



Policy Framework on the nexus between Informal Cross-Border Trade & Cross-Border Security Governance

Enhancing Cross-Border Cooperation and Cross-Border Economic Exchanges in the IGAD Region

June 2018

Table of Contents

Glossary of Acronyms and Abbreviations	3
Executive Summary	4
I. Introduction	8
A. Background	8
B. Scope	13
C. Justification	14
D. Objectives of the Policy Framework	15
II. CBSG–ICBT Nexus in the IGAD Borderlands: Socio-Economic and Sociopolitical Dimensions	17
A. The Borderlands in the IGAD Region	17
1. Socioeconomic Context of Borderlands in the IGAD Region	17
2. Peace and Security Dynamics in IGAD Borderlands	19
B. ICBT in the IGAD Borderlands	21
1. Factors that Explain ICBT in the IGAD Region	21
2. Typology of ICBT Flows in the IGAD Region	22
3. Volume of ICBT	23
4. Profile of Informal Cross-Border Traders in the IGAD Region	25
C. ICBT–CBSG Nexus in the IGAD Region	28
III. Complementary Policy and Regulatory Frameworks on the ICBT–CBSG Nexus	32
A. Policy and Regulatory Frameworks on the Economic Development, Peace and Stability of Borders and Borderlands	32
1. Continental	32
2. Regional (IGAD Level)	35
B. Policy and Regulatory Frameworks on ICBT	37
2. Bilateral Agreements	39
3. National Policy Frameworks	40
IV. Policy Objectives and Strategies	41
A. Policy Objectives and Recommended Strategies	42
B. Policy Recommendations to IGAD	50
V. Implementation Mechanisms	51
A. Institutional Arrangements	51
1. Policy Framework Implementation Coordination and Reporting	51
2. Participating institutions, Roles and Responsibilities	52
B. Monitoring and Evaluation	55
VI. Conclusion	56

Glossary of Acronyms and Abbreviations

CBSG	Cross-border security governance
CEWARN	Conflict Early Warning and Response Mechanism
COMESA	Common Market for Eastern and Southern Africa
EAC	East African Community
ICBT	Informal Cross-Border Trade
IGAD	Intergovernmental Authority on Development

Executive Summary

The Member States of the Intergovernmental Authority on Development (IGAD) region share borders that extend 8,382 km, while the external borders of the IGAD region (with non-IGAD States) extend to 6,910 km.¹ Borders and borderlands in the IGAD region are inhabited by millions of people who pursue a range of economic pursuits, including pastoralism, agro-pastoralism, agriculture and trade. Borderlands in the Horn of Africa are situated in arid and semi-arid lands inhabited by communities vulnerable to climate change shocks and processes such as desertification, deteriorating rangelands, drought and famine. The borderlands have been affected by political and socioeconomic challenges that have exacerbated their economic and sociopolitical marginalization. In the IGAD region, borderland areas exhibit some of the lowest human development indicators in terms of access to basic social amenities. Issues such as interstate and intrastate conflicts and tensions, human trafficking and smuggling, and trafficking in small arms and light weapons afflict borderlands and further threaten the human security of communities.

Borderland communities in the IGAD region maintain transboundary socioeconomic and cultural ties. The exchanges and interactions between communities along borders play a critical role in the stability and reproduction of the livelihoods of borderland communities. Borders and borderlands in the IGAD region are also loci of bilateral intergovernmental cooperation and collaboration. Over the past decade, the borderlands have witnessed a

¹ International Boundaries Research Unit, 'International Boundary Demarcation in the IGAD Region: A review of existing practice and thoughts on future developments', unpublished report, April 2008.

deepening and expansion of economic and developmental cooperation between IGAD Member States, especially in spheres of infrastructure development and joint energy projects, such as the Lamu Port–South Sudan–Ethiopia Transport Corridor.

IGAD has long recognized the centrality of the borderlands to the stability of the Horn of Africa region. Several IGAD agencies have a remit of activity focused on borderlands and borderland issues. Agencies such as the IGAD Drought Disaster Resilience Sustainability Initiative, the Conflict Early Warning and Response Mechanism (IGAD-CEWARN) and the IGAD Centre for Pastoral Areas and Livestock Development showcase the importance IGAD attaches to borderlands and borderland issues. The IGAD Drought Disaster Resilience Sustainability Initiative, with an emphasis on strengthening and expanding the resilience of borderland communities, especially those in arid and semi-arid lands, reflects the human security lens through which IGAD seeks to respond to borderland issues.

The policy framework and its recommendations are the outcome of a long deliberative and consultative process involving borderland communities, the IGAD Secretariat and its various agencies, IGAD Member States, civil society and academia. It is based on more than 25 different research outputs, all aimed at providing solid evidence for how to best leverage cross-border trade for greater human and State security dividends in the region. The process of harvesting knowledge across countries, sectoral expertise, type of stakeholder and deliberating extensively on the way forward by all concerned actors in an inclusive fashion sought to create a space that would facilitate the involvement of multiple stakeholders to participate in and be consulted on the identification of regional policy options.

Informal cross-border trade (ICBT) in the Horn of Africa has an immense impact on the livelihoods and resilience of borderland communities. Paradoxically, ICBT policies in the

region reflect a degree of complexity because policies at the national, bilateral and multilateral levels do not converge. IGAD Member State governments have made significant strides in advancing cross-border security governance (CBSG), especially in the form of bilateral agreements and mechanisms. CBSG initiatives in the Horn of Africa, however, have not achieved equivalent levels of progress in terms of encompassing relevant non-State stakeholders and, more fundamentally, becoming transformed into regularized patterns of cooperation and creating long-standing platforms for consultation and deliberation on borderland issues.

The policy framework seeks to leverage policy shifts on ICBT to improve CBSG in the IGAD region. In doing so, it recognizes the contributions of ICBT to the livelihoods and resilience of borderland communities and by extension to human security. The policy framework also emphasizes the inseparability of human security and State security concerns. Sections III and IV in the policy framework document and describe the linkages between the sources of instability and insecurity in the borderlands of the IGAD region, on the one hand, and the key socioeconomic challenges facing borderland communities, on the other. Section V of the policy framework situates the policy options and recommendations contained therein in relation to continental (African Union) and regional (IGAD) policy frameworks, with specific relevance to borderlands.

The policy framework aims to seize the opportunities being created and, through appropriate policy instruments, advances the various ways in which ICBT can be utilized by IGAD Member States (at national and multilateral levels) to meet the immediate livelihood and security needs of borderland communities. In terms of its overarching goal of advancing cross-border collaboration in the IGAD region to enhance the livelihoods and security of borderland

communities, the policy framework puts forward a range of policy objectives and recommendations.

The policy objectives and recommendations in section IV of this report address a range of concerns. There are five policy objectives. The first seeks to achieve a common understanding of and attitudinal shift regarding ICBT. The strategies to achieve this include the standardization of IGAD Member State definitions of ICBT and the mainstreaming of ICBT concerns into economic development plans and strategies. The second policy objective centres on policy convergence and harmonization of policies on cross-border trade, including ICBT. The strategies to achieve this include the reduction of tariff and non-tariff barriers to trade, establishment of more border crossing points, the adoption of a modified Simplified Trade Regime for the IGAD region and the like. The third objective seeks to improve peace and security across the borderlands. The strategies outlined include the establishment of more border crossing points, strengthening conflict early warning units, and the adoption and institutionalization of an integrated border management strategy by governments. The fourth objective addresses the inclusion of borderland communities in decisions affecting their lives. The strategies emphasize the inclusion of a representative range of community voices and interests in policy consultations. The fifth objective focuses on the importance of timely and reliable data on borderland economic exchanges. The strategies under the fifth policy objective stress the importance of devising methodologies to derive reliable evidence and analysis of ICBT flows as an aid to informed policymaking.

I. Introduction

A. Background

This policy framework seeks to leverage policy and regulatory shifts in informal cross-border trade (ICBT) as a viable means to transform the lives of millions of people living in the borderlands of the IGAD region, and also to promote peace and stability in the borderlands. It contributes to the long-standing quest pursued by IGAD for putting in place an instrument that can enhance the integration of the Horn of Africa and simultaneously reduce the incidence of cross-border instability and conflict.

Borderlands in the IGAD region are largely characterized by insecurity and instability. A variety of non-State actors—for example, transnational criminal networks engaged in human smuggling and trafficking, actors trafficking small arms and light weapons, and insurgent and extremist movements—exploit the borderlands to challenge State authority. These non-State actors exploit porous borders and weak State control over borders for their activities and existence. Inter and intracommunity conflicts are also rife in the borderlands. Such conflicts are driven by competition over resources, inter or intracommunity tensions and political competition. Community level conflicts are exacerbated by the livelihood and environmental crises in borderlands and a weak State presence.

The conflict and security issues in the borderlands are also rendered more complex by the historically distant relations between the centre and the borderlands. The multifaceted political marginalization of the borderlands and their communities allows transnational criminal networks and insurgent movements to exploit grievances that may exist in borderland communities. The socioeconomic marginalization of borderland communities

exemplified by the limited access to basic socioeconomic amenities (access to health care, education and clean drinking water) also plays a role in exacerbating the livelihood challenges facing borderland communities and the tenuous relations between the centre and borderlands across the Horn of Africa.

The policy framework is framed around three key concepts: 1) human security; 2) ICBT; and 3) cross-border security governance (CBSG). While widely used, these concepts are also contested. The principles, policy objectives and options stipulated in the policy framework are premised, first and foremost, on a human security perspective. There are varying interpretations of human security. For the purposes of the policy framework, the definition of human security utilized is based on the *Human Development Report 1994*, which defines human security as “freedom from fear and freedom from want”.² It also specifies the seven categories or dimensions of human security: Economic security; food security; health security; environmental security; personal security; community security; and political security.

There is a lack of consensus on the definition of ICBT. Definitions of ICBT can be expansive or narrow. Some definitions include trade in illicit goods and trade by large-scale firms that fall outside trading regulations and evade taxes. Narrower definitions of ICBT limit this concept to trade across borders that is small scale in nature and involving only legitimately traded goods. The definition utilized in this policy framework defines ICBT as: The small-scale cross-border trade of legitimate subsistence goods and services, which intentionally or

² United Nations Development Programme, *Human Development Report 1994*, New York: Oxford University Press, 1994, P. 24;

http://hdr.undp.org/sites/default/files/reports/255/hdr_1994_en_complete_nostats.pdf.

unintentionally evades taxation and other procedures set by governments, and often goes unrecorded in official national statistics.

The policy framework defines CBSG as cross-border multilateral or bilateral cooperation, coordination and collaboration among States, civil society and/or borderland communities to address threats and harness opportunities along their borders toward commonly shared peace, integration and prosperity.

In the Horn of Africa, similar to the rest of Africa, informal economic activities constitute an important component of the economy.³ ICBT is a critical component of the informal economy. As such, it is difficult to get an accurate estimate of the extent of ICBT in the Horn of Africa. While the phenomenon has been widely studied, the bulk of this body of work consists of one-off studies or snap-shot surveys of specific borders or borderlands, rather than systematic attempts to monitor and understand ICBT in the entire region.

It has become clear, however, that ICBT flows in the IGAD region are of immense significance. For instance, a 2007 monitoring survey estimates that ICBT exports from Uganda to five neighbouring countries (Democratic Republic of Congo, South Sudan, Kenya, Tanzania and Rwanda) amounted to \$231.7 million, which is equivalent to 86 per cent of Uganda's official

³ Some studies estimate that the informal economy represents approximately 43 per cent of official GDP. For example, see: United Nations. Economic Commission for Africa (2013-01). Report on the magnitude of and tools for measuring informal cross border trade in Africa's regional economic communities. UN. ECA committee on Trade, Regional Cooperation and Integration (8th Session:2013, Feb. 06-08: Addis Ababa, Ethiopia). Addis Ababa. © UN. ECA. <http://hdl.handle.net/10855/22135>. Pg. 1.

exports to these countries in the same period of time.⁴ In the Horn of Africa, ICBT flows encompass a wide range of goods (both agricultural and manufactured), with several studies attesting to the fact that the bulk of goods in ICBT are subsistence goods (staple food commodities) and low-priced manufactured goods (textiles and electronic appliances).⁵ ICBT in the Horn region is mostly carried out by small-scale individual traders who trade or transport small consignments of goods.

Many studies attest to the immense contribution ICBT makes to the livelihoods of borderland communities in the Horn of Africa.⁶ ICBT encourages entrepreneurial activity, is an important source of food security for communities in arid and semi-arid lands, provides employment, and constitutes an important source of capital and savings for communities and individuals with vulnerable livelihoods. ICBT also has critical gender dimensions and implications as it

⁴ Uganda Bureau of Statistics and Bank of Uganda, 'The Informal Cross Border Trade Survey 2006', Kampala: Uganda Bureau of Statistics and Bank of Uganda, 2007, Pgs. 20-24.

⁵ See for instance: Jean-Guy K. & Ajumbo, Gerald, "Informal Cross Border Trade in Africa: Implications and Policy Recommendations", Africa Economic Brief, 2012, Vol. 3: 10, Africa Development Bank, Pg. 3; Reuss, Jane, "Informal Cross Border Trade," Knowledge Harvest Studies, 2015, Pg. 5.

⁶ Sara Pavanello, "Working across borders: Harnessing the potential of cross-border activities to improve livelihood security in the Horn of Africa drylands", Humanitarian Policy Brief 41, 2010, Pgs. 2-3; Abdiwasa Abdilahi, "The Relationship between Informal Cross-Border Trade and Cross-Border Security Governance: The Case of Tog Wajale Borderland Area", Knowledge Harvest Studies, Pgs. 6-10.

provides an avenue for women's entrepreneurial activity and economic empowerment.⁷ A substantial proportion of ICBT traders in the IGAD region are women, and ICBT is a critical source of income and savings for women and women-headed households. ICBT also constitutes a critical basis for regional integration in the African context. ICBT is a form of intra-African trade that has yet to fulfil its potential. For example, one study estimates that trade between African countries (those with a contiguous land border) is only approximately 1–5 per cent of world trade.⁸ In this context, ICBT emerges as an organic and community-driven process that is facilitating and pushing regional economic integration. ICBT often reflects long-standing relationships and indigenous patterns of socioeconomic interdependence that predate colonial and postcolonial State boundaries.

The Collaborative Policy Analysis and Engagement Pilot, which shepherded this initiative together with IGAD, is a joint initiative between four entities: IGAD-CEWARN, InterAfrica Group, the Organization for Social Science Research in Eastern and Southern Africa and the

⁷ See for instance; Margaret Niger-Thomas, "Women and the Arts of Smuggling", *African Studies Review* 44, no.2 (2001); Patience Mutopo, "Women trading in food across the Zimbabwe—South Africa border: experiences and strategies", *Gender and Development* 18, no. 3 (2010): 467-470; Rita Nakanjako, "Unravelling the nexus between Informal Cross border trade and Cross border security governance: The case of Busia, Uganda –Kenya border", Knowledge Harvest Studies, Pgs. 19-22.

⁸ David Hummels, "Benefiting from Globalisation: Transport Sector Contribution and Policy Challenges, Topic I, Global Trends in Trade and Transportation", cited in Lesser, Caroline & Evdokia Moisé-Leeman, *Informal Cross-Border Trade and Trade Facilitation Reform in Sub-Saharan Africa*, Final Report, OECD Trade Policy Working Paper No. 862009. Pg. 29.

Life & Peace Institute Horn of Africa Regional Programme. The Collaborative Policy Analysis and Engagement Pilot sought to identify regional policy dilemmas and develop policy options in response to these dilemmas. The identification of a policy dilemma required the commissioning of a scoping study and extensive consultations, after which the four-member group identified the ICBT–CBSG nexus as a critical policy dilemma in the IGAD region. To explore and understand the complex ramifications of the ICBT–CBSG nexus, a range of additional studies were commissioned and extensive consultations were held with a range of stakeholders (government officials, academia, civil society organizations and representatives from borderland communities). The policy framework document is an outcome of this process. It recognizes the immense potential that leveraging ICBT policy can have in enhancing the livelihoods, resilience and socioeconomic conditions of borderland communities. The policy recommendations in this framework can also assist governments in the IGAD region to incrementally and comprehensively formalize ICBT and informal cross-border traders. Leveraging shifts in ICBT policy can also have downstream dividends and benefits in the form of enhanced cross-border security and stability in the IGAD region.

B. Scope

The policy framework and recommendations address the ICBT–CBSG nexus and encompass regional, bilateral and national levels in the IGAD region. The policy framework generates supportive policies on cross-border economic exchanges (specifically ICBT) and supports the emergence of an integrated and comprehensive border management strategy for IGAD Member States. The policy framework recommends harmonization and shifts in trade policy, trade facilitation and border governance in relation to ICBT in legitimate subsistence oriented goods carried out by borderland communities.

C. Justification

In light of the transnational character of borderland populations in the IGAD region and the worsening levels of food security and vulnerability among borderland populations, a regional policy framework on the ICBT–CBSG nexus is long overdue. The Collaborative Policy Analysis and Engagement Pilot knowledge harvesting process, along with many other studies on ICBT in the IGAD region, testify to the fact that ICBT is a lifeline for millions in the Horn of Africa.⁹

There has been a long-standing disjunction between the human security perspective on the borderlands versus the hard security concerns that have dominated policy formulation on the borderlands. In conceptual and practical terms, however, human security and State security concerns are mutually reinforcing. The policy objectives and options in this policy framework recognize and emphasize the mutually reinforcing relationship between human security and State security as the most effective means to promote both regional security and the socioeconomic needs of borderland populations in the IGAD region.

The agenda of peace, security and development in the borderlands of the IGAD region is of paramount importance. Bolstering peace and prosperity in the borderlands in the IGAD region can be an optimal means to achieve regional integration and stability. This has become more

⁹ The scope of the knowledge harvest included seven IGAD Member States: Uganda, Kenya, South Sudan, Somalia, Ethiopia, Djibouti and Sudan. It covered eight borderlands and border crossing points at: Busia (Kenya–Uganda); Liboi–Dobhley (Kenya–Somalia); Moyale (Kenya–Ethiopia); Togowajale (Ethiopia–Somalia); Nimuley (South Sudan–Uganda); Abyei–South and West Kordofan (South Sudan–Sudan); Afar–Dikhil (Ethiopia–Djibouti); and Metema–Al Qadarif–Kassala–Gash Barka (Ethiopia–Sudan–Eritrea).

critical over time: Borderlands are rapidly emerging as epicentres of economic opportunity and regional cooperation.

The policy framework document is the outcome of a consultative and participatory process that involved representatives of several and diverse borderland communities in the Horn of Africa. Therefore, the policy options and objectives embedded in the policy framework document reflect the active engagement of borderland communities as primary stakeholders in the security of the borderlands.

The policy framework arises from the need for a regional platform to effectively address in a holistic manner the many challenges confronting borderland populations. It defines the principles and modalities for combining all the key aspects needed for a better understanding of borderland issues, and for the development and implementation of interventions to address those issues.

