production
  - b. providing strategic advice on maritime security on the security of ports to help generate government revenue
  - c. and helping improve the investment climate and establish an environment conducive to the private sector.
5. Take steps towards Somalia's accession to the Cotonou Agreement.

**iv. Tackling the regional dimension**

President Hassan Sheikh has underlined the need for a country in peace with its neighbours. Somalia's steps towards regional economic and political integration will be an important element both for this and for the country's recovery. Somalia's conflict has been a potential destabilising factor in the broader region. At the same time, neighbouring countries, including frontline states, have been directly engaged in Somalia for many years. This needs to be closely monitored to avoid any unwanted spill over effects (e.g. terrorist infiltrations or radicalisation) or, even, future cross-border conflicts. The objectives of neighbouring countries, who are seeking to establish spheres of influence that will serve their security and economic interests, need to be aligned with those of the Somali institutions and people's aspirations. Latent disputes with neighbours, including over maritime demarcations, should be resolved through appropriate international fora.

*Regional security* is a key aspect of Somalia's reintegration into the region. The current downward trend in successful piracy attacks should be used to further reinvigorate counter piracy efforts, as the situation remains reversible. Improving the protection of land and maritime borders against travelling fighters from the region and beyond is also important for the whole region. This will need to be done together with efforts to reduce the influx of arms from other regions and through increased cooperation with Yemen.

In order to boost trade and economic development in the Horn of Africa, investment in the infrastructure sector in Somalia is crucial. This is particularly important given the lack of support to key economic infrastructure such as roads, airports, ports, power generation and water supply and sanitation over the past decade. Linking the country to the global commerce system will also help manage the Somali transition out of fragility.

***Possible EU objectives:***

1. Encourage positive regional engagement in Somalia's stabilisation, through political dialogue with Ethiopia, Kenya, Djibouti, Uganda, Eritrea and the AU.
2. Seek a sequenced exit strategy for the military interventions of neighbouring states in Somalia through a mutual agreement, in line with UN and AU commitments for peace and stability in Somalia and the region.
3. Step up efforts to build *regional* capacities to increase food security, cross-border trade and economic relations, as well as to counter terrorism and trafficking in a regional cooperation framework (e.g. IGAD's Security Sector Programme) including Somalia.
4. Support Somalia's integration into the international anti-money laundering and counter-terrorist financing regime.
5. Engage Somali community leaders and diasporas to support the prevention of radicalisation or support for terrorist activities.
6. Pursue a "twin approach", at sea and on land, to consolidate EUNAVFOR's successful containment of piracy by maintaining naval pressure in the Western Indian Ocean, and to limit the ability of piracy groups to operate from land by building Somali law enforcement capacity, targeting the network of piracy leaders, financiers and negotiators, continue to disrupt logistics on land, and reverse the incentive to support pirate groups.

#### **IV. A shift of paradigm**

What is most important is that the EU explicitly supports a shift in international and Somali domestic attitude, that their country has an accountable government and that its institutions and economy need re-building on a basis that will enable them to function like those of a normal state. The country should be able to take its place among the community of nations.

The paradigm shift reflects, and further fosters, Somali *ownership*. A more integrated UN presence in Somalia could be considered, making best use of the various UN Agencies and ensuring that the multitude of tasks necessary to stabilise Somalia are undertaken in a unified manner. These include building capacity across sectors, developing and empowering new political structures and processes. Improved coordination of international assistance to Somalia and the establishment of supportive thematic core groups would further enhance the international architecture supporting the country.

In order for the EU to respond to the paradigm shift and maintain its role as a key, strategic actor, it would need to enhance its political representation inside Somalia. This is already being established by the EUSR's office, but the effective implementation of EU objectives would need to be reinforced by Member States' representations and, when funds allow, an EU Delegation.

Above all, the EU should be prepared to bring together all of its instruments and tools, including those of Member States, to implement its vision and holistic approach to Somalia.

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