

**High-Level Dialogue
with the
Somali Business Community**

Djibouti 21st -22nd July 2004

A Summary Report

**Funded
by**

United Nations Development Programme Somalia



**with the cooperation of
The Republic of Djibouti**



with a summary of the follow-up meeting in Nairobi

Report Prepared by



This report is a draft version and not intended by CRD/WSP International to be taken as final. Feel free to submit comments or queries you may have to CRD/WSP International so that they might be incorporated into final report.

Table of Contents

1.	Overview	2
2.	Objectives of the meeting	3
3.	Proceedings of the meeting	3
4.	Conclusion	5
5.	Summary	6
6.	Annexes	8
	♦ Meeting agenda	
	♦ Substantive questions for the Somali business community	
	♦ Joint statement	
	♦ List of participants	
	♦ Speeches	
	▪ H.E. Ismail Omar Guelleh, President of the Republic of Djibouti	
	▪ H.E. Seyoum Mesfin; Minister of Foreign Affairs of the Federal Democratic Republic of Ethiopia	
	▪ Babafemi A. Badejo, PhD; Senior Political Adviser, UNPOS	
	▪ Sharif Ahmed; Chairman of the Somali Business Community	
	♦ Conference photographs	
	♦ Nairobi Follow-up Event	
	▪ Summary	
	▪ Agenda	
	▪ Open Letter from Somali Business Community	
	▪ UNDP Concept Paper to Support Somali Chamber of Commerce	
	▪ UNDP Press Release – Somali Chamber of Commerce	
	▪ Summary of UNDP’s Engagement with the Private Sector	

OVERVIEW

On July 21-22, 2004 members of the Somali business community met in Djibouti to discuss their role in the rebuilding of Somalia. On the agenda was the creation of a secure environment, the support and participation of the private sector in the economic reconstruction of the country and ways in which the business community could assist a new Somali government. The Djibouti “High-level Dialogue”, which sprang from correspondence between Kenya’s special envoy for Somalia and WSP International, occurred within the framework of the third and last phase of the Somali National Reconciliation Conference (SNRC). In October 2002, SNRC was launched by the Intergovernmental Authority on Development (IGAD), a regional body comprising Djibouti, Eritrea, Ethiopia, Kenya, Sudan, and Uganda.

The conference was the third forum for members of the Somali business community to discuss their obligations and commitment to Somalia’s rehabilitation. The first such meeting was held in Dubai in April 2003 and cosponsored by the Dubai Somali Business Council and a partnership of the affiliated Center for Research and Dialogue and WSP International. The second meeting was cosponsored by the United Nations Development Program for Somalia (UNDP) and CRD/WSP International and held May 2003 at the Windsor Club in Nairobi. