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**Research Project: The Inter-Relations Between Regional Security and Trade: The Case of Berbera Corridor**

**Mohamed Muse**

**Project Adviser: Nasir M. Ali**

**Director, for Peace and Conflict Studies**

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## **Abbreviations**

AMISOM	African Union Mission in Somalia
FGS	Federal Government of Somalia
FID	Foreign Direct Investments
HoA	Horn of Africa
GDP	Growth Domestic Production
IR	international relations
GoSL	Government of Somaliland
PM	Primer Minister
SNA	Somali National Army
SGS	School of Graduate Studies
AU	African Union
UAE	United Arab Emirates
UN	United Nations
US	United States of America

Internationally left blanket

## **Abstract**

The Horn is tremendously changed since 2018 with regionalism and regional security cooperation have been growing and that features the current regional politics and trade. Therefore, the paper displays potential corridor by presenting its potential in the region as a transport corridor on maritime resources and the new developments, mainly for new routes for transportation from the Berbera corridor to the regional consumer countries while utmost importance to be given improved security system that dominates economic processes, and reduces the implications for possibilities to increase the role of regional attention to rearrange patterns relevant to the concept of regional cooperation remain momentous. Transformation of societies toward widening trade via agreements and free of movement could create more favourable integration with economic development that facilitates the interaction between the regional states but also shape the incompatible systems of market economies.

The discussion is trying to articulate the security and trade perspective, business transfers could and would be one of the main factors that contribute to economic development based on the regional cooperation agreements including the Berbera corridor. Also, the study is justifying interactions and the significance of regional security and trade, how they would contribute to political order and stability.

Also, to review how new direct investment from the Somaliland side could promote regional cooperation and would add value to the involving states in achieving peace, security, and prosperity. Through increased knowledge, the paper is adding more analytical information on promotion and maintenance of regional security and trade affairs where the cooperation and integration is the key driver for Berbera corridor. Furthermore, the paper through its objectives elaborates how the infrastructure improvement could facilitate smooth regional transportation and at the same time improve the basic implementation of the agreement.

The topic covers the most based economic and political integration, that also associated with local security systems may have existed in different ways but are overshadowed by the ability of external powers to move directly into the local security complex with the effect of suppressing the indigenous security dynamic, and exploring the opportunity, and to further attract foreign investment.

## **CHAPTER ONE**

### **Background**

#### **1.0. Introduction**

Since the last decade, the security in the Horn is tremendously changing with regionalism and regional security cooperation have been growing and that features the current regional politics and trade. The establishment of multilateral regional interconnection across the horn of Africa produced what is today presented regional free zone in Berbera (Tekalign, 2019). The term region has become most closely associated with different continents that comprise regions with multi-dimensional cooperation and is understood as a distinct one with assorted politics that extends forward to the present conditions. Therefore, the Berbera corridor is shaped both by local concepts of identity and connections of the other countries for the region. How Berbera could contribute to regional security cooperation be conceptualized and understood in the context of contested *prima facie* relevance for 21st-century international politics. Henceforth, such cooperation has a significant role in collective security, security regimes, and security communities ( Bailes and Cottey, 2006). Correspondingly, such a security system dominates economic processes, and implications for possibilities to increase the role of regional attention to rearrange patterns relevant to the concept of regional cooperation remain momentous. Moreover, in respect of Somalia being rival for this infrastructural arrangement, it would not be so often that regional institutions have a view in the maintenance of regional peace and security, and to prevent intra-state conflicts would partly be true that foreign policy of HoA must change in the short term. Transformation of societies toward widening trade agreements and free of movement could create more favorable integration processes between the involved states, but with incompatible systems of market economies (Voronkov). Accordingly, it's important to understand how the increased intra-regional security operation will and underlying trade supplication support food staples which can play a significant role in reducing domestic food price volatility (Morrison, 2016).

Furthermore, today, we also live in a modern economic period unfortunately, the HoA (Somaliland) still faces difficult economic situations. Such a difficult situation can be explained by the high level of unemployment and low export compared to other regional countries. For these reasons' interrelations may have a positive effect in Somaliland, since this country is one of the poorest in the region. Mainly, people of Somaliland their destination has been for consumption,

but here, the researcher is trying to realize how the Berbera corridor that being invested a million of dollars could improve the economy when the infrastructure development projects are castoff which can also open new businesses that have positively affected the economy of the region. Apparently, for a trade perspective, business transfers could and would be one of the main factors that contribute to economic development based on the regional cooperation agreements. Even though no, Foreign Direct Investments (FDI) that's attached to this Berbera port development projects, however, in this research, specific importance is dedicated to the theory and practice aspects of the role of regional security on the development of such region that received them. A special analysis is dedicated to the HoA since the security and trade for its countries have specific geographical importance. Their role in economic development will be presented through the report in different ways of discussions, as well as the use of foreign and local literature (Gashi, August 2018).

### **1.1. Rational**

Given the Berbera corridor's operating, the study is justifying its significance of the regional security and trade, how they would contribute to political order and stability. Berbera corridor is what we know today and is expected to be instrumental to regional trade and transport freights that connect landlocked Ethiopia and Berbera in Somaliland. The research is to explain different kinds of interests hastening to capture more revenue from the significant investment. The research will illuminate security involvement for the processes by which the regional state agrees to cooperate work closely together to achieve, peace, stability, and wealth. More importantly, the positive impact would be the interrelations between security and trade to assist free population movement, since they usually have higher ability to transfer their practice knowledge and abilities to move trade and businesses that backup economic aspect in their origin, or the delivery of partnership as well as sole proprietorship companies for the opening of new private businesses and the opening of new employment opportunities.

Not naturally to voyage one of the empirical studies that are done especially for the influence of international cooperation in the economic development of either developed or underdeveloped countries, but to support the evidence by business literature, where is implicated that Berbera corridor will have a greater net effect on the economic development expressed in the project agreements and expect to increase of GDP of the involved states.

## 1.2. Problem Statement

The Horn of Africa (HoA) region located very strategic region, however too fragile, strained, and troubling security-related issues which make the relations between regional states more complicated and impacts business and trade between population in the region that could contribute economic development. International relations theory has not, however, prevented scholars from constructing numerous typologies and traditional views for classifying ideas related to political aspects and linking them to the work of security institutions to counter threats against national interests. Work of contemporary students of international relations, and where the paper needs to explore more on the security implications to Berbera corridor.

Where even states either by region or international once seeks to influence dynamics to find opportunities to increase their mutual economic cooperation, there is little to no consultation with appropriate authorities. For example, Ethiopia had largely been supporting neighboring Somaliland because of its national security interests, which meant that their joint participation in AMISOM in Somalia had largely with complementary objectives. However, the April 2018 election of Prime Minister Abiy in Ethiopia had drastically changed these dynamics. The Ethiopian PM who shared President Farmajo's unionist and centrist politics over the pursuit of ethnic federalist models abruptly switched Ethiopia's allegiance to supporting the FGS vision for the same which considerably opposing the Berbera corridor.

More widely, there's strong trade partnership between Somalia and the United Arab Emirates (UAE), however, diplomatic ties were never being so significant since the above development project has started in Berbera, Somaliland which has great security and trade significance in the region, and has security implications if no appropriate security strategies in place. In addition, the complexities of regional geopolitics and global shifts could be added another level of complexity. Therefore, engaging with new corridor policies, would substantially make Berbera to become a 'mega port' to receive high volume of ocean containers with advanced smart technology and successfully utilize by the regional countries. But, first considering the emerging issues of security as key factor in regional supply chain that can be perceived as inconsistent with the objectives of enhancing and expanding the port size to facilitate regional

trade. Even though, the perception is not to analysis stand up issues, but understand the security as evidence of mainstream supply chain that can become a driver factor for trade facilitation.

### **1.3. General objectives:**

The study aims to explore that the Berbera corridor turns into a regional investment with inter-related regional security that plays a great role for domestic, national, and regional economic arrangements.

#### **1.3.1. Specific objectives:**

2. Explain how Berbera port investment is going to improve regional security and trade between the regional governments.
3. How infrastructure improvement facilitates trade and processes necessary to upgrade transport between the Somaliland coast and Ethiopia.
4. How will the corridor impacts Somaliland to improve security, political stability, and trade?

#### **1.4. Research questions:**

2. Explain how connection between security and trade improve regional integration, and cooperation.
3. What are the remains of some uncertainties and perceived inconsistency of Ethiopian involvement in Berbera corridor.
4. What are the national security aspects regarding Berbera port and supposed foreign military bases while the implications of perceived security threats in the region remain unpredictable.

### **1.5. Conceptual frame:**

In the first part, the paper presents a general idea and context of the policy that mainly focusing on the current regional development particularly the inter-relations between security and trade, and further facilitates social and economic integration, even though would be a bit hard to adapt, because of how the environment is complex to regional cooperation. Realization of regional cooperation could reduce challenges, mainly for transit, transportation and further create fair competition and equal opportunity in business in terms of the transportation sector, that's where problem utters and needs to be investigated, so the paper in this point focuses on current challenges

that Berbera could face with respect of regional integration and security cooperation among regional states. Significant progress is visible in the economic sphere, but the study is further demanding to explain theoretical issues in international relations, by connecting the two theories (realism and liberalism) and explore how they could impact the current regional privatization process started. Provide an overview of critics of these theories from different perspectives. Use a qualitative technique to facilitate the development of the project and undertake to gather secondary data that would provide substantial support to the literature and the context of the report. Analyzing the factors and actors affecting the regional security, the evolution of intra-regional trade and view of current infrastructure development of Berbera corridor as *prima facie* for change and provide opportunity in the region, and increase labor mobility as well as to improve public administration through cohesive state administration policy that protects critical logistical pivot. Through measures preventing substantial consequences of man-made and natural threats that need to be addressed to sustain the envisioned regional cooperation. Provision of security requires close national and regional cooperation, and successful cooperation among the regional states in the trade contributes to strengthening the economic sustainability in the region. Hence, the paper is providing recommendations that contribute knowledge and understanding of the connections between security and trade.

#### **1.6. Significance of the Study:**

This document describes the relevance in the current situation of the Horn of Africa (HoA), and the ambition that making a necessary political shift, security, and aspiration in targeting regional cooperation through a commitment to trade between the states in the region. the significance is that even though, it's not internationally recognized as a full state, however, Somaliland prepares itself to play a role by taking advantage of its strategic position and current direct investment of infrastructure development for the Berbera corridor. Politically, the federal government of Somalia (FGS) has doomed this investment as it explained that it has not been consulted nor has no role for the agreements between the parties of the Berbera corridor, so is unlawful and the agreement is expelled as per their claim through parliament resolution, so be it generated a challenge on its implementation. But, Somaliland, while focusing its security interests and trade with regional governments like Ethiopia, and understanding the moral rights to fulfill what seems potential for development to the people, with the support of UAE it did not tone-deaf the prerogative politics

from FGS and made its way to start the project expansion with the support of DP World, the UAE owned private company which runs the Berbera port.

## **1.7. Limitations and Decimations:**

### **1.7.1. Limitations**

This is qualitative study, and developed work has been applied to carry out the course work to find the relevant information for the analysis in the existing literature, and information obtained from the documents, reports, and other credentials were very much elaborated. Access to some reports including agreements either online or hard was very limited. Relevant secondary data to further enrich the study was also limited. Challenges to interact with appropriate people to discuss the topic are faced. Because, most of the time I was traveling, therefore, with limited time sometimes affects to meet the deadline. Due to the widespread pandemic, COVID19 obstacles denied visiting offices, and the available libraries, and access to the important information for the topic.

### **1.7.2. Delimitations**

This study is confined itself into theoretical existing literature to explain the threats that are a problem to the existing relationship between the regional states and boosting regional cooperation and developing mutual benefits of bilateral regional projects like the Berbera corridor. As result, the reality on the ground is based on the systematic view of the phenomenon under which the security improvement will positively contribute to sustainable economic and business, and same time will deepen the democratic values at hand.

## CHAPTER TWO

### Literature review:

#### 2.0. Definitions:

(Garlick, 2020) defines the field of international relations (IR) as social science, and the social sciences study that related to social interactions of human beings. Garlick had further stated that yet much of the contemporary IR theory, particularly in the wake of Kenneth Waltz's influential 1979 neorealist reconfiguring of the field continues to ignore, under-emphasize, or dismiss as irrelevant serious scientific questions related to human nature. Also, today's most significantly, IR theory singularly fails to address the question of how the latest findings concerned with cognitive psychology, neuroscience, and human evolution impact questions related to world politics and the global political economy. In the sense of its failure to acknowledge changes in those scientific fields over the last half-century, IR theory thus continues to rest in a "deep Newtonian slumber" from which it has yet to awaken. Of course, it's not always the case that IR theory ignores or de-emphasized human nature. However, according to Hans Morgenthau, classical realists of the 1940s and 1950s had been influenced by cataclysmic events which mainly crafted from the Second World War and the Cold War which had taken a pessimistic view in the regional and international context. This is not conflation but could be to insist that people are selfish, and IR theory had to centralized for self-help, thought behaviors when analyzing international interactions between states could so agitating.

However, Morgenthau's view of human nature has since been perceived by many IR scholars as unscientific and being the imprecise body of evidence for support. No well, the basics of realism say things could have changed when Waltz introduced the economic rational choice theory to IR, which applies the behavior of individuals rather than states/people. After Waltz, theoretical research tended to be grounded in a single main idea that the anarchic nature of the international system dictated the behavior of states. This notion supposedly systematized by Morgenthau's relatively unstructured approach set IR theory on a more scientific basis, instead of being elaborated art. This could promote in the sense the vital relations between culture and security at any level to better underscore promoting the nexus related to culture, security, and prosperity (Olusegun Oladiran and Irene Omolola Adadevoh, 2007).

What's more, the International Relations discipline (IR), realism theory from the school of thought emphasizes the competitive and conflictual side of international relations that promulgate interests of power politics. Similarly, realism is routed often to be found in some of humankind's earliest historical writings, particularly Thucydides' history of the Peloponnesian War, which raged between 431 and 404 BCE. Thucydides, writing over two thousand years ago, was not a 'realist' because IR theory has not existed in name until the twentieth century with the modern world developed. Nevertheless, when looking back from a contemporary vantage point of view, theorists detected many similarities in the thought patterns and behaviors between the ancient world and the modern world. They then drew on his writings, and that of others to lend weight to the idea that there was a timeless theory spanning all recorded in human history. That theory was then named 'realism' (Sandrina Antunes & Isabel Camisao, 2017).

### **2.1. Critics of the Theory**

Scholars criticize that realism focuses on one of its central strategies in the management of world affairs which is called 'the balance of power'. It further describes a situation in which states are continuously making choices to increase their capabilities while undermining the capabilities of others and this where Somaliland is trying to provide care its geographical position and become part of the regional system through the Berbera corridor, though the paper is not forecasting the other aspects of the economic security as part of the people and exploitation of national resources. But, instill generates knowledge that theoretically argues the idea behind a state is not permitted to get too powerful within the regional system. And that's why it's important to prepare like this paper providing with a lot of appropriate information necessary in the multilateral diplomacy (Conley, First published 2007). For example, if a state attempts to push its decisive role and grow too much, like Nazi Germany in the 1930s, it will trigger tension because other states will ally (Djibouti) to try to defeat it and that's how realism is in favor for restoring a balance of power which one of the reasons why international relations is actively involved by anarchies. This further demonstrates that no single state has yet could become a global power and unite the world under its direct rule. Hence, realism frequently talks about the importance of flexible alliances as a way of ensuring survival, and most of the time these alliances are determined less by political or cultural similarities among states and more by the need to find fair-weather friends, or 'enemies of my enemy'. A good example was explained why the US and the Soviet Union were allied during the

Second World War (1939–1945) because they were both felt a similar threat from a rising Germany and sought they balance it (Langlois, 2007). But, visualize within a couple of years of the war ending, these two nations had become a bitter enemy and the balance of power started to shift again as new alliances were formed during what became known as the Cold War (1947–1991). So, while remembering that realists describe the balance of power as a prudent strategy to manage an insecure world, but again critics seem to be a way of legitimizing war and aggression, even though hoping the peaceful Horn of Africa following that Berbera is becoming an instrumental tool in geopolitical shift with the region since, the existing territories and underlying effects could be under threats (Fredrik Söderbaum and Björn Hettne, 27 May 2016.).

## **2.2. The Horn of Africa**

The Horn of Africa had been in serious conflict for decades and even now some are with active conflicts (inside Ethiopia and Somalia), with significant population migration. There is one AU peacekeeping mission and two UN political and support missions already in Somalia. 5 of the troop contributing countries 2 are from the Horn of Africa, and 3 of them are from east African countries. Also, back in history, during the past decade, more than half of Africa's states have been in warfare which has impacted national security and trade, and I must even say that the Cold War exacerbated regional crises in Africa. This has promoted and perpetuated Africa's quasi-states and intrastate conflict, mainly in Somalia. These conflicts result in different consequences in life such as basics of security and food as well as economic because no much trade-in must important part of the affected countries. In the Berbera corridor, much of its relevance rests to a large extent for Ethiopia. To that end, it promotes the use of regional cooperation for its security purposes. This must also encourage regional economic integration on one hand as a part of the response to economic performance, though it may not be a very successful one (James J. Hentz, Fredrik Söderbaum, and Rodrigo Tavares, 2009).

The most basic analysis on economic and political integration, that similarly link to local security systems as may exist but in different ways, nevertheless seems overshadowed by the ability of external powers to move directly making local security complex with the effect of suppressing the indigenous security cooperation. Since 1991 many things have changed particularly, and the economic and security aspects which also associated with population movements. Sometimes, its bipolar conflict has led to renewed interest in the regions where the changes expected to push the

development of regionalism, providing order and stability in the regions, but with new security challenges (Kolodziej, 2005). The theory is interesting because it presumes an expression of security needs that is generated below the international system in which the region, becomes increasingly popular among the scholars of international relations. Given the fact the HoA is changed, it seems that the new wave of regional security theories encounters variation of different forms of regionalism, the possible emergence of new non-state actors, the impact of globalization processes that make regions porous, problems with geographical proximity, the interaction between political, economic and social spheres, power division within the big counties such as Ethiopia, strong interplay between national, regional and systemic levels (Kaunas, 2007 ).

### **2.3. Interrelations Between Security and Trade - HoA**

The relations between trade and security in the Horn have been with two main aspects and that's the cooperation between regional states as well as the world governments. It seems that this has emerged after the Cold War where states established a modern history and to work toward conflict prevention, even though the region has become too fragile. Ventures and big companies have worked with their governments on various aspects including expanding the government's foreign policies and trade settlements with the security of that state being the primary objectives and controlling more resources. Political economics, since then, has dominated the realm of conflict not only as a motive but has also as one of the important determinants of regional peace (HASEEB, 1997). This relationship has acquired myriad dimensions with the growing complexity of societal interaction. It has also been a controversial subject among many authors of international relations for a long time. The proponents of a positive correlation, mostly in the liberal camp, assert that economic development, regional trade, and interdependence minimizes the risk of conflict between the provincial states in a region, and consequently in the international environment. But, let me say that the opponent of this interrelation mostly belongs to the realist viewpoint. They deny the linkage between economics and security citing various examples from history including when two nations or groups of nations went to war even though they were inter-twined together with trade and economic links (Kiyoun Sohn and Taek Dong Yeo).

Furthermore, deliberating food security in the aspect of regional development, poverty affects regional trade in general, particularly for agricultural production. To this extent, it's important to increase production and intra-regional trade fosters economic growth, increases employment

prospects, and the income-earning capacities of the producers, that further would enhance access to food because food transportation and transit points will become comfortable (James J. Hentz, Fredrik Söderbaum, and Rodrigo Tavares, 2009). On the other hand, the prevalence of political economy is depending on whether regional integration promotes overall economic growth on the design of the agreement, and whether it succeeds in promoting more transparency and governance on trade. Increased intra-regional agricultural trade through improving Berbera port infrastructure could also further promote food security in two ways: (a) by augmenting domestic food supplies to meet consumption needs and (b) by reducing overall food supply variability. Thus, while trade integration may contribute positively to higher production and output growth, but the overall impact on food insecurity in the short run may be negative, because regionalism, especially among regional countries, was an instrument of industrialization in the past (Jurgen Haacke and Paul D. Williams, July 2009).

#### **2.4. Horn of Africa Geopolitics**

To discuss a bit further for the wider region, purportedly, many believe that in many years, Kenya and Ethiopian interests in Somalia were broadly aligned, both states sees were seeking to influence drivers in the Somalia general whilst also seeking opportunities to increase their mutual economic cooperation with little to no consultation with the Federal Government in Somalia. Kenya actively supported the establishment of Jubaland state and the current leadership to provide seemly what one could a buffer zone for its security interests along the border and also in response to the elite interests of some of its significant Somali-Kenyan population. Ethiopia was supporting neighboring including Somaliland, which means that their joint participation in AMISOM was large with complementary objectives. But, in April 2018 election of Ethiopian Prime Minister Abiy seemly changed course. Abiy, who shared President Farmajo's unionist and centrist politics over the pursuit of ethnic federalist models, abruptly switched Ethiopia's allegiance to supporting FGS. This move has at times placed Ethiopian and Kenyan foreign policy at loggerheads and led to tense stand-offs particularly in Jubaland during the 2019 re-election of President Madobe and Ethiopian support for military operations in the Gedo region of Jubaland state (Williams, 3 Dec 2019).

The election of Abiy has also seen the establishment of a new regional rapprochement between Ethiopia, Eritrea, and Somalia, underpinned by a peace agreement between former foes, Eritrea

and Ethiopia because they diplomacy is essential and a single nation cannot act alone. New Eritrean and Somali cooperation, particularly in the security sphere (with Eritrea now training SNA forces) display a significant reversal of regional changes. More widely, recent military operations in Tigray by the Ethiopian government, have already resulted in the withdrawal of small numbers of Ethiopian forces (largely from Tigrayan units) from Somalia. Should redeployments accelerate because of a protracted conflict in Ethiopia, this could potentially shift existing incremental security cooperation, giving more space to Al – Shabaab to gain territorial control although there have been no signs of this to date. Successful internal Ethiopian adventurism may also embolden the FGS to pursue similar muscular approaches to responding to Somalia’s center-periphery challenges (Abrahamsen, 2007). Nairobi-Mogadishu relations have weakened because of disputes relating to the maritime boundary and the potential access to significant oil and gas reserve areas with a decision expected by the International Court of Justice in The Hague in March 2021. Tensions over this case have seen relations sour. Both states have sought to express their frustration by escalating issues on airspace, visas, khat trade, and the role of Kenya in Somalia’s election

## **2.5. Somalia as a proxy theatre for Gulf Problems**

Despite, historically a strong trade partnership between Somalia and the United Arab Emirates (UAE), diplomatic ties were never being substantial. Nevertheless, Mogadishu-Abu Dhabi relations have weakened since Somalia announced it would remain neutral in the Gulf crisis. The Gulf rivalries, which emerged a few months after Farmajo (a Qatar ally) came to power, have increasingly threatened Somalia's stability. Contestation between the UAE and Qatar exacerbated existing challenges to Somalia’s state-building project as Mogadishu's resistance to UAE’s demands for them to cut ties with Qatar has given the Federal Member States, opposition groups in Mogadishu and Somaliland to commit ally with Abu Dhabi. Gulf and wider Arab states’ political competition together with individual states’ strategic objectives around Iran, the Red Sea corridor, and international political standing all contribute towards their behavior within Somalia, with the positioning of political rivals as influential as their national objectives. The current political transition in Somalia and the extent to which it can proceed peacefully are now heavily influenced by these wider dynamics.

## **2.6. Impact of global geopolitics on Development**

According to (Kidist, December, 2009), about the complex regional geopolitics, wider global shifts have correspondingly added a level of complexity in the context. The indicator is that China and Somalia have recently developed stronger diplomatic and economic ties for joint participation in the Belt and Road initiative. Tensions have subsequently risen between Mogadishu and Hargeisa regarding Somaliland's new diplomatic relations with Taiwan, which has been driven by their mutual claims for independence. The strengthening relationship between Egypt and Somaliland, Puntland and Jubbaland as well as some of the Presidential candidates has become a source of concern for Ethiopia, and it is likely to encourage Addis Ababa to increase its support for Mogadishu. While Somalia remains high on the agenda for Western partners, peace and stability in this country are only one of many competing geopolitical and economic concerns which pivot around international trade, hydrocarbons, the Middle East, and China (Nemeth, 28 May 2019).

## **2.7. External interference in the Region**

The Horn of Africa has characterized the effects of many diverse and contemporary issues. It cannot be transformed easily, many things are interlinked including ongoing conflict, instability, and humanitarian upheavals. Decades of civil unrest, protracted conflict, the decimation of state capabilities and national security apparatus has meant that the regional interrelations are highly dependent upon foreign aid to tackle some of its most pressing challenges including livelihoods and investment and there that's where the Berbera corridor is linked to (Ian Hosein and Johan Eriksson, 2007). The continued presence of insecurity such as armed insurgent al Shabaab remains a significant threat to peace and security which is exacerbated by still-nascent institutional state structures, limited governance, and service providers in one of the countries (Somalia) that still requires extensive capacitation for economic growth, claiming some of the agreements are illegitimate. Consequently, the provision of resources infrastructure, transport equipment by foreign entities creates a space in which foreign powers can leverage their interests under the guise of investment, developmental, or peace support (Rose, January 2021). Such opportunism by foreign entities is complemented by the transactional nature of regional politics give the external stakeholders scope to influence willing many elites who have more personal or domestic concerns in mind. Furthermore, the

potential for high-value natural resources, such as off-shore oil and fisheries, creates bargaining tools for regional attraction which may otherwise be compromised by heavily asymmetrical relationships. The absence of clear infrastructural governance, trade management, democratic accountability, maintaining stable rule of law, and sufficient tax management would help to sustain the context in which the different interests of from different elites may be enthusiastically met by foreign entities with their agenda (Hobbes, Clausewitz, and Thucydides, 2005).