D. Objectives of the Policy Framework

The policy framework seeks to address some of the root causes of the vulnerability of borderland populations in the Horn of Africa through a human security lens. It also seeks to address five interconnected issues that characterize the borderlands in the IGAD region. First, a key issue centres on the lack of consensus at the policy and regulatory levels in terms of defining the scope and remit of what constitutes ICBT, as well as recognition of its contributions to food security and livelihoods. Second, the policy framework aims to achieve policy convergence and harmonization between IGAD Member States regarding ICBT along their borders so as to ease cross-border trade, facilitate a range of cross-border economic exchanges and support the overall economic development of the borderlands. Third, the policy objectives in the policy framework seek to address border control and regulation

practices/systems, with a view to enhancing their security function. Fourth, the policy framework seeks to address the issue of institutionalizing the participation and voice of borderland communities in cross-border governance. Fifth, the policy framework seeks to address the lack of comprehensive and reliable data on ICBT, which poses obstacles not only to policy formulation on ICBT but also impacts macroeconomic issues in IGAD Member States.

The adoption and implementation of the provisions of the policy framework would assist IGAD Member State governments to mitigate and stem the trade in illicit goods along their borders. The implementation of the policy recommendations in the policy framework would create the basis for deeper cooperation between IGAD Member States and borderland communities. The policy framework would also incentivize borderland communities to collaborate with IGAD Member State governments to stem cross-border trade in illicit goods and to struggle against other sources of insecurity in borderland regions.

II. CBSG–ICBT Nexus in the IGAD Borderlands: Socio-Economic and Sociopolitical Dimensions

A. The Borderlands in the IGAD Region

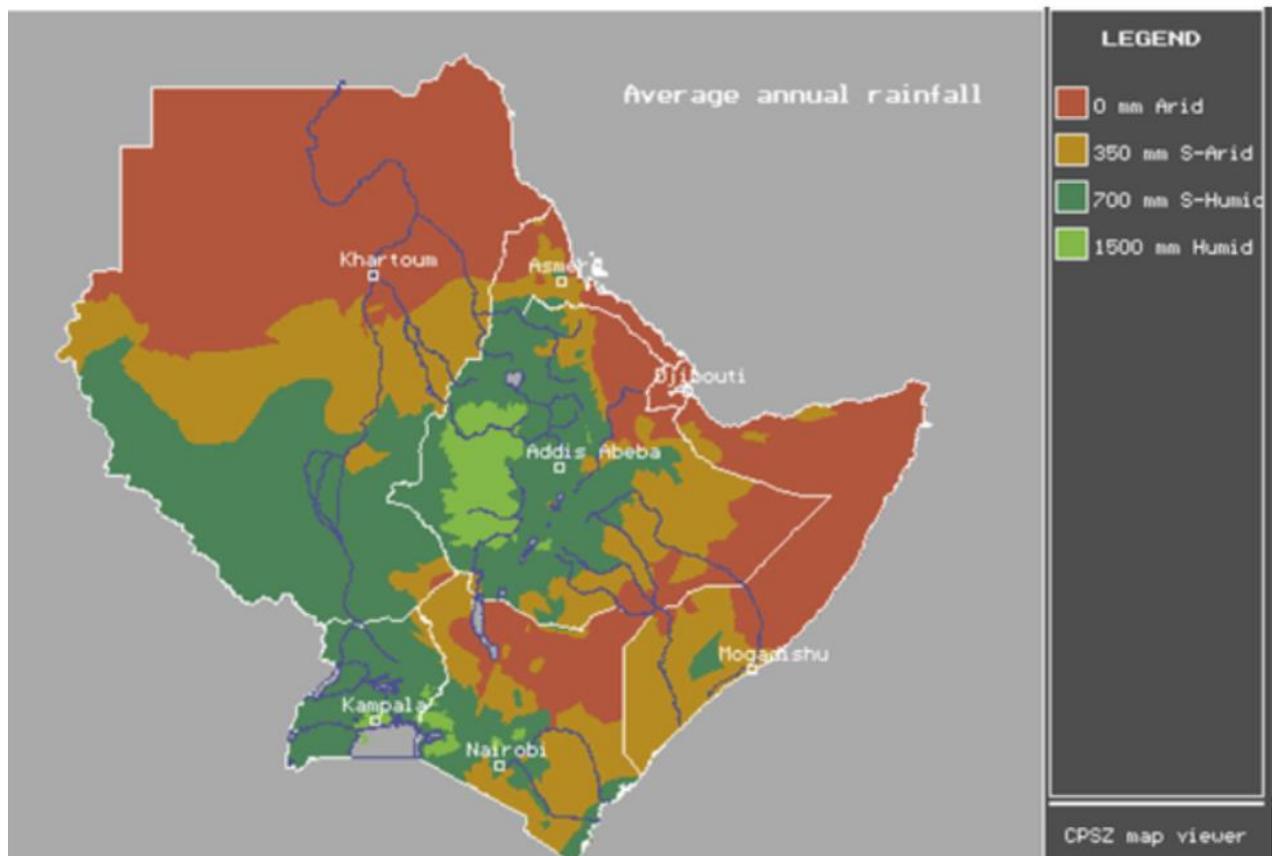
1. Socioeconomic Context of Borderlands in the IGAD Region

The IGAD borderlands are predominantly arid and semi-arid lands the situation of which has increasingly worsened over time by climate change. Figure I shows the average annual distribution of rainfall in the region.

In the IGAD borderlands, access to critical infrastructure—roads, transport, communications, water, sanitation, electricity, health, education, agriculture, banking and veterinary services—is lower than the national average in many IGAD Member States. Most infrastructure projects are not planned with cross-border sharing or collaboration in mind. Access to electricity is low, although some of the borderlands in the region are endowed with vast, untapped solar and wind energy potential. Many factors explain the low density of and limited access to infrastructure in IGAD borderlands: Low population density; lack of government presence and investment (in part due to the peripheral location of these areas); and conflict and instability.

Borderland populations in the IGAD region have evolved livelihood systems such as pastoralism and agro-pastoralism that are well suited to arid and semi-arid conditions. Even this pattern of livelihood is increasingly coming under threat due to the combined effects of climate change and the conversion of traditional pastoral lands for other purposes.

Figure 1.
IGAD Agro-Ecological Zones: Average Annual Rainfall



Source: International Federation of Red Cross, 2015.

Borderlands in the IGAD region are generally characterized by their relatively sparse distribution of population, especially in comparison with other remote areas. This was generally the case for most of the IGAD region until recently. Currently, there are several trends that indicate the emergence of an upward population growth trend in borderland areas. Resource exploration and extraction, as well as mega development projects such the Lamu Port–South Sudan–Ethiopia Transport Corridor, are expected to contribute greatly to this population growth trend.

In IGAD borderlands, economic activities are diverse, covering a spectrum that ranges from pastoralism to sedentary agriculture. Output and productivity are generally low, generate

only minimal income to households, and are dominated by weather and climate vagaries. The lack of investment in human capital development and new technologies, poor infrastructure, and crop and livestock diseases negatively affect the productivity and profitability of the various occupations. Locally produced goods (cereals, vegetables, fruits, etc.) and livestock products make up the bulk of ICBT in the region. If borderland economic activities are to reach their full potential and benefit the predominantly small-scale cross-border traders, greater support is needed to improve related infrastructure, the policy environment and institutions, inputs, marketing, and the availability of credit and insurance mechanisms.

2. Peace and Security Dynamics in IGAD Borderlands

Some borders in the IGAD region are contested and fought over, and are a common conflict trigger. In addition, resource scarcity, combined with recent rapid population growth, poverty and underdevelopment in border regions, exacerbates communal conflict and, in some cases, civil wars. Sparsely populated, often by groups who lack representation in central power structures, and offering limited economic potential, these areas are underdeveloped. Limited investment of public resources has been the norm. Because the reach of the State in these areas is limited, border communities find it particularly difficult to cope with increasing resource scarcity and with pressures to engage in criminal or violent activity. In the arid lowland border zones of the Horn of Africa, droughts are frequent and often devastating, causing communal clashes over scarce pastureland and water.

There is also a potential for heightened tensions and inter-State conflicts in the IGAD region due to growing discoveries of natural resources on borders or in the borderlands, or rumours that such resources exist. The price boom of commodities between 2001 and 2008 due to the rapid industrial development of East Asian countries and their efforts to access African

minerals has led to a new scramble for African natural resources. Emerging socioeconomic pressures in the form of burgeoning populations, coupled with fiscal and balance of payment difficulties, has increased the value of territories that were hitherto neglected and marginalized. Many of the most highly prized minerals, including hydrocarbons, iron ore, bauxite/alumina, copper, manganese, molybdenum, uranium, zinc and platinum group metals, are being explored or have been found in the IGAD borderlands.

Table 1. Displaced Persons Population in the Horn of Africa			
Country	Refugees by place of origin	Internally displaced persons	Refugees hosted
Djibouti	1 140	0	17 683
Eritrea	431 704	0	2 342
Ethiopia	83 966	857 000 ¹⁰	791 361
Kenya	7 534	0	451 099
Somalia	1 012 323	1 562 554	11 574
South Sudan	1 436 651	1 853 924	262 560
Sudan	646 036	2 225 557	421 466
Uganda	6 233	0	940 835
Total	3 625 587	5 642 035	2 898 920

Source: United Nations High Commissioner for Refugees, Global Trends: Forced Displacement in 2016, Geneva: United Nations High Commissioner for Refugees, 9 June 2017.

¹⁰ Figures for Ethiopia are for January 2018. United Nations Office for the Coordination of Humanitarian Affairs and National Disaster Management Commission, 'Ethiopia: Conflict Displacement Situation Report', Addis Ababa: United Nations Office for the Coordination of Humanitarian Affairs and National Disaster Management Commission, 23 January 2018; see: https://reliefweb.int/sites/reliefweb.int/files/resources/ethiopia-conflict_displacement_situation_report_0.pdf.

B. ICBT in the IGAD Borderlands

1. Factors that Explain ICBT in the IGAD Region

Several dynamics explain the importance and persistence of ICBT in the IGAD region. The most critical factor contributing to ICBT is the important role it plays in enhancing the livelihoods and food security of borderland communities. ICBT represents a livelihood strategy on the part of vulnerable communities to exploit the opportunities presented by borders in the form of key price disparities and high trade transaction costs for particular subsistence commodities. In the IGAD region, a large proportion of ICBT flows are made up of staple food commodities that have a direct impact on regional food security. A second category of ICBT goods in the IGAD region are cheap consumer goods (textiles, shoes and electronic appliances) to which borderland communities would otherwise have no access. ICBT is also a significant source of employment and an alternative income source for borderland communities. Above all, ICBT often reflects long-standing ties and built-up social networks that predate colonial and postcolonial boundaries.

ICBT is also a response by borderland communities and informal cross-border traders to trade regulations and policies that are complex, and lacking in transparency and harmonization. The complexity and lengthiness of customs procedures, along with formalities and charges with which formal traders must comply, creates incentives for ICBT traders who want to minimize costs and respond to demand for subsistence commodities. A final factor that can further facilitate or trigger ICBT is the weak enforcement of laws and regulations, the arbitrary application of trade-related regulation and corrupt practices of border control personnel. Weak law enforcement and border control can also facilitate ICBT.

2. Typology of ICBT Flows in the IGAD Region

Using a basic-needs approach to categorize goods traded informally among IGAD Member States, three main categories of goods can be identified. Care has to be taken, however, that not all these categories apply to all countries, or to the same degree (see table 2).

1. Products of agricultural origin, fisheries and domestic livestock
2. Domestic handicrafts
3. Cross-border imports of manufactured products, which are imported and re-exported without value added, on a parallel circuit

Several factors influence the make-up of the bundles each IGAD Member State exhibits in terms of informal imports and exports. One of these factors is the make-up or structure of the national economy itself. For example, a predominantly agrarian economy has more agricultural surplus to trade for those goods in which it does not specialize or which are in short supply. Conversely, an economy with manufactured goods in excess of domestic aggregate demand trades these goods for those which it does not have. Another factor is the proximity of the destination to the border, and the cross-border market or port relative to the centre. Price and exchange rate differentials play an important role in what is informally imported or exported.

Table 2. Goods Traded through ICBT among IGAD Countries

<i>Country</i>	<i>ICBT Exports</i>	<i>ICBT Imports</i>
Uganda	Maize (including flour), beans, fish, fruits and vegetables, ground nuts, coffee	Coffee, rice, fruits and vegetables, peas
Kenya	Coffee (unprocessed), rice, peas, fruits and vegetables, livestock, processed food, soap and washing powder, plastic goods, used clothes, pharmaceuticals, cooking oil	Maize, fish, beans, ground nuts, fruits and vegetables, livestock, sugar
Ethiopia	Coffee (unprocessed), chat (qat; khat), livestock, goats, sheep, camels, chicken and eggs, milk and raw butter, maize and sorghum, grains, wheat flour, fruits and vegetables, teff and teff flour, spices	Livestock, goats, sheep, camels, maize flour, wheat flour, rice, sugar, tea, soap and washing powder, used clothes, plastic goods, pharmaceuticals, cooking oil
Djibouti	Re-exports: Processed food, soap, plastic goods, used clothes, pharmaceuticals, cooking oil, cigarettes	Coffee, chat, livestock, goats, sheep, camels, live poultry and eggs, milk and raw butter, maize and sorghum, grains, wheat flour, fruits and vegetables, spices
Somalia	Re-exports: Processed food, soap, plastic goods, used clothes, pharmaceuticals, cooking oil, cigarettes	Coffee, chat, livestock, goats, sheep, camels, live poultry and eggs, milk and raw butter, maize and sorghum, grains, wheat flour, fruits and vegetables, spices
Sudan	Fruits and vegetables, cereals (sorghum, etc.), washing products, plastic products, pharmaceuticals	Fruits and vegetables, cereals, honey, tea, coffee, spices, meat, dried fish

Source: Collaborative Policy Analysis and Engagement Knowledge Harvest, ICBT country assessment studies and ICBT–CBSG nexus studies, unpublished reports, 2015–2016.

3. Volume of ICBT

ICBT flows fluctuate depending on a host of factors. The underground nature of ICBT and the fact that ICBT flows are not included in national data make it difficult to generalize about these flows. Consistent time series data on ICBT is also often lacking.

Despite these gaps in data, it is clear that the monetary value of ICBT is not negligible. The estimated annual value of livestock trade in the Kenya–Somalia–Ethiopia borderlands is in

hundreds of millions of US dollars.¹¹ The knowledge harvest studies on Uganda estimate that in 2013, ICBT exports were valued at \$421.3 million, constituting 14.9 per cent of all exports.¹² The studies on Kenya suggest that in 2012, informal exports from Kenya to Uganda totalled \$27 million.¹³ A key take away from these findings is that in spite of the small-scale and informal nature of ICBT, the cumulative value of ICBT flows in the region is immense.

Table 3 highlights the critical necessity on the part of IGAD Member States to learn from one another about how to effectively leverage ICBT.

¹¹ Peter Little, “Unofficial cross-border trade in Eastern Africa”, paper presented at “Workshop on staple food trade and market policy options for promoting development in eastern and southern Africa”, Food and Agricultural Organization, Rome: 1–2 March, 2007, 19; see: https://www.researchgate.net/profile/Peter_Little2/publication/255573660_Unofficial_Cross-Border_Trade_in_Eastern_Africa/links/56705ebf08ae5252e6f1e211/Unofficial-Cross-Border-Trade-in-Eastern-Africa.pdf; and Fekadu Adugna, “Informal Cross Border Trade and Cross Border Security Governance Nexus in Moyale, Ethiopia–Kenya Borderlands”, Knowledge Harvest Studies, 2015.

¹² Anne Reus, ‘Informal Cross Border Trade in Uganda’, Knowledge Harvest Studies, 2015, Pg. 5.

¹³ Umulqer Adam, “Informal Cross Border Trade in Kenya”, Knowledge Harvest studies, 2015, Pg. 5.

Table 3. Informal Intra-Regional Staple Food Exports, Eastern & Southern Africa, 2014
(Metric tonnes)

Product	Burundi	Djibouti	DRC	Ethiopia	Kenya	Malawi	Rwanda	South Sudan	Tanzania	Uganda	Zambia	Total
Grains & pulses	263	27	2 935	1 837	20 721	11 268	9 296	780	119 000	501 635	18 486	686 247
Beans & dry legumes			2 219	954	3 808	422	9 199	86	16 835	185 283	3 643	222 448
Maize grains	263	1	399	883	2 890	8 367	58	4	37 186	315 928	13 041	379 022
Rice grains		26	317		14 023	2 479	38	690	64 979	423	1 802	84 777
Livestock products			33		124		19	148	132	1 442		14 898
Bovine meat			0		11		0	23	1	294		329
Milk & cream			2		98		17	118	21	1 198		1 453
Fish & crustaceans			31		16		1	8	109	12 950		13 116
Processed flour	438	10	1	357	7 489	1	14	126	1 282	32 512	1 902	44 130
Maize flour	201	4	1	1	6	1	13	122	18	29 813	1 902	32 082
Wheat flour	236	6	0	356	7 482		1	4	1 264	2 699		12 048
Roots & tubers			1 579		0		4	13	405	3 043		7 045
Cassava			1 579		0		4	13	405	5 043		7 045
Vegetables	508		323	30	287		136	4	1 952	12 914		16 153
Onions			219	30	269		48	2	1 714	6 020		8 302
Tomatoes	508		105		18		88	1	238	6 894		7 851
Grand total	1 208	37	4 872	2 224	28 622	11 268	9 468	1 071	122 770	566 546	20 388	768 473

Source: Julliet Wanjiku, Maurice Juma Ogada and Paul Maina Guthiga, presentation at COMESA Research Forum, Kampala, Uganda, 10–14 August 2015.

4. Profile of Informal Cross-Border Traders in the IGAD Region

Several studies, including the outputs of the knowledge harvest process, reveal that ICBT traders in the Kenya, Uganda and Ethiopia borderlands are overwhelmingly small-scale individual traders residing in borderlands.¹⁴ In some cases, a miniscule proportion of these

¹⁴ Eastern African Sub-regional Support Initiative for the Advancement of Women (EASSI), *Women Informal Cross Border Traders in the EAC Region*, EASSI, 2012; Umulqer A. Adam,

traders own and operate small businesses. Several studies also show that on Sudan's eastern borders, the ICBT traders are migrants—either from regions distant from the borderlands or from neighbouring African countries.¹⁵ Women and poor people are the key participants and beneficiaries of ICBT. These studies also point to the importance of ICBT as an income generating mechanism and survival strategy for small traders.

A high proportion of informal cross-border traders are between 25 and 39 years old. States in the Horn of Africa are characterized by high rates of population growth and a skewed population structure, which means that youth (male and female) constitute the majority of the region's population. In the past decade, many States in Africa have experienced high rates of economic growth, which has not been accompanied by employment creation on a par with population growth rates. This combination of circumstances means that the informal sector in general, and ICBT in particular, have acquired greater salience. The knowledge harvest studies showcase how youth are disproportionately represented in ICBT and how ICBT functions as a source of employment, income and guarantor of food security for youth from poor households. The low entry barriers to ICBT exemplified by the low capital ceilings of many informal cross-border traders and advantages derived from locale-specific knowledge allow many youth with minimal capital, limited formal literacy and low levels of business skills to become productive and assure themselves of a measure of economic security. Existing

“Relationship between Informal Cross-Border Trade (ICBT) and Cross-Border Security Governance (CBSG) in Doblely”, Knowledge harvest studies, 2015, Pg. 10.

¹⁵ Eltayeb Mohamedain Abdallah, “Informal Cross Border Trade in Sudan: Case Study of East Sudan Borders: Gadarif and Kassala States”, Knowledge Harvest Studies, 2015, Pg. 8.

policy frameworks and regulations on ICBT, however, often constrain youth from exploiting ICBT as a route to employment and economic independence.

A significant portion of informal cross-border traders are women for whom ICBT is often their sole source of income and economic empowerment. ICBT is frequently covert and occurs outside the purview of the State, which makes it difficult for policymakers to closely gauge the needs and challenges of female informal cross-border traders. For this to change in effective ways, policy and institutional reforms should widen their scope to address the relevant gaps and create an enabling environment for women traders to operate profitably and safely.

Women engaged in ICBT largely avoid official border crossing points as a way of dealing with the bad treatment that their experiences leads them to expect. The negative implications for trade are that such avoidance limits the flow of goods and makes them more expensive because women often resort to third parties to transport goods through informal and dangerous border routes. By using informal routes (mainly through unpatrolled border crossing points), women informal cross-border traders entrench the perception of the illegality of this type of trade and unwittingly attract criminal elements who offer discreet courier and protection services.

Some common challenges faced by women informal cross-border traders in the IGAD region are summarized as follows:

1. Crossing borders carries risks for women traders, who face extortion, harassment, physical and sexual violence, and financial loss through direct robbery, bribery and illegal levies, all of which tend to undermine women's livelihoods.

2. Women traders operate within an unregulated survival economy. The result of the anonymity of such trade is that they are often regarded as illegal traders by customs, security and immigration officials.

3. Existing legislative and regulatory frameworks reveal several gaps in relation to supporting women engaged in ICBT. While there is a considerable amount of attention given to women traders engaged in ICBT, in practical terms very few workable policy interventions and even fewer actions target the sector, and especially women in ICBT. Again, part of the problem lies in policy formulation. It also relates to the inadequacy of the attempts to capture the sector empirically—in terms of facts and figures about what is traded, who trades where, how much income is generated and what factors pervasively inhibit women engaged in ICBT.

C. ICBT–CBSG Nexus in the IGAD Region

ICBT has long been able to assert itself as a force to be reckoned with. It has flourished side by side with formal cross-border trade, competing against and, in some cases, even outperforming it in almost all dimensions: The variety, volume and value of the goods traded, the number of people engaged in the sub-sector as a means of livelihood, and so on. At the same time, government concerns about sources of insecurity and instability in borderland areas are also well-attested and valid.

States are territorial and territories are signified by the boundaries that States establish around them. Boundaries are a key component of State sovereignty. Theoretically, the territorial boundaries separating one State from its neighbours represent the frontline—or, in other words, the last line of defence—along which that State defends its sovereignty and ensures the general interests of the State. Therefore, States as territorial and sovereign

entities have a vested interest in controlling the entry and exit of people and goods across international boundaries. The sacrosanct nature of international borders in Africa is also enshrined in the Charter of the Organisation of African Unity, Resolution AHG/Res. 16 (I) on border disputes between African States, adopted by the ordinary Session of the Assembly of Heads of State and Government of the Organisation of African Unity, held in Cairo, Egypt in July 1964, and Article 4 (b) of the Constitutive Act of the African Union in 2002.

While the livelihood and resilience benefits of ICBT are undeniable, the borderlands where ICBT occurs are also the sites of a range of inter and intra-state conflicts, as well as sources of insecurity such as trafficking in small and light weapons, human smuggling and trafficking, and trafficking in goods (for example, manufactured goods and pharmaceuticals) that do not meet sanitary and phytosanitary controls, and so.

The IGAD region has a historical legacy of violent inter and intra-State conflicts. Factors of a diverse nature—namely, political, social, economic, cultural and environmental—have played their respective roles in causing internal conflicts of various depths and intensities, ranging from small-scale local clashes to intermittent popular uprisings to long-lasting insurgencies and nationwide civil wars.

As is the case elsewhere in Africa, a large proportion of the inter-State boundaries in the Horn of Africa traverse through closely interlinked social, economic, cultural, linguistic and religious zones. The geopolitical, cultural, economic and social circumstances in the IGAD region are such that internal instability in one country is highly likely to have spill over effects that affect neighbouring countries. Issues specific to the nature of boundaries, borders and borderlands have a critical impact on inter and intra-State tensions in the IGAD region.

Borders constitute one of the most difficult challenges governments encounter while carrying out their executive responsibilities along these borders—achieving a balance between competing and apparently conflicting priorities. This is especially the case when flow/mobility and security interests intersect. On the one hand, the flow of people and goods offers great potential to promote economic growth and social development. On the other, States also have a legitimate interest in safeguarding national security and combating transnational crimes such as trafficking, smuggling and terrorism. Governments thus see themselves confronted by policy choices that, on the surface, might appear to conflict with one another: How best to facilitate the legitimate movement of people and goods while also maintaining secure borders?

Similar to the rest of the continent, the borders of IGAD Member States are long and porous, and border control systems are still weak. Currently, however, the powers and reach of border control systems have been enhanced by changes in law, increasing political attention and a security discourse that stresses border management as a crucial element in ensuring the stability of States and the well-being of citizens. In other words, as border management bodies have been given more authority, and as their capacity to coercively control people has been magnified, the perennial question of how to control and hold accountable the agencies and agents who exercise that power (often within wide margins of discretion), has become more salient.

The spectrum of human security and hard security challenges that characterize the IGAD borderlands necessitates a CBSG approach that allows flexibility and creativity in articulating responses to these challenges. CBSG transcends the conventional views that conceive of borders and borderlands as either a constraint or an irrelevance. CBSG conceptualizes borders

and borderlands as a source of opportunities that if properly instrumentalized could translate into immense benefits. These potential benefits include improving the livelihoods and socioeconomic development of borderland communities, enhancing the peace and stability of borderlands, facilitating and deepening inter-State cooperation and, in the long run, advancing regional cohesion and integration in the IGAD region.

The CBSG approach advocates a holistic approach to developing a border governance system. CBSG incorporates a border governance approach that is inclusive of all stakeholder States, borderland civil society organizations and borderland communities. The CBSG approach envisages policy formulation and implementation in relation to borderlands to be a participatory and consultative process that foregrounds the human security needs of borderland communities in the Horn of Africa. CBSG enables borderland communities to emerge as key players in enhancing the peace and stability of the borderlands in the IGAD region.

IGAD and IGAD Member States have already internalized and applied elements of the CBSG approach in engaging with borderland issues in the region. The IGAD Drought Disaster Resilience Sustainability Initiative and the several examples of bilateral cooperation on borders and borderlands between IGAD Member States exemplify the practical application of elements of CBSG in the IGAD region.

III. Complementary Policy and Regulatory Frameworks on the ICBT–CBSG Nexus

The policy framework, and the policy objectives and recommendations it puts forward, directly address the ICBT–CBSG nexus by aiming to leverage changes in ICBT policy to enhance CBSG in the IGAD region. The policy framework is, however, closely dependent on and has emerged in a context defined by already existing and operative policy and regulatory frameworks that engage the governance, economic development and stability of borders and borderlands, including those that more directly address cross-border trade. The above-mentioned delineation is not strict insofar as policy and regulatory frameworks often overlap in terms of remit and scope. The policy and regulatory frameworks can also be continental, regional, bilateral or national in scope.

A. Policy and Regulatory Frameworks on the Economic Development, Peace and Stability of Borders and Borderlands

1. Continental

There are five African Union policy and regulatory frameworks that address the governance and stability of borders and borderlands in Africa.

(a) African Union Border Programme

The African Union Commission established the African Union Border Programme through the decision adopted by the Eighth Ordinary Session of the Assembly of Heads of State and Government of the African Union held in Addis Ababa in January 2007. The African Union Border Programme facilitates and assists in border demarcation and delimitation. It also aims to facilitate cross-border cooperation between African Union Member States.

(b) African Union Strategy for Enhanced Border Management

The African Union Border Programme developed the draft African Union Strategy for Enhanced Border Management. The draft strategy seeks to promote the integrated management of borders through increased collaboration and coordination between States in diverse areas. The African Union Strategy for Enhanced Border Management is a comprehensive strategy based on three components: Cooperation and coordination between border management actors at all levels; capacity building of national and bilateral border management agencies; and multifaceted community participation in border management. More generally, the draft strategy seeks to enhance border security, conflict prevention and the socioeconomic integration of the continent.

(c) African Union Convention on Cross-Border Cooperation

The African Union Convention on Cross-Border Cooperation (also known as the Niamey Convention, 2014) aims to “ensure efficient and effective integrated border management”, according to Article 2(5).¹⁶ Article 1 of the Niamey Convention defines cross-border cooperation in the following terms: “‘Cross-Border Cooperation’ means any act or policy aimed at promoting and strengthening good-neighbourly relations between border populations, territorial communities and administrations or other stakeholders with the jurisdiction of two or more States, including the conclusion of agreements and arrangements useful for this purpose.” The Niamey Convention forms the legal framework for cross-border

¹⁶ African Union, “African Union Convention on Cross-Border Cooperation (Niamey Convention)”, Addis Ababa: African Union, 2014, P. 3.

cooperation from the local to the national, regional and continental level. It addresses in a holistic manner the multiple dimensions of cross-border cooperation and security.

(d) African Union Continental Free Trade Area

Forty-four African Union Member States signed the treaty establishing the African Union Continental Free Trade Area on 21 March 2018 in Kigali, Rwanda during the Tenth Extraordinary Summit of the African Union Assembly of the Heads of State and Government. The decision to work toward establishing a Continental Free Trade Area was made at the Eighteenth Ordinary Session of the Assembly of Heads of State and Government of the African Union, held in Addis Ababa, Ethiopia in January 2012. The indicative target date for establishing the African Continental Free Trade Area was initially set for 2017 and subsequently extended to 2023. The primary goal of the Continental Free Trade Area is to create a single continental market for the trade in goods and services and, in the process, expand and deepen intra-Africa trade. The Continental Free Trade Area also seeks to ensure the free movement of capital and labour. The establishment of the Continental Free Trade Area would greatly boost the share of global trade for Africa, enhance the global competitiveness of African producers (agricultural and industrial) and attract foreign direct investment into African markets.

(e) Action Plan for Boosting Intra-Africa Trade

The Continental Free Trade Area is accompanied by an Action Plan on Boosting Intra-African Trade, which seeks to articulate a framework for regional development in general. More specifically, it aims to double intra-African trade flows between 2012 and 2022. The Action Plan for Boosting Intra-African Trade was endorsed at the Eighteenth Ordinary Session of the Assembly of Heads of State and Government of the African Union, held in Addis Ababa,

Ethiopia in January 2012. The Action Plan on Boosting Intra-African Trade identifies seven priority action clusters: Trade policy; trade facilitation; productive capacity; trade-related infrastructure; trade finance; trade information; and factor market integration. The Action Plan on Boosting Intra-African Trade envisages that the Member States of the African Union and the Regional Economic Communities will undertake action across the seven priority action areas, which would facilitate the establishment of the Continental Free Trade Area.

2. Regional (IGAD Level)

There are five IGAD-level policy and regulatory frameworks relevant to the governance and stability of borders and borderlands in Africa.

(a) IGAD Drought Disaster Resilience and Sustainability Initiative

Launched in 2011, the IGAD Drought Disaster Resilience Sustainability Initiative is focused on arid and semi-arid lands, which has implications for the borderlands, their pastoralist populations and ICBT. The IGAD Drought Disaster Resilience Sustainability Initiative has seven Priority Intervention Areas. Priority intervention Area II specifically seeks to enhance access to markets, trade and financial services as a stepping stone to economic integration. To achieve Priority Intervention Area II, the IGAD Drought Disaster Resilience Sustainability Initiative has defined several strategies: Expanding market access, financial services and transboundary services; enhancing pro-poor women market access and financial services; and securing and supporting pastoral mobility for robust trade.

(b) IGAD Conflict Early Warning and Response Mechanism (CEWARN)

CEWARN was established in 2002 as a platform for regional cooperation on conflict prevention and mitigation through data collection and early warning and response, with a Conflict Early Warning and Early Response Unit located in each IGAD Member State. In the

pilot phase between 2002 and 2006, CEWARN's original mandate focused on pastoralist conflicts. The 2006–2011 strategy expanded the mechanism to cover all IGAD Member States. CEWARN initially focused on pastoralist conflicts in specific borderland clusters but this has been followed by the current CEWARN strategy (2012–2019), which marks a shift in focus to a broader range of thematic issues and geographic areas.

(c) IGAD Minimum Integration Plan

The IGAD Minimum Integration Plan has six strategic orientations that foresee how it will be actualized. Strategic Orientation No. 6 addresses trade and macroeconomic policies. The IGAD Minimum Integration Plan initially envisaged an IGAD Free Trade Area emerging by 2013.

(d) IGAD Protocol on the Free Movement of Persons

IGAD has also developed a draft protocol on the free movement of persons, which would grant citizens of IGAD Member States the rights to travel to, reside and work in any IGAD Member State. The draft protocol also seeks to ease mobility across borders for pastoralist communities. Once adopted, the draft protocol will have major implications for ICBT.

(e) The IGAD Regional Migration Policy Framework

The IGAD Regional Migration Policy Framework is a progeny of African Union migration policy. With its formulation, IGAD became the first regional body to develop and implement a regulatory instrument on migration. The IGAD Regional Migration Policy Framework followed a long process that involved two regional consultative meetings held with stakeholders in 2008 and 2010.

B. Policy and Regulatory Frameworks on ICBT

Multiple scenarios characterize the existing ICBT-related legislative and regulatory environment in the IGAD region. First, some IGAD Member State governments prefer to deal with ICBT on a case-by-case basis, in accordance with specific circumstances that prevail in relation to the commodities under consideration, the negotiating neighbouring State, the borderland in question and other matters. Second, some IGAD Member States have overlapping memberships with other Regional Economic Communities and they apply whatever regulatory regimes the Regional Economic Communities have put in place. Third, some States have neither established their own legal and regulatory arrangements nor adopted any from others. All these alternative situations clearly indicate that ICBT operates in a haphazard, incoherent manner. Cross-border harmony between national legislative and other instruments is key for coordination and cooperation by trading partners.

The policies and regulatory frameworks under which ICBT operates in the IGAD region vary. To simplify, it could be argued that three sets of policy regimes affect (or regulate) cross-border trade in the Horn of Africa: Multilateral frameworks; bilateral agreements regulating cross-border trade; and national laws (and customs regulations).

1. Multilateral Policy and Regulatory Frameworks: COMESA and EAC

Similar to the rest of Africa, IGAD Member States also belong to several other Regional Economic Communities. Djibouti, Eritrea, Ethiopia, Kenya, Uganda and Sudan are members

of the Common Market for Eastern and Southern Africa (COMESA). Kenya, Uganda and South Sudan are also members of the East African Community (EAC).

COMESA and EAC frameworks related to ICBT have been domesticated by Kenya and Uganda. In 2004, the then Member States of the EAC signed a protocol on establishing an EAC customs union. The protocol and its associated regulations/agreements originally envisaged a five-year transition period before the actualization of the customs union. The implementation of the

EAC customs union is facing teething problems and has not been fully rolled out. In the aftermath of the signing of the protocol establishing the customs union, however, three other States (Rwanda, Burundi and South Sudan) have joined the EAC.

Through their membership in the EAC and COMESA, Uganda and Kenya have adopted a Simplified Trade Regime that includes elimination of tariff and non-tariff barriers, the establishment of a common external tariff, simplified rules of origin, simplified certificates of origin, customs cooperation, and simplification and harmonization of trade documentation. The governments of Kenya and Uganda are also undertaking the necessary measures to

COMESA Simplified Trade Regime

Eleven out of 19 COMESA Member States belong to the COMESA Free Trade Area, which entails duty and quota free market access for commodities meeting the rules of origin criteria (under which goods should either be fully produced within the region or have 35 per cent value added). In 2007, COMESA introduced the COMESA Simplified Trade Regime to apply to a bundle of common eligible goods such as maize, rice, beans, cassava, dairy products, etc. Initially under the COMESA Simplified Trade Regime, consignments of goods with a value of \$500 or less produced in the region were exempted from the normal rules of origin requirements. In addition, traders are allowed to use a simplified certificate of origin and customs document.

establish One Stop Border Posts along their common border and joint border committees or commissions. The most important outcome has been that goods originating in the EAC, fulfilling the requirements for rules of origin, and with a value of \$2,000 or less, are exempt from paying customs fees or taxes.

2. Bilateral Agreements

Bilateral agreements between two States regarding cross-border trade is another approach that is also common in the IGAD region. There are bilateral

agreements governing cross-border trade between Ethiopia and Sudan, and Ethiopia and Djibouti. Similar agreements are in the pipeline with South Sudan, Somalia and Kenya. These bilateral agreements specify the value and volume limit of goods that can be traded across the border without paying taxes or customs duties. They also specify other aspects such as licensing and frequency of trips across the international border by traders. Bilateral agreements between IGAD Member States represent an important milestone in the process of advancing the regional integration and prosperity of the IGAD region. Bilateral agreements also constitute an important resource in terms of the policy recommendations presented in this policy framework. Policy recommendations on trade and trade facilitation in the policy

National Policy/Regulatory Frameworks on ICBT in Ethiopia (Petty Periphery Cross-Border Trade)

Ethiopia shares borders with all IGAD Member States, except Uganda. The Ethiopian case is an apt example of unilateral national policy frameworks to regulate ICBT: Petty Periphery Cross-Border Trade No. 4/92, the scope of which covers the Ethio–Kenya borders; Petty Periphery Cross-Border Trade No. 6/97 relates to the Ethio–Djibouti border; Petty Periphery Cross-Border Trade No. 1/95 covers the Ethio–Somalia borders. Mention should also be made of Proclamation No. 980/2016, which governs licensing requirements for traders; and Customs Proclamation No. 859/2014, which defines customs regulations.

framework can utilize existing bilateral agreements through their amendment or inclusion of additional protocols, as an adoption and implementation mechanism.

3. National Policy Frameworks

ICBT activities are also regulated by national government policies and regulations. A common pattern across the IGAD region is the existence of multiple policy and regulatory frameworks at the national level (policies and regulations regarding trade and customs). These have yet to be comprehensively harmonized with the provisions of the bilateral and multilateral commitments to which many IGAD Member States are signatories. When it comes to the implementation of policies and regulations governing cross-border trade, synchronicity between different national government ministries and agencies is also another pressing challenge facing IGAD Member States.

IV. Policy Objectives and Strategies

The objectives of the policy framework are formulated around two main thematic areas:

- The overarching aim of the policy framework is to leverage shifts in ICBT policy to enhance CBSG in the IGAD region. Due to its immense contributions to the livelihoods of borderland communities, ICBT is of critical importance and has the potential to fast track the development of borderlands and transform them into lynchpins of regional integration. Furthermore, leveraging shifts in ICBT policy will also enable a marked improvement in the peace and stability of borderlands. Over the long term, the policy shifts envisaged in the policy framework would also facilitate the gradual formalization of ICBT by immediate measures that provide important incentives to informal cross-border traders, transform the pattern of relations between governments and their borderland communities, and enhance the livelihoods and resilience of borderland communities.
- More specifically, the policy framework seeks to engage with some of the key issues that continue to pose obstacles in terms of leveraging ICBT policy to enhance CBSG. First, a key issue centres on the lack of consensus at the policy and regulatory levels in terms of defining the scope and remit of what constitutes ICBT, as well as recognition of its contributions to food security and livelihoods. Second, the policy framework seeks to achieve policy convergence and harmonization between IGAD Member States regarding ICBT along their borders so as to ease cross-border trade, facilitate a range of cross-border economic exchanges and contribute to the overall economic development of borderlands. Third, the policy objectives in the policy framework seek to address border control and regulation practices/systems, with a view to enhancing their security function. Fourth, the policy framework seeks to address the issue of institutionalizing the participation and

voice of borderland communities in cross-border governance. Finally, the policy framework seeks to address the lack of comprehensive and reliable data on ICBT, which poses obstacles not only to policy formulation on ICBT but also impacts macroeconomic issues in IGAD Member States.

A. Policy Objectives and Recommended Strategies

Policy Objective 1: Ensuring a coherent understanding of ICBT contributions to livelihoods and economic well-being of borderland communities

This objective focuses on achieving a grounded and consensual understanding of the contributions of ICBT to the economic well-being of borderland communities, and a paradigm shift on the part of stakeholders regarding ICBT.

Strategy 1.1: Promote dialogue among relevant regional and national policymakers, border management officials, and State and non-State experts to enhance knowledge and recognition of ICBT contributions to livelihoods and economic well-being

Reaching a common understanding of ICBT contributions across the IGAD region involves two main processes. First, this entails a continuous and broad process of dialogue between governments, borderland community representatives, borderland civil society organizations and academia, at different levels, ranging from the local to the regional. Second, the broad and continuous process of dialogue must engage with and be supported by continuous evidence and analysis on ICBT and the borderlands.

Strategy 1.2: Support the emergence of an IGAD region consensual definition of ICBT

The emergence of an IGAD region consensual definition of ICBT requires mapping of existing conceptualizations and definitions of ICBT among IGAD Member States. This would then allow

the development of a definition of ICBT that is attuned to the existing policies and regulations of IGAD Member States. The incorporation of the IGAD region agreed conceptualization of ICBT into policies targeting the borderlands requires continuous awareness raising at national and local levels regarding the IGAD region definition and scope of ICBT.

Policy Objective 2: Enhancing greater ICBT–CBSG policy convergence and harmonization between IGAD Member States

This objective follows from the Policy Objective 1. This objective seeks to achieve greater harmonization and convergence between the multiple (multilateral, bilateral and national) policy and regulatory frameworks so as to ease cross-border economic exchanges and cross-border trade. Over the long term, it also seeks to enhance the livelihoods, well-being and security of borderland communities in the IGAD region

Strategy 2.1: Harmonize existing policy and regulatory frameworks governing ICBT

The harmonization of existing policy and regulatory frameworks governing ICBT necessitates a process of dialogue and consultation between IGAD Member State governments and the IGAD Secretariat to reach a common understanding on the key gaps and convergences in currently existing policy and regulatory frameworks on ICBT. This should be followed by the development of a harmonized and coordinated regional ICBT policy.

Strategy 2.2: Develop an IGAD Simplified Trade Regime

The IGAD Secretariat, in consultation with IGAD Member State governments, should develop an IGAD Simplified Trade Regime. The IGAD Simplified Trade Regime could draw on principles and practices adopted by other Regional Economic Communities, such as the COMESA Simplified Trade Regime. If adopted and implemented across the IGAD region, an IGAD

Simplified Trade Regime would not only ease cross-border economic exchanges but would also constitute an immense step forward in achieving regional integration in the Horn of Africa. The IGAD Simplified Trade Regime would also constitute a practical step in the realization of the IGAD Minimum Integration Plan and the Continental Free Trade Area.

Strategy 2.3: Facilitate and support IGAD Member State governments to ease restrictions on cross-border trade

Many IGAD Member State governments utilize bilateral agreements to regulate small-scale cross-border trade across their common borders. The IGAD Secretariat should undertake steps to assist IGAD Member State governments to incrementally reduce barriers to bilateral cross-border trade by borderland communities. Existing bilateral agreements could be amended, revised or strengthened with additional protocols that would ease small-scale subsistence oriented cross-border trade. These amendments or revisions could include measures such as simplified documentation formalities, lower trade-related payments and expeditious release from customs of goods under a specified threshold. These measures would immensely benefit subsistence-oriented informal cross-border traders, strengthen the livelihoods and resilience of borderland communities and accelerate the overall economic development of the IGAD region. These measures would also assist such traders to formalize low value cross-border transactions.

Strategy 2.4: Facilitate the gradual adoption of a tariff-free regime for a range of subsistence goods (agricultural and manufactured) below a specified minimum threshold

A tariff-free regime for a range of subsistence goods below a specified threshold would immeasurably contribute to the food security and livelihoods of borderland communities and

enhance bilateral and regional trade. The achievement of a tariff-free regime for a range of subsistence goods (agricultural and manufactured) below a specified threshold necessitates a process of consultation and dialogue at the regional, bilateral and national levels in each IGAD Member State. IGAD Member State governments could amend or utilize existing bilateral agreements to gradually adopt and implement a tariff-free regime for subsistence goods below a specified minimum threshold; that is, volume and/or value of goods transported across a border by informal cross-border traders.

Policy Objective 3: Enhance border security and support trade facilitation at border crossing points

This objective seeks to ensure that IGAD Member State border management systems and practices achieve the dual goals of both effectively engaging with a wide range of security threats and simultaneously facilitate cross-border economic exchanges.

Strategy 3.1: Adopt the African Union Strategy for Enhancing Border Management in Africa, and develop and implement national border management strategies accordingly

The adoption of the African Union Strategy for Enhancing Border Management in Africa and the development of national border management strategies is a critical step in assuring CBSG across the IGAD region. The draft African Union Strategy for Enhancing Border Management in Africa is a comprehensive instrument that tackles all the dimensions of security along borders and borderlands. Furthermore, the strategy underlines the importance of community involvement in border management, which directly engages one of the central missing pieces in border management—weak or non-existent consultations and participation of borderland communities. IGAD Member State governments should strive to ensure that the development

of national border management draws on the innovative elements enshrined in the African Union Strategy for Enhancing Border Management in Africa.

Strategy 3.2: Establish additional border control or crossing points, offices and service facilities at appropriate intervals along the borders

The establishment of additional border control or crossing points, and office and service facilities along the borders of IGAD Member States, addresses another key issue in border management in the IGAD region. Borders in the IGAD region are long and porous, and the border management systems of IGAD Member States face a challenge in policing their borders and tackling security threats. The establishment of additional border control or crossing points, and office and service facilities will serve a dual function. This will not only create the capacity to better tackle a range of security threats but will also facilitate cross-border economic exchanges, including (informal) trade.

Strategy 3.3: Establish and/or strengthen joint border commissions and committees, Conflict Early Warning Units, and other national and local instruments to track and diffuse volatile situations before they lead to conflict and displacement, and enhance intra-regional and international cooperation in order to further the capacity of these institutions to respond in a timely and efficient manner

Establishing or strengthening already existing joint border commissions or committees, Conflict Early Warning Units, and other national and local instruments will contribute substantially to enhancing CBSG in the IGAD region.

Strategy 3.4: Institutionalize mechanisms that prevent gender-based crimes and facilitate an empowering environment for women, youth and persons with disabilities engaged in ICBT trade

The border management agencies of IGAD Member States should develop clear rules of conduct and appropriate complaint procedures regarding gender-based crimes. Raising the awareness of border management personnel regarding patriarchy and gender-based violence would have a marked impact on attitudes and beliefs, which would translate into behavioural transformation. This would also create a less threatening environment for women informal cross-border traders. The recruitment of more women into border management agencies would also contribute to a reduction or elimination of gender-based violence. IGAD Member State governments should also encourage and support the establishment of cross-border traders associations for women. Once established, these associations should establish a close consultative relationship with border management agencies.

Strategy 3.5: Promote and expand transboundary animal diseases control in cross-border areas

The IGAD Secretariat—through the IGAD Drought Disaster Resilience Sustainability Initiative, IGAD-Centre for Pastoral Areas and Livestock Development, IGAD Member State governments and borderland civil society organizations—should support and facilitate awareness raising on the effects of transboundary animal diseases on livelihoods, and regional and international trade. IGAD Member State governments and border management agencies should engage in cross-border collaboration to undertake joint animal disease surveillance, joint vaccination and timely reporting. Border management agencies and

borderland communities should strive to adopt proper documentation and certification for livestock movements.

Policy Objective 4: Promote the participation of borderland communities in policy consultations to ensure that (informal) cross-border trade and security-related decisions are enriched, and the interests and concerns of borderland communities are promoted

Borderland communities must be consulted about their needs, interests and perspectives when policies and regulatory frameworks on borderland issues are being formulated and implemented. CBSG in the IGAD region can be best supported by institutionalizing community consultations and dialogues on key policy issues.

Strategy 4.1: Increase the opportunities for borderland communities to meaningfully participate in making and reviewing relevant decisions

The IGAD Secretariat, IGAD Member State governments and relevant line ministries and agencies, and civil society organizations should support and facilitate the emergence of regular and consistent channels and spaces for policy dialogues and consultations with representatives of borderland communities. The design and remit of the regular and consistent consultative and dialogue spaces should not only seek to involve all stakeholders in borderland issues but also strive to ensure that the consultative and dialogue process occurs throughout the policy cycle. Borderland communities are also internally differentiated along lines of wealth, gender, ethnicity, clan, caste and religion, etc. There are groups within borderland communities that suffer from more severe forms of marginalization and exclusion than the rest of the community. The consultative and dialogue space on borderland issues

should strive to be as inclusive as possible and ensure the participation of representatives of all sections of borderland society.

Policy Objective 5: Ensure availability and access to consistent, timely and reliable data and analysis on cross-border economic exchanges and ICBT

Effective policy formulation is dependent on the availability of reliable data and analysis. Cross-border economic exchanges, especially ICBT, are characterized by the absence of reliable and timely data and analysis. The lack of data and analysis has a contributing role in the formulation and implementation of inappropriate policies.

