

**Subject:** ASR intro

**From:** Tony Baldry [mailto: [REDACTED]]  
**Sent:** 18 August 2015 19:11  
**To:** Harriet Mathews (Sensitive)  
**Subject:** Re: ASR intro

Dear Harriet,

Many thanks for your email.

Various points.

Firstly, I wasn't asking for any view on the contract between Anglo Somaliland Resources (ASR) and the Government of Somaliland either in substance or in form.

I just thought it would be helpful for you and the FCO to have sight of the contract so that you would have an understanding of the areas of activity being undertaken by ASR.

I think your email raises two important issues.

Firstly, the status of Somaliland.

My understanding had always been that the UK Government recognised Somaliland as a "de facto" country and a "de facto" Government, but stated that it was for others not least Somaliland's neighbours and the African Union to determine whether or not Somaliland acquires de jure status.

Actually I think there are very good arguments to say that Somaliland has a rather stronger claim to de jure status than either Eritrea or South Sudan.

Somaliland, after all, was albeit briefly, a de jure state between being granted independence from the UK and joining with what had been Italian Somalia to form Somalia.

They then subsequently decided they did not wish to be part of Somalia and again declared themselves independent.

A situation not dissimilar as to what happened as between The Gambia and Senegal.

In many ways, over the last 24 years, Somaliland has a significantly better record of governance than many other African states, with regular elections and several changes of power between political parties and several changes of President.

I fully agree that it would obviously be very helpful if Mogadishu and Hargeisa could between them agree a long term agreed future for both Somaliland and Somalia.

So far, I have detected very little, if any, enthusiasm on either side for such discussions.

In Mogadishu I think they consider that they have more urgent and pressing matters to deal with and so far as Hargeisa is concerned, they are planning next year to be celebrating 25 years of "independence" and don't see the need to discuss with Mogadishu an issue which so far as Somaliland is concerned, was resolved a quarter of a century ago.

At some point, and I can't now remember whether it was in the margins of the last Lancaster House Conference on Somalia, or when I met the President in Mogadishu, I did have a discussion as to whether Somalia would be willing, effectively as a means of starting to build bridges, to endorse licences that had been issued by Somaliland and the President of Somalia didn't rule out that as a possibility.

At this time, there have been a number of expressions of interest but we don't know as yet just how much interest we will have from responsible fishing companies wanting to fish in Somaliland's waters, but I don't rule out seeking to use part of the licence fees to seek to purchase parallel licences in Mogadishu so that everyone can feel that they are benefiting from some stability and proper licencing and regulation.

The second point your email raises is the lack of knowledge of the fish stocks within Somaliland waters.

What is clear is that over the years, there have been a very large number of studies into Somaliland's fisheries, by the UNDP, by the FAO, and by a whole number of publicly funded private fisheries consultants.

If one studies and reads all those reports together, a reasonable consensus emerges as to the nature and sustainability of Somaliland's fish stocks and then in addition to that, one can of course err significantly on the side of caution in setting an overall annual TAC or individual stock quotas.

I can only observe that I think it is very sad that over the last twenty years so much money appears to have been spent by international agencies and donors on reports on Somaliland's fisheries, but so little seems to have been done to enhance the capacity of the Ministry of Fisheries and Marine Reserves of the Government of Somaliland as a whole to manage their fish stocks.

Moreover, notwithstanding having a very long coastline, practically no fish are taken from Berbera to Hargeisa for sale, and practically no fish are taken from Berbera to Addis for sale, and we would certainly hope in due course, if we are able to attract responsible fishing companies to fish in Somaliland's water, that part of the proceeds of the licensing process can be used to improve facilities at Berbera to provide for the purchase of refrigerated lorries to move fish from Berbera to Hargeisa and in due course to Addis, and to think about seriously improving, indeed, perhaps rebuilding, the fish market in Hargeisa.

If the best is always the envy of the good, then nothing is going to happen to develop Somaliland's fisheries and they will simply continue to be plundered by Yemenis, Iranians, and Egyptians who make no contribution to the development of Somaliland.

These are clearly all issues to which the Government of Somaliland and ourselves are going to need to have continuing regard.

The other project that we are discussing with the Government of Somaliland is building a new cement works at Berbera.

This is a project on which we are conscious that over the years there have been a number of starts but where nothing actually seems to have happened.

So we are still in the process of doing some due diligence with the Government of Somaliland, not least as to what title the Government of Somaliland have to the land and the assets. We have, however, carried out a fairly extensive and expensive Feasibility Study which has concluded that the best way forward is to clear away the existing cement works, build a new cement works on a PPP basis, but if it were possible to get the cement works moving again, it would obviously create a significant number of new jobs around Berbera. It would generate surplus power that could be put into the grid to benefit Berbera town and port and of course it

would provide new throughput for Berbera Port for cement to go both to Dubai and to other destinations such as Mombasa, with cement prices at present being high in both Kenya and Uganda.

Best wishes.

Tony

On 15 August 2015 at 09:14, <[REDACTED]> wrote:

Dear Tony (if I may)

It was a pleasure meeting you in Hargeisa – I gather that the Ambassador Hotel is the venue for many impromptu encounters. I had an excellent visit there and was able – amidst the official calls – to enjoy the Hargeisa book fair. I hope you also had a chance to go.

Thank you very much for your update. Obviously I am not in a position to provide any view on the contract's substance or form as the FCO cannot advise private individuals on contractual arrangements. It is positive that the Somaliland government is seeking to develop its fishery sector responsibly. We know there is a serious problem with illegal fishing which is having a negative impact on fish stocks. As you suggest, there is also a need for significant capacity building for Somaliland to meet its ambition to develop the sector sustainably.

However, there are a number of challenges as I am sure you are aware. Somalia declared an Exclusive Economic Zone (EEZ) in November 2014. It means legally the fishing rights belong to Somalia and an agreement needs to be worked out between Hargeisa and Mogadishu. The EEZ is also disputed with Somalia's neighbours notably Kenya.

Somaliland faces the difficulty of determining and enforcing the TAC and quotas without the ability to assess and monitor the impact of these.

There are important, immediate issues to think through, especially the political risks associated with the sovereignty challenge, significant knowledge gaps (such as the nature and viability of fish stocks) and the limited management and human capacity in the Somaliland government. There is no data on the fishing operations of the 38 landing sites in Somaliland which further complicates fisheries management and makes it difficult to assess measures to improve security.

I am sure you will be considering the implications of these issues and discussing them with the Somaliland government.

I am copying in the [redacted] in the Somalia Team in London [redacted]

Yours,

*Harriet*

**Harriet Mathews OBE** | British Ambassador to Somalia | Somalia Mob: [redacted]

or [redacted] | FTN Mogadishu: [redacted] | Nairobi Mob: [redacted]

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Best wishes  
Rt. Hon. Sir Tony Baldry