One of the key issues that need to be mentioned in the historical process of the region involves the widening, deepening, and speeding up the growing impact of regional interconnectedness. However, practically it's highly uneven such that far from bringing about a more cooperative region that could generate powerful sources which would detect friction, conflict, and fragmentation of the region. Likewise, with a regional communications infrastructure aimed Berbera corridor has also come to the transnational spread of ideas, cultures, and information (MCGREW, 2008)

## **2.8. Stabilization of the Horn of Africa is Imperative**

Deliberating about the relations between security and trade mainly has focused on the stabilization of the Horn of Africa region which can attract much more international investments. The idea is to assess how the country and region-specific expertise to the analysis of the region's evolving politics, conflict situations, and international relations by targeting a network of policy-makers working both within and outside the region. Also, research significance of the region to deepen international understanding and engagement on issues of regional integration. Moreover, determine the regional diplomacy and bilateral relations, as well as the impact of emerging external relations with the region including the politics of regional integration, drivers and challenges, development, and security, as well as evolving economies and emerging external relations with the Horn of Africa (Ranstorp, 2007).

Growing instability in the Horn of Africa region is also a key focus, with several activities taking place in support of more informed international responses such as humanitarian issues, droughts, climate changes, intra-state conflict (Ethiopia and Somalia), and peacekeeping mission. The crisis

in Ethiopia is just one dimension of an increasingly complex regional challenge including displacement of large people, human trafficking and another smuggling into Europe, radicalization, food scarcity and environmental degradation would be part of a major threat to regional stability. Also, institutional weakness is a potential driver of instability in Somaliland/Somalia and Ethiopia and highlights the importance of external partners (US, French, and China) to ensure security imperatives do not obscure the long-term necessity of a sustained focus on poverty reduction and good governance in the region. Events on maritime security would help policy-makers, the commercial sector, and others to understand the changing dynamics of maritime security risk around the Horn of the African coast, particularly the Red Sea where the Berbera corridor is located and the major development is taking place which needs more attentive by the regional leaders (Ralf Bendrath, Johan Eriksson and Giampiero Giacomello, 2007).

## **2.9. Somaliland As Important Actor in the Region**

Somaliland, an independent state declared regained its independence on 18 May 1991, after decades of union within greater Somalia. Since then, it has undergone a period characterized by internal development with no much support from outside, and by political and economic stability. Nevertheless, the people of Somaliland have made an unequivocal decision to build a democratic and free state that ensures the rule of law, human rights, security, the prosperity of its citizens, and a free market economy, that's why the Berbera corridor is a huge investment in the region with many companies will be benefited for its expansion. As result, Somaliland aims to establish good relations with every state based on norms of international law. The development of friendly relations with neighboring states is of particular importance for Berbera port development, although the competition remains a high concern. Somaliland resolves all disputes by peaceful means, based on the norms of traditional customs. A free, independent, united, prosperous, and peaceful Somaliland will significantly contribute to strengthening regional security, stability, and great cooperation on trade (Ryan, 2011).

Somaliland NDP9 considers regional economic integration as an important factor in achieving Vision 2030. Therefore, the Berbera corridor is necessary to pursue policies that facilitate cross-border trade and attract foreign direct investment in the infrastructure required to serve and link regional markets. The key to a vibrant balanced regional trade is the establishment of a strong industrial base that produces quality exportable products, the development of port facilities and

free zone areas, and the construction of a good road and rail network. Furthermore, Berbera facilities at Berbera, the main port of Somaliland are considered good by regional standards, but further expansion and improvements are required to accommodate the increased flow of goods and services. Financing of the infrastructure projects scheduled for implementation under the NDP 2012-2016 came, mainly from the private sector in the form of public-private partnership (PPP) which also encourages joint investment, the government developed a national policy on Public-Private Partnerships (PPPs) and modalities for its implementation (Somaliland Ministry of National Planning, December, 2011).

Therefore, regional terrorism is a considerable threat to the national security of states in the region, especially because of Somalia's proximity to terrorist havens in neighboring regions. As an active participant in the regional anti-terrorist coalition, Somaliland is a real target of regional terrorist attacks. These may be directed against strategic infrastructures such as the Berbera corridor, envisioned railroads, oil and gas pipelines, and other states' assets located in Somaliland.

## CHAPTER THREE

### Methodology

#### 3.1. Qualitative Method

A qualitative research method is used to obtain the relevant open-ended and conversational data with a narrative approach, available interviews, and used Berbera corridor as a case study. Sources link with intra- and extra-regional security, the evolution of intra-regional trade, and current infrastructure development in the Berbera corridor which are the major impediments for this study, and link the case with regional security and trade that shape the development trajectories. Since it's a social science, the author is to reveal and assess the important pattern of the actual interaction between national and regional approaches in the maintenance of security and sustainability of institutional economic, internal businesses, social relations, in order to understand what people, think and perceive.

Also, to communicate the concept on systematic information with appropriate data, the writer has undertaken a comprehensive review in the context and used below existing information to understand the current dynamics (factors and actors) affecting the region, the key issues, and overriding interests and objectives of regional/Gulf states, themes, trends, and trajectories. The research should further explore how these regional dynamics manifest in Somaliland to become new emerge, particularly in the Berbera corridor by way of exacerbating investment that could ratchet up a possible instability, or conversely, promoting peace. In the study, he would like to highlight whether there are any likely trends that could identify or specify issues that motivate foreign involvement in Berbera, for example, oil, trade, or shipping.

Through careful analysis, the paper is assessing capabilities and mechanisms by which DP World employs to support infrastructure development, or aggravate security and trade, or on the other hand peacebuilding and/or political stability in Somaliland. For example, the extent to which a foreign state can leverage a military capability, influence political groups or business interests to participate in problems, alongside analysis on the capabilities and sources of leverage that Somalia has *vis-a-vis* regional states and powers and working toward resolving their complex issues.

### **3.2. Narrative**

Though, the writer highlights some of the issue impacting the concept, but the fact that there's no legislation that does mandating specific security measures and provide the necessary consultation of how to implement them at the port remain a great concern. Thus, no specification for basic requirements on the ongoing infrastructure development in Berbera corridor that's believed will help to improve port security and be a major investment to the ports since 1991, will further needs review to make parallel with the expected increased trade flow through its vital channels including regional trade networks.

The writer has further explained why this project could play a pivotal role in helping the corridor to operate more efficiently, whilst becoming more resilient to changing situation in the region including increased terror threats, without the additional burden of significant security investments on its shape. But, on other hand, experts believe that tons of freight loaded and unloaded in Berbera port could make a considerable trade increase each year.

The DP World port expansion already added a new dock, with economic free trade zone identified, however the unfinished \$100m road corridor connecting Berbera with Ethiopia sends new era in the East African trade.

Also, viewing that the infrastructure modernization would increase storage capacity and allow larger ships to arrive in the Berbera Oil Terminal. Talking about the Trafigura company (Swiss commodities trader) which already has got agreement with Somaliland also willing to import liquefied petroleum gas and other fuels to meet local and regional demand as well as integrating logistics and harmonizing fuel specifications in the Horn of Africa, thereby boosting regional trade, but with only also improved and consistent security cooperation.

For the access by Ethiopia to the Port, the new corridor is expected to reduce the Ethiopian's reliance on the port of Djibouti for Somaliland's landlocked neighbor, and would provide an important boost for the region that will opened palpable opportunity for enhanced integration.

### 3.3. Case Study

Since the DP World has overtaken the management of Berbera port, Somaliland, trade tensions arise, caused trade patterns to shift, for search of alternative markets that can receive what Berbera port would supply after its expansion completed. Subsequent economic crisis triggered by the pandemic has upset the regional interests for their use of Berbera corridor, but also with maritime transport and trade which significantly affected growth prospects. Many has attempted to bring uncertainties that could undermined port expansion.

The wide ranging of political impacts from conflict result crisis in the HoA are likely to exacerbate existing vulnerabilities, making sustainable and resilient trade systems in the region even more crucial. The HoA states have already face unique political, security, and logistical challenges that derive from their inherent size and geographical, topographical and climate features more complex. These include a significantly the current conflict that's taking place and Ethiopia, potential threat from Al-Shabaab in Somalia, and piracy issue at marine time security one way or another narrows export base and low cargo volumes at Berbera corridor, that could limit economies of scale, increase transport costs and exposure to external shocks including external influences.

On other hand, business continuity plans and emergency response mechanisms, seems not established nor being prepared, and seems that this has never been as vital as in the case of regional crisis. Because, understanding the exposure, vulnerabilities and potential losses is key to informing resilience building in the corridor. At policy level, authorities should be focusing on developing emergency response guidelines and contingency plans to deal with future disruptions against port expansion. However, incorporating the early warning systems into the port modernization, scenario planning, improved forecasts, information sharing, end to end transparency, climate forecasting, business continuity plans and risk management skills will need to feature more prominently on policy agendas and relevant marine time industry.

So far, Somaliland government has made notable efforts to keep Berbera port operational and speed up the use of new technologies and digitalization, according to the agreement with DP World. But, it's important that relevant institutions to improve and promote the use of electronic equivalents to negotiable bills of lading and their increased acceptance by government authorities, banks and insurers. Because, it will help international cooperation and coordination to ensure

commercial parties across the region or other parts of world that readily want to use and accept the electronic records along with appropriate existing legal systems that were adequately prepared. Capacity-building for the port administration, employees, port security, and workers may be required, particularly for small and mediumsized enterprises from within the HoA that may lack access to the necessary technology or means of implementation the port expansion agreement.

## **CHAPTER FOUR**

### **Analysis and Findings:**

#### **4.0. Introduction**

Historically, it's important to mention that Ethiopia and Somaliland have signed agreement which details how Ethiopia will going to utilize Berbera corridor. Trade and infrastructure agreements have also been delineated after a high-level ministerial delegation from Ethiopia led by the Minister for Finance arrived in Hargeisa on 14 November 2014. These agreements were focuses on the Port, Oil Storage Tanks and the Berbera Airport, and the road between Wajaale and Berbera be further enhanced. At the time, bilateral agreement was expected to enhance the economy of both 2 sides and appointed technical committee was to make sure implementation and realization of the provisions of the signed agreement, but because of political uncertain of the region, agreement has not been so fruitful. It further explained in the agreement it was to expand Ethiopia's hydroelectricity to Somaliland regions, but politically, seems halted. Trends and patterns in security and trade, including the shifting political behaviors of political elites, pose significant challenges to regional trade and development. These trends and patterns range from a lack in political settlements to the regionalization of conflicts, the multiplication of armed groups as well as the proliferation of conflict at the local level, among others. Therefore, this analysis is presented several findings including factors and actors interacting to trigger contemporary challenges for regional security and trade, particularly to the Berbera corridor.

#### **4.1. Significance of Berbera Corridor**

DP World has already invested some of its pledged investment to expand the Berbera port, and the latest terminal opened on 24 June 2021 with capacity for 500,000 TEUs a year according to the DP World CEO. Reportedly, the Second phase expansion of terminal will increase capacity up to two million TEUs a year. Therefore, corridor is expected to transform Berbera into an integrated maritime, industrial and logistics hub in the Horn of Africa. Also, Considering the recent appointment of the UAE director of the United Arab Emirates Trade Office in Somaliland Mr. Abdullah Muhammad al-Naqbi on 17 March 2021 demonstrates the UAE's greater intervention and economic investment in the horn of Africa. Though, initially, it was revealed that UAE has

appointed an ambassador to Somaliland aimed at slackening relationships it has with Mogadishu could reflect significant security and trade changes in the term long term. UAE has several occasions demonstrated its intention to pledge further consolidation of the UAE's relations with Somaliland, while DP World from the begging launched plans to expand its flagship Berbera Port to become a controversial regional logistic hub while targeting Ethiopia's main market (Bosco, 2014).

However, The Federal Government of Somalia (FGS) is the main opponent for this important investment, and slogging to disconnect UAE's engagement with Somalia's autonomous state regions which further amplified by inter-regional divisions with great security and trade concerns when it comes to the Berbera corridor, but so far that does not stopped the construction of the port and its corridor which an especial to the regional cooperation and securing the Red Sea and Gulf of Aden maritime routes from terrorism and piracy.

Moreover, the competition to expand UAE's investments in the Horn of Africa, particularly in Berbera would strengthen the corridor ability to compete with Qatar's Hobyso seaport expanding construction project and the Turkish Albayrak Group's 14-year contract to manage Mogadishu port. Even though the prospective expansion of commercial footprint seems unlikely to have a transformative impact on geopolitical brewing in the Horn of Africa, nonetheless, Qatar would so happy to see UAE's failure to their regional rendezvous, because of FGS's pick poison to their interference. As Puntland has close relations with UAE and urged Abu Dhabi to maintain its security operations in Somalia since April 2018, Somali officials fear that the UAE could capitalize on Puntland's resistance to FGS to advance its interests against UAE, making security of the region, and related trade development even unpredictable (Santamarta-Perez, 2013). Furthermore, the DW World's expanded economic footprint in Somaliland, which could result from the Berbera corridor, is complemented by its prospective construction of Ethiopia side of the road linking Ethiopia to Berbera to make one of the major trade and logistics corridors of Ethiopia's international trade routes after they both signed a MoU. Other than that, it should be noted that the UAE's long-drawn-out influence in Somaliland (Berbera corridor) will sharpen its rivalries with Turkey and Qatar in the Horn of Africa and complement its residual network of Southern Transitional Council-aligned militias in southern Yemen which currently is their main target.

## **4.2. Import -Export-Led Strategy in the Region**

The corridor expansion as a part of Berbera port development is a major regional trade hub to serve the Horn of Africa countries as open of economic development in the regional trade to strive to become self-sufficient by developing their strategically located infrastructure commerce with ambition development of regional integration and security. Also, the Corridor is believed to be one of the major trade and logistics corridors that could unlock the relevant and huge economic benefits for Ethiopia first, and then rest of Horn of African countries. Countries have so many years been in the export-led growth strategy that dominated by what has come to be known as export-led growth promotion strategies for industrialized networking. Therefore, the corridor is expected to improve trade access that will potentially make Ethiopia as front runner in logistics operations, boosting the competitive advantage of delivering products to the world market and at same time improve export-led growth when the countries in the seeks economic development by engaging regional trade and build partnership with others. The corridor would create new jobs, attract new businesses and investment along with other regional logistics hubs, ports, as well as diversify and strengthen the region's access to international trade by having a direct, seamless and efficient link between Ethiopia and Berbera Port while an export-led development strategy can meet a relative success in the region, however, current conditions including national security interests have to also incorporated with the regional development needed (Stephen Cooke and Philip Watson, 2011).

Given the fact that the corridor mainly be an import/export promotion facility and improve domestic trade business, however, the new model can also become a platform for multinational corporate companies who may use the port but they must be given guidelines for setting up of low-cost logistical centers to provide cheap clearance and facilitations to the stakeholders. While the corridor may have to promote creation of new jobs as well as ease the transportation cost, transfer time, and buy in, but may the new model hurt the domestic automation process. However, we see security continue to be stable, Somaliland is much more effective to leverage its benefits for greater openness to regional and international trade with Gulf and Asian countries. Perhaps this is partly due to greater use of import tariffs, stricter capital controls, and its strategic skill in adopting foreign investment to build domestic high-tech infrastructure (Villarreal, 1990).

Nevertheless, more recently the threat from trade war between big countries have significance and active influence the Horn of Africa region that causes fragmentation of regional cooperation based on their strategic positions like Djibouti, because of China with its relations to rethink their importance. On the one hand, the corridor may face a possible disruption operationalization to some extent and a possible lack of commitments to security from the major regional players. On the other hand, relocating to some important activities in the corridor by shipping companies with a low wage cost is not ideal because it will halt its competitive advantage such as those in the other parties of Somalia and Djibouti, and that could necessitate a lack of technological capabilities and human skill sets that corridor would possess (O. A. Bakumenko, D. P. Malyshev, M. Yu. Makhotaeva, and M. A. Nikolaev, 2019).

### **4.3. Dynamic of the threat, danger, and urgency**

The most common writings of international security studies do not go this into lengthy and discuss their analytical drivers, philosophical, normative, and epistemological assumptions about the dynamic of threats, danger, and urgency when it comes to trade and economic development, but it is nevertheless important to have a good understanding for those issues that have great counterintuitive for national and regional cooperation interrelations on trade and security. Specific approaches to security always presume answers to these concerns, even if they are not explicit, they have contended. Because factors are set of crucial boundaries that not only for how security shape the trade and development but also for what kind of research projects and analyses could be carried out to give scope for the discussion. Nevertheless, the dominant concept of security in international relations has been the one of 'national' and 'international' and it has been the concept of realist strategic studies and it has been the concept that critically, widening perspectives to struggle with postmodern security issues. The above perception, however, I would like to say that security defines the state as the referent object in respect to the dynamic of the threats that connects to the trade, the use of force as the central concern (deterrence) against external threats (regional power) as the primary ones, the politics of security as engagement with radical dangers and the adoption of emergency measures, therefore requires to understand security through positivism sometimes link their philosophy on international political economy, as to rationalist epistemologies does (Voica, October 2010).

#### **4.4. Regional Scenarios on Trade**

Since that the corridor will serve as a center of trade with the aim to attract investment and create jobs, and will target a range of industries, including warehousing, logistics, traders, manufacturers, and other related sectors, however, the regionalization has been brought forward with major changes in the security aspects. The dimensions of regional politics and security mobility across the region has dramatically altered based on the disagreements, conflicts, mistrusts among the nation-states, and additional restrictions on such flows. Somaliland's point of view the regionalization has gradually frayed its level of economy and institutional building, particularly the security sector, as they were known in the post-Somalia civil war. At the same time, regionalization contributed progressive evolution of the corporate organizations, and business management towards for them being more flexible and contribute successful economic systems to respond more rigorously the increasing demands of regional markets. Even though the production level is minimal, however, standardized production of multiple locally produced products became progressively iterative fashion in favor of a more flexible demand change system, which can allow firms to endure uncertainties of regional changes (Jerard, October 2010).

More importantly, the Berbera corridor appears to be very relevant to the changes determined by the process of regionalization as a way for regional port to respond business needs and be competitive to a new economic atmosphere. The magnitude of this process could however encourage some commentators to conceive regionwide technological and socio-economic forces moving forward. The geographical locations seem to be precious of their characteristics and local actors fundamentally engage the existing capacity to shape this regional destiny. Improvements in communication infrastructure and technologies and the fall in transportation costs reduce the importance of physical distance from the origin to the end. Accordingly, economic development may virtually occur everywhere within but a role being played by local or spatial actors. Thus, converge incomes across the region and how the countries will use this opportunity would therefore be the ultimate result of regionalization. Yet, the nature of regional trade and security seems that is in sharp contrast with the theoretical insights and empirical thoughts produced by the body literature in the fields of institutional, economics, internal business studies, and economic layouts (Mohamed Chehabeddine, and Manuela Tvaronaviciene, 2020).

In the pursuit of regional security and public safety which would often become the focus of state policies implemented to some extent at the expense of human security and human rights needs, including in the fight against extremism and violence, illegal immigrants, and other issues that have potential ties with the insurgent group, also impacts the trade between the two sides. Hence, reviewing current security policies and escalating regional cooperation could be led improved supranational institutions to counter these different kind of threats in various settings, like a non-military threat to social and political stability, peace, individual and collective rights. However, on another aspect, the uncertainties often lead to a different interpretation in the prevailing irregularities among leaders, some of them non-state and non-conventional forces rather than military forces (Fredrik Soderbaum, and Bjorn Hettne, January 2010).

#### **4.5. Ethiopia on High Demand in Berbera Corridor**

##### **4.5.1. Background**

Ethiopia is the largest country in the Horn of Africa with reportedly a surface area of about sq-km 1.14 million. Since the independence of Eritrea in 1994, it became land-locked country with no access to the sea, therefore the Berebra corridor will be its gateway, fast and most efficient route for maritime cargo. Since it's the second most populated sub-Saharan African country after Nigeria, the corridor will be very important Ethiopian's economic growth that much influenced by the agriculture sector (45% of total GDP), but in recent times the region was facing harsh climatic conditions and high market price of import commodities. The country also, depends on its largely based on peasant farming which makes its commercial farming being insignificant. The food production is insufficient to feed the population and food aid is provided by donors in quantities that are varied, but hoping that Berbera corridor enables the country to import additional commodities, mainly dry food (Louis Berger, and Afro Consult P.l.c, September 2003).

##### **4.5.2. Berbera Corridor**

Yet, connecting Berbera corridor to regional trade, the ongoing project could ease some of the challenges of transporting variety kind of commodities and other commercial items opted by the designed infrastructure that would promote support the seaport located on the south coast of the Gulf of Aden, approximately 250 km east of Djibouti. Improving regional security could assist the

building Berbera Corridor to be more efficient and bound positive regional development to turnover trade links between Somaliland and Ethiopia (Warsame M. ahmed and Finn Stepputat, 2019).

Similarly, the corridor is expected to facilitate Somaliland business community to acknowledged available economic opportunities in the region along with new port modernization and, though smuggled goods may still cross the borders, but the growing understanding enables fair foreign trade environment that needs fashioned benefits from the Somaliland port and infrastructure link with Ethiopia which's the Berbera corridor, though perhaps it may happen only when all relevant regional arrangements are met. On the other hand, Ethiopia has made efforts to strengthen its trade affairs with its neighboring countries, particularly with Djibouti and Sudan, to secure a gateway to the sea. Likewise, joining the COMESA has been a great step it has taken to benefit from Free Trade Area, which has been significant political moves in the region which I believe would improve security cooperation strategies. However, the potential transport demand from Berbera Corridor could be divided into the regional trade between the Somali region of Ethiopia which is in the hinterland of the Berbera port, the other Ethiopia foreign trade with Somaliland, and the transit of the Ethiopia foreign trade with third countries, including food aid like the one for World Food Programme to South Sudan (DANDURAND1, 2014).

Furthermore, the project is worth US\$400m, and once complete with link Ethiopia's border town of Tog-wajale from Berbera Port through Hargeisa in Somaliland which is strategic to landlocked Ethiopia will likely be instrumental in facilitating import-export trade and enhance Ethiopia's economy. Because, already estimated that Somaliland imports to Ethiopia are worth over US\$800m annually, and therefore, this corridor will also add an extra advantage to the income generation for both sides.

However, with regards to the port developments, most things would focus on outside-the-box and security situations such as the conflict in the northern part of Ethiopia, the southern part of Somalia, and in Yemen that further triggers the engagement of external states. In sagacity, Ethiopia and the UAE were previously solely appearing anomalous given the assortment of regional and international actors operating in Somalia (Berbera Corridor), while actors such as Turkey, the UK,

US, Qatar, Italy, and Kenya, among others, are clustered in Mogadishu where their strategic interests are informed by the political, economic and security dynamics in that theatre, but their military shifting relationships in the horn of Africa won't be all-too-common.

#### **4.5.3. Agreement Between DP World and Ethiopia on Berbera Corridor**

(Nair, 2021) reported that Dubai-based ports operator DP World and Ethiopia's Ministry of Transport signed an agreement to develop the road linking Ethiopia to Berbera in Somaliland into a trade and logistics corridor. DP World and its partners said both sides planned to invest up to \$1 billion over the next 10 years to develop supply chain infrastructure along the corridor. This will include dry ports, silos, warehouses, container yards, cool and cold chain depots, freight forwarding, and clearing activities. Despite security development, It will create new jobs, attract new businesses and investment along the corridor, as well as diversify and strengthen the country's access to international trade by having a direct, seamless, and efficient link between Ethiopia and Berbera Port. Also, it seems that DP World is willing to offer export services from the origin in Ethiopia to Berbera Port. It would also look like providing import services from the port of loading to the delivery of shipments which may significantly contribute to the regional trade development security aspects. Because, now, Ethiopia seems to diversify its port access facilities and services to improve its trade corridor access routes, utilizing the Berbera corridor which is the potential to make Ethiopia a front-runner in logistics operations, boosting the competitive advantage of delivering products to the regional market.

#### **4.5.4. UK Contribution to Berbera Corridor**

The UK and Somaliland on 4<sup>th</sup> May 2021, jointly launched 22 kilometres of Hargeisa by-pass which is reportedly part of the 240 km Berbera Corridor that is set to boost trade between the break-away region and Ethiopia in addition to foster corridor to become a key trade pivot in the region. President Muse Bihi and UK ambassador to Somalia Kate Foster flagged off the 22.5 km road construction project which that's going to be expected to ultimately link the Berbera Port to Ethiopia terminating at the border town of Tog-wajele border town. According to a statement from the British embassy in Mogadishu, the "UK-supported road bypass will reduce the time and cost of transporting goods between Berbera Port and landlocked Ethiopia by addressing a strategic

checkpoint on the Berbera corridor” said. President Bihi lauded the UK support in the construction of the road noting it would be instrumental in ‘boosting the economy, service delivery as well as create employment.’ On her part, ambassador Foster said, I quote “the completion of the road will play a great role in building the region’s economy and bolster humanitarian response. Once this 240 km project in coordination with our Abu Dhabi and European partners is completed late next year, it will improve the lives of hundreds of thousands of people by creating jobs, unlocking the region’s economic potential, and ease the delivery of humanitarian supplies,” Foster said. The corridor is already facilitating the delivery of much-needed humanitarian assistance to vulnerable communities in the wider region. The World Food Programme uses Berbera to bring 65% of its food aid into Ethiopia. According to a past visibility study by the EU, the Berbera Corridor Infrastructure project covers a distance of 937 km running from the port city of Berbera to Addis Ababa. The road that will connect Berbera Port to Wajaale on Ethiopia’s border, funded by the Abu Dhabi Fund for Development and the UK’s Department for International Development, is expected to be completed by the end of 2021 if otherwise, no other circumstances come around to halt the infrastructure development (Somaliland Television).

#### **4.6. China - Russia Interests to the Corridor**

The new regional development is seemed fascinated by the emergence of China and resurgence of Russia in the Horn of Africa, aimed Berbera port development by DP World and the possible growing involvement of great and regional powers could constitute conflicts, and the project may become under intense pressure on security with the intention of Berbera corridor. Challenges with changing of geopolitics and reliant on old-fashioned forms of intervention may have to cause that multilateral institutions mandated to prevent, mitigate and resolve conflicts to struggle to manage a widespread growing insecurity and requires building effective partnerships with local actors to advance peace and minimize tragedies from regional crises of both legitimacy and funding for security and trade development schemes. Following institutions including the IGAD/CEWS, African Union, and the International organizations for Migration need to recognize the position Berbera as a direct, fast, and efficient trade route need to adapt new regional management regional strategies toward Berbera corridor. Because, practically, the region is a conflict-affected region

and communities remain an open question, particularly absent broader changes in member state practices for security and trade (Vayez, 2020).

#### **4.7. Competition on Ports and Logistics Services in The Region.**

The competition to provide port and logistical services for landlocked Ethiopia has been heating up between the countries in the region. Particularly, Djibouti's port has been the main transit point for imports to and exports from Ethiopia, but recently the government in Addis Ababa seems to look diversifying its options to use the regional ports. So, the Berbera corridor which's in Somaliland, an unrecognized breakaway region of Somalia, has entered into a long-term contract with DP World, UAE privately owned company to invest in Berbera port, where a major expansion was expected to be inaugurated in March of 2022, though it has delayed. This has been one of the keys contested between Djibouti and Somaliland after when the world's third-largest port operator has agreed to manage and expand the port at Berbera from Dorale in Djibouti. Also, this has been viable to import-export option for Ethiopia, however, it seems that Berbera will need infrastructure links. The road is expected to compete with the Chinese-built Addis Ababa to Djibouti rail line, because, Somaliland is trying to increase foreign investment through additional infrastructure projects such as the Berbera Free Trade Zone and international airport (Ivudria, 2020).

However, all is depending on the hot elections season, with Somalia, Somaliland, and Ethiopia after they head for the polls, but Ethiopia's intention to build military bases in the Red Sea further fuels the tensions with Egypt over the controversial dam Addis Ababa is building on the Blue Nile. Both Somalia's President Mohammed Farmaajo and Ethiopia's Abiy are currently engaged in political maneuvers at home, and the Somalia-Somaliland talks may no longer be on their main to do lists. More drastically, with the completion of the Berbera Port and the construction of the road between Berbera-Wajaale which is financed by the United Arab Emirates and the United Kingdom, Djibouti's share of Ethiopian cargo may have to reduce significantly according to the 2016 Port Utilization Agreement between Somaliland and Ethiopia, in which Somaliland can handle 30 percent of Ethiopia's cargo from Berbera (Sead Alihodžić, Erik Asplund, Granville Abrahams, Irena Hadžiabdić, Karine Morin, Kevin Kitson, Manuel Guillermo Carrillo Poblano, Nicholas Matatu, Salvador Hernández Cuevas, and S. Y. Quraishi, 2016).

Subsequently, it has been usual driven top-down planning and project initiation approach agreed by Somaliland authorities and DP World for optimal that Berbera seaport goes to be a large modernized port that's critical to regional economy, but that may have not been the case, because interface from other stakeholder in wider regional may not be collaboratively established as required as port management sometimes be problematic and service providers or customers can struggle to develop their businesses due to the limits of resources, capacities, and network/linkages, and as above mentioned, the competitiveness of the port may have not been widely assessed/studied as changes in and around fundamental differences in the region could often be disruptive. Freaks unusually may lead to challenges and threats in the future development of the port, because of growing importance of geographical location, networks, international supply chain, logistics, the share of regional transportation, and collaboration between wider enterprises using the corridor. At this point, we cannot neglect to mention the importance of cooperation, and partnerships building between the port itself and its users from a national and regional level. Also, to avoid, serious rearward, having a strategic implication that engages the regional market to collaborate with the competitors as a win-win strategy be maneuvers, rather than a win-lose, and one would help to provide complementary rather than competing services (Wahyuni, 2018).

#### **4.8. Security Implications in Berbera Corridor**

IR theory has long been interested in the interactions between economics, security, and trade as well as interstate conflict and cooperation when it comes to strategic location into a major trade hub in the region. So, this study discusses inter-relations between security and trade, particularly in the Horn of Africa, where particularly focuses on the Berbera corridor, DP World, and Somaliland trade agreements that may have national security implications in the eyes of the local population, the prospective trading partners, and the effect of new trade ties on the global influence to the home country. In this case, it must be understood that the prospect of increased trade ties and mutual economic gains always link with increased security intentions that threatens the development and expectations of future trends (Lucia Retter, Erik J. Frinking, Stijn Hoorens, Alice Lynch, Fook Nederveen, William D. Phillips, 2020). Contributing directly building to military capacity by this investment, and gains from trade would be a challenge to rise economic

dependencies by the relevant governments in the region and exercise power over the trading partners. But, another point is that not all trade agreements inevitably enhance a state's capacity over the other. However, the Berbera case seems its promoting new dynamic motivated by political influence to maintain the status quo or to diminish the country's political impact. Since that accepting economic losses in exchange of greater security issues offers by closer ties with military allies to increased influence in the region (Ellis, June 2005).

To summarize, Somaliland is the remaining beneficiary of the corridor and at same time will develop its regional power, Red Sea, and the Gulf of Aden. The above opinion demonstrates that growing interests from regional powers through the strategic waterway, Berbera corridor becomes an economic and security hinges. Being parallel to its opponent port in Yemen, the United Arab Emirates crossed in the Gulf of Aden and landed in the historic port city of Berbera to establish a military base, though allegedly later it was fell through. Despite the ban from the Somali federal government, the Dubai-controlled DP World signed a 30-years concession with Somaliland authorities to invest expansion of the port and to manage reiterates how the port be an important infrastructure in the region.

Accordingly, in March 2021, Abu Dhabi appointed a career diplomat to its trade office in Hargeisa, that signaled its desire to maintain strong relations with Somaliland government, but what will Somaliland in turn remains unclear. However, from Djibouti to Addis Ababa railway, developed free trade zone, and the Chinese built Doraleh Multipurpose Port that was opened in 2017 remains a major competitor to Berbera corridor. But, on the other hand, key to diversify commercial routes by investing in Berbera port is pivotal in Ethiopia. Therefore, Somaliland must show smartness to exploiting regional and international opportunities to advance its position in the region. Also, for security point of view, this demonstrate aptness as a geopolitical partner to the US. Though, all can become more complicated due unfavorable relations between allies since the UAE and Ethiopia enjoy strong partnerships with China, even though on 23 May 2021, The Abu Dhabi based Asharq newspaper reported that the UAE had officially informed Sudan the withdrawal of its initiative to resolve the border dispute between Sudan and Ethiopia.

While Ethiopia may have to continue its competition of influence in Somaliland with its most bitter enemy, but Egypt, while maintaining strong ties with Djibouti and Somalia at the same time, again

could flare up a further tension. The border issue between Somaliland and Puntland also cannot be ignored since they have a long clash over the areas in Sanaag and Sool regions, while recent uptick of violence shows that the situation continues to deteriorate persistently. The new developments in Berbera corridor could also be risky and deepening the polarization between the U.S and China competition and intensifying hostilities between regional actors in the Horn of Africa.

## **CHAPTER FIVE**

### **Conclusion and Recommendation:**

#### **5.1. Conclusion**

Berbera represents a friendly land corridor across the region and to the pliant state of Ethiopian markets. Even if it is difficult to set priorities between recommendations of very different nature such as improvement of infrastructures and development of the institutional framework required to operate efficiently, the study believes that in the case of the Berbera Corridor, priority should be given to the institutional security to assist facilitation smooth trade. The Berbera Corridor expected to function as a large logistical transit route of multiple commodities if the border crossing between Somaliland and Ethiopia is properly maintained and controlled where the transport system does efficiently compete with the other corridors in the region which provide Ethiopia the access to a deep-sea port, for example, Djibouti.

No infrastructure improvement presently prevents overcoming basic obstacles, including smooth traffic from both sides. Conversely, strengthening the Somaliland Customs Department and the improvement of an efficient Berbera port operation would be the key conditions to achieve the essential objectives of the port agreement. Reforming the relevant institutions will be the key to changes and to open different perspectives for longer achievement, especially when generating variety to tasks in the port by two countries, than infrastructure improvement projects be achieved.

As far as infrastructure improvement is concerned, the paper considers that the improvement of the corridor road sections, both in Ethiopia and in Somaliland should be given the highest priority. The present and foreseeable traffic levels would make them economically viable as detailed information presented in the paper suggested. The paper also generates knowledge to inform theory and approaches that shape the logic understanding the interactions between different factors and actors that expound how state security and trade link together also contribute to sustainable development.

Also, after the completed the project development, it believed that Somaliland would actively cooperate with the regional states on a wide range of issues. It especially important for Somaliland to share the democratic experience in the regional integration. Further, the Berbera corridor is expected to support Somaliland's aspiration to integrate into the regional body and its infrastructure development could be instrumental for the harmonization of some institutions, as well as reform of the defense sector and other spheres of public policy. Moreover, Somaliland considers this investment very important to deepen its political and economic cooperation with the states in the region and actively participate in regional trade and logistics which could great significant employment opportunities and increase domestic revenues. Predominantly, it seems that a great deal of attention to give the development of a close relationship with Ethiopia and Kenya where the main goal is the cooperation with these countries to promote the free flow and exchange of resources, goods, services, and information between the relevant institutions.

## **5.2. Recommendations**

- Expanding the anticipated Berbera corridor should aim to enable necessary economic conditions, facilitate Somaliland's development, and strengthening its security interests in the Horn of Africa region. The corridor must simply private sector development and job creation through such direct investment and implementation of elements in the agreements of Berbera Corridor aimed at reducing social and economic disparities between the capital city and the regions that should provide further opportunities.
- Development of roads should reasonably ease the traffic growth in the long-term period should further be designed for implementation in a logically phased manner, subject to periodic review to avoid casual change.
- It should be understood the port modernization manifests new changes including the security of the port and trade links, and to determine this success, high priorities shall be given to clear strategies including deterrence of the internal and external threats. Consideration must be made to the widening of the existing road to internationally acceptable standards to reduce hazardous issues and minimize the number of road traffic accidents.

- In terms of the physical infrastructure of the port and its future evolution, I strongly recommend that a Physical Port Master Plan be established as the base in the context against which any proposed changes in layout, facilities, operations, etc, shall be tested in the safety and security point of view.
- It must also be understanding threats to the port development are not only in today to day civilian life, but to a multitude of other referent objects, including the peaceful outcome of several regional conflicts, the stability of the Middle East, the survival of the neoliberal political and economic order in the region, and therefore, regularly security risk analysis and trade review shall be made to ensure that the appropriate mitigation measures are in place.
- Improve the ability of the local police and traffic to shape the peacefulness of the project development and regional alignment. We shall recognize the local conflict drivers that fundamentally preserve the unconventional nature of the conflict may impact the local, national, and regional levels.
- Traditional security policy like military hardship may no longer be appropriate for this kind of port modernization, and therefore, because the latest development of extremism ideology is based on a presumed sense of grievance that can motivate people to divide against each other, hence strong united and committed values are important the support of the local population for them participate themselves in the security of the state and protection of interests.
- The existential security threat in the region seemed to be irreducibly a religious dimension, though some are resource-based, we should not be exclusively termed as religious, because it would only fuel the arguments between political elites and threat actors sought to foster a clash of civilizations among the local community and may later spread wider in the region which will impact economy and trade among the states. Since the HoA is fragile, I recommend enhancing the state defense by strengthening its internal weakness, reinforcing

mechanisms of civilian defense, cooperating with the regional community to promote peace and security, and developing crisis management mechanisms.

- Since, Somaliland is historically been a geographic, political, and cultural part of HoA, the current direct investment should facilitate its integration into regional political, economic, and security system which's is a firm will for the people, and will significantly reinforce its internal security system that represents a top priority for the state. Somaliland has already conducted several IP1V elections that have contributed to strengthening its democratic values which's the indication that Somaliland is in a secure and stable environment and that needs to be maintained, while at some time sharing with its collective security responsibility, and work with the regional community in bilateral and multilateral formats.
- Furthermore, it's necessary to enhance the effectiveness of the Berbera Port Authority via comprehensive reform of its structures. Also, it's recommended that the Somaliland government should firmly support the elimination of social inequality and poverty while providing equal employment opportunities in the government institutions so that it can retain highly qualified professional human resources who can be part of the ongoing development and in the improvement of the effects of natural and ecological disasters results by the climate changes.
- While we are in a very fragile region, Somaliland needs to acknowledge the growing regional terrorism and its new forms of threats, government should develop its capabilities in fighting terrorism, including strengthening special police units in the armed forces and other law enforcement agencies as part of its counter insurgency. strengthening the border protection and cooperating closely with neighboring countries in anti-terrorist activities, and avoiding transit functions by regional terrorists of its territory.

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**Annexes:**

Annex A



Media Release

**DP WORLD WINS 30-YEAR CONCESSION FOR PORT OF BERBERA IN  
SOMALILAND**

Multi-purpose facility to serve as an additional hub in the Horn of Africa

**\$442 million investment over three phases**

**Dubai, United Arab Emirates, 5 September 2016:** DP World has won a 30-year concession with an automatic 10-year extension for the management and development of a multi-purpose port project at Berbera, Republic of Somaliland. The Port of Berbera opens a new point of access to the Red Sea and will complement DP World's existing port at Djibouti in the Horn of Africa.

DP World will set up a joint venture with 65% control together with the government of Somaliland to manage and invest in the Port of Berbera. The investment of up to \$442 million will include a first phase of a 400 metre quay and 250,000 square metre yard extension, and gantry cranes and reach stackers to handle containers and cargo. Construction of the quay extension is expected to start 12 months after the satisfaction of the terms and conditions of the agreement and will take 24 months to complete.

Total investment of up to \$442 million will be phased over time and be dependent on port volumes, and will create a regional trading hub along with the scope for a free zone. The project will focus on containers with the capability to handle other types of cargo and will be implemented with the government of Somaliland.

**Sultan Ahmed Bin Sulayem, Group Chairman and CEO, DP World, said:**

“We are delighted to extend our African footprint with a major investment in Somaliland. Investment in this natural deep-water port will attract more shipping lines to East Africa and its modernisation will act as a catalyst for the growth of the country and the region’s economy.

“Berbera will contribute to our continued growth in the developing markets of Africa in the years ahead. It is also a breakthrough in developing access to the sea for landlocked Ethiopia, the region’s largest economy. We look forward to bringing DP World’s world class productivity- enhancing, security, safety and environmental best practices in container terminal development and operation to Somaliland.”

**Dr Saad Ali Shire, Minister of Foreign Affairs and International Cooperation, Republic of Somaliland, said:**

“We are excited to partner with DP World on this landmark project. DP World Port of Berbera will offer East African importers and exporters a unique, additional world class deep-water port that will dramatically improve the competitiveness of their products in world markets and has the potential to transform the region’s economy.”

Port of Berbera will complement DP World’s network in East Africa by creating a new deep- water gateway for Somaliland’s and East Africa’s global trade with a range of benefits that include:

- World class deep sea port infrastructure and services at the Port of Berbera, Somaliland which currently has no shore cranes.
- Long-term expansion potential with a concession area of 4.25 square kilometres and over 11 square kilometres of additional available land for a potential free zone.

-ENDS-

## Annex B



## Somaliland Mission - USA



**Immediate Release**  
**March 13, 2018**

**PRESS RELEASE**

Somaliland government signed an investment agreement with UAE and Ethiopian governments; DP World represented the UAE government in this agreement. The agreement created new company that manages Berbera Port; the ownership shares of the company has been allocated with DP World taking 51% ownership of the company, Somaliland will own 30% of the shares, and Ethiopia will own 19% of the shares.

This agreement calls for infrastructure investment of \$442 million dollars to upgrade the existing Berbera Port and to build a new adjacent Container Port. It includes millions of dollars more to build a new road from Berbera to the Ethiopian border town of Wajale. The expanded Berbera port and the new road will provide Ethiopian government and Ethiopian business community to have increased capacity to import and export merchandize to support continues growth of the Ethiopian economy. The agreement will also create significant economic activity and employment in Somaliland.

This level of investment is very good in any country particularly in the Horn of Africa; Somalia claimed to reject the agreement and prohibited DP World from operating in Somalia. It is motivated by bigger political agenda that goes through Doha. The world knows by now that Somalia has no control over Somaliland, its leaders cannot even go to Somaliland, and that Somaliland is a sovereign nation, even if it is not recognized yet. Somaliland has and will continue to establish good relations with its neighbors; and Somalia should respect Somaliland's internal affairs.

Contact:  
Yassin Mire  
Somaliland Mission  
Phone: 703-370-1423  
Email: [mission@somaliland.us](mailto:mission@somaliland.us)

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6019 Tower CT, Alexandria, VA 22304 | Off. 703-370-1423 | Fax 703-212-4870 | Em. [mission@somaliland.us](mailto:mission@somaliland.us)