Strategy 5.1: Establish and maintain a database on cross-border economic exchanges and ICBT, in particular

The IGAD Secretariat, IGAD focal agencies, IGAD Member State governments, relevant line ministries and agencies, and academic and research institutions should develop comprehensive research and analysis programmes focusing on borderlands in the IGAD region. Research and analysis programmes and projects on borders and borderlands should be coordinated and findings widely disseminated. If a comprehensive research and analysis programme on borderlands emerges, this would provide critical support to policy formulation on the borderlands and ICBT in particular that foregrounds human security concerns.

Strategy 5.2: Support the adoption of innovative methodologies in researching ICBT

Innovative methodologies should be adopted to gain a clearer and grounded understanding of cross-border economic exchanges and ICBT.

Strategy 5.3: Borderland communities and informal cross-border traders should have ready access to public, easily understandable and up-to-date information on issues pertaining to crossing State borders, including relevant standards, regulations and procedures on border crossings, as well as information on goods that are classified as illegal

The availability to the public of timely and reliable information on policy and regulatory frameworks would reduce the incidence and probabilities of misunderstanding and non-compliance. IGAD Member State governments should also support the establishment of cross-border trade information offices and desks to ease access to information for informal cross-border traders.

B. Policy Recommendations to IGAD

The IGAD Secretariat and IGAD focal agencies should strive to harmonize and mainstream the policy objectives and strategies in the policy framework with the other IGAD instruments to ensure complementarity. In the aftermath of the adoption of the policy framework, it is recommended that the IGAD Secretariat should raise adequate resources to facilitate the implementation of a pilot project to test the key recommendations from this policy framework. It is also recommended that the IGAD Secretariat should oversee the implementation of the pilot project and facilitate regular monitoring and evaluation of the pilot project. The IGAD Secretariat should also draw up a budget plan to assure the successful implementation of the policy framework's policy recommendations.

V. Implementation Mechanisms

A. Institutional Arrangements

The implementation of the policy objectives and recommendations in the policy framework will be determined by the availability of adequate resources, coordination between the focal government institution or agency and other stakeholders, full participation of all stakeholders, and well-trained and motivated personnel.

IGAD Member States must establish or strengthen existing mechanisms for coordinating and advancing policies, regulations, strategies and/or guidelines on borderlands and the ICBT–CBSG nexus. A key mechanism to ensure synergies with existing IGAD structures and initiatives is the recommendation that the IGAD Secretariat also delegates IGAD Drought Disaster Resilience Sustainability Initiative country representatives to coordinate the implementation of the policy framework at the IGAD Member State level. IGAD Member State governments should constitute national teams composed of officials delegated from relevant ministries and departments to oversee the implementation of the policy objectives and recommendations in the policy framework. These national-level teams should be coordinated by the IGAD Drought Disaster Resilience Sustainability Initiative country representatives.

1. Policy Framework Implementation Coordination and Reporting

- At the regional level, IGAD, under the framework of the IGAD Drought Disaster Resilience Sustainability Initiative, will convene the relevant specialized institutions and departments, including CEWARN, Peace and Security, Trade, Industry, Tourism, Economic Affairs, Health and Social Services, to coordinate the implementation of the policy framework.

- Reporting mechanisms will follow the IGAD Drought Disaster Resilience Sustainability Initiative governance framework.
- At country level, there will be a focal ministry responsible for implementation of the policy framework.

2. Participating institutions, Roles and Responsibilities

The following institutions have responsibility for implementing ICBT policies, regulations, strategies and/or guidelines.

(a) Key governmental ministries, departments, parliamentary standing committees and other relevant agencies that are responsible for:

- Infrastructure and transport
- Trade and industry
- Regional integration
- Foreign affairs/relations and/or international cooperation
- Finance and/or economic development planning
- Federal/internal affairs
- Justice
- Defence
- Health
- Livestock and agriculture
- Immigration

- Customs
- Information, Communications
- Local government structures

(b) Joint border commissions or committees:

- Serve as an effective means of exchanging and sharing crucial borderland information related to cross-border security, trade and migration

- Joint border commissions or committees should comprise or be expanded to include various agencies managing cross-border activities, trade, revenue collection authorities, road and transport, bureau of statistics, bureau of standards, national police service, health, immigration, cross-border traders associations, transporter associations, local officials and representatives from a Regional Economic Community

(c) Bilateral and multilateral organizations

(d) Local cross-border traders, associations, community elders, religious leaders

- Cross-border traders associations, borderland civil society organizations and community based organizations should be incorporated into the policy consultative and dialogue spaces on borderland policy issues. This will ensure that cross-border traders are consulted and can make their views heard in policy formulation. Cross-border traders associations are expanding, which is an indication of the important role ICBT plays in national economies. Cross-border traders associations can:

- Lobby for and champion specific issues, such as women's involvement in cross-border trade management

- Provide a space for sharing information about custom and migration procedures, and disseminating financing and market information
- Address gender-based violence and encourage women in ICBT to transition into the formal sector to enjoy the benefits offered by governments and regional initiatives, such as a Simplified Trade Regime
- Train traders on business management, marketing skills, effective bargaining and negotiating skills, and how to more effectively market themselves
- Encourage informal traders to switch to the formal sector to benefit from finance credits
- Enable ICBT traders to share experiences and network.

(e) Border administration officials

- Border officials such as commissioners and administrators are situated in close proximity to borderlands and borderland communities, and serve as conduits for government policies, regulations and guidelines
- They link the borderlands to the capitals and constitute a crucial resource in terms of being able to develop consensual and harmonized policy options
- Border administration officials can organize and coordinate other government officials at the border

(f) Civil Society Organizations (local and international) that are:

- Supporting local cross-border traders, associations, community elders and religious leaders to build their capacities

- Facilitating borderland stakeholders to share and exchange information
- Strategic partners with regional institutions through information sharing and programme implementation
- Advocating for the rights of women involved in ICBT, with the aim of reducing gender-based violence against women
- Educating women about the regional agreements on free trade so that corrupt officials do not exploit them
- Rallying stakeholders to identify problems and issues, and support generation of policy agenda and options; assessing policy impacts and holding governments accountable
- Building the capacities of government officials and border communities in policy formulation and implementation

B. Monitoring and Evaluation

The IGAD ICBT policy framework and its implementation necessitate the development of a monitoring and evaluation system. The knowledge management and the monitoring and evaluation system/unit in the IGAD Secretariat could be utilized to undertake knowledge management and the monitoring and evaluation tasks during implementation. The IGAD monitoring and evaluation, and knowledge management unit may also assist Member States in monitoring and evaluation capacity-building and experience sharing related to the use of monitoring and evaluation web-based tools to track and monitor the implementation of the policy framework in cross-border areas. If possible, the IGAD monitoring and evaluation unit could request the focal agencies of Member State governments to conduct periodic monitoring and evaluation of the implementation and progress of the policy framework.

VI. Conclusion

The borders and borderlands in the Horn of Africa have historically been characterized by economic underdevelopment and vulnerability to natural disasters. They have also been sites of inter and intrastate conflicts, as well as the frontline in inter-State tensions and conflicts. The marginalization of borderland communities is multifaceted and the outcome of an intersection of several processes that are political, economic and sociocultural. In many borderlands in the Horn of Africa, communities suffer from high levels of absolute and relative poverty, negligible access to basic social amenities and services, and little investment in physical and human capital development.

The brief overview of the socioeconomic and political significance of the ICBT–CBSG nexus in section III of the policy framework is based on research and analysis from a range of actors and institutions. Coupled with the outputs of the knowledge harvest, this makes the convincing case that the livelihood, food security and economic benefits of ICBT are of critical importance to borderland communities. For millions of people in the IGAD borderlands, ICBT is not only an existential necessity but also an adaptive and creative response to the ecological and social context of borderlands in the IGAD region. Furthermore, the policy framework also makes the argument that by leveraging shifts in ICBT policy at the regional and national levels, the IGAD region would enhance CBSG in the Horn of Africa, reduce the incidence of specific types of conflict in borderlands, lead to a shift in the patterns of interactions between national governments and their borderland communities and, in the long run, facilitate the regional cohesion and integration of the IGAD region.

The policy objectives and strategies outlined in section IV of the policy framework, if adopted and implemented at the regional and national level, would have significant implications. The policy objectives and strategies would, over time, achieve the difficult task of harmonizing hitherto highly divergent notions of ICBT and result in the growing convergence between different policy and regulatory regimes on cross-border economic exchanges, including ICBT. The policy objectives and strategies seek to incrementally reduce or eliminate all tariff and non-tariff barriers to cross-border trade in consignments of designated subsistence goods below a specified monetary value and volume. The policy objectives and strategies also envisage the easing of barriers to trade for a much larger bundle of non-subsistence goods. The policy objectives and strategies articulate a vision of a different model of policy formulation on borderland issues and call for the adoption or development of a border management system that is inclusive of the voices of borderland communities. The policy objectives and strategies emphasize the crucial importance of developing a knowledge database on borderland issues in the IGAD region.

On 21 March 2018, 44 African Union Member States signed the treaty establishing the Continental Free Trade Area during the Tenth Extraordinary Summit of the African Union Assembly of the Heads of State and Government in Kigali, Rwanda. Once it comes into force, the Continental Free Trade Area will result in the emergence of an economic union comprising 54 African States, with a combined gross domestic product of more than \$3.4 trillion. The Continental Free Trade Area will also remove barriers to the movement of goods, services, capital and labour across Africa. The success of the Continental Free Trade Area will depend on how effective the Regional Economic Communities in Africa will be in streamlining their respective free trade areas to align with the Continental Free Trade Area. The policy

recommendations in the policy framework will create synergies between the IGAD Secretariat, IGAD Member States and the Continental Free Trade Area, and facilitate the implementation of the provisions of the Continental Free Trade Area in the IGAD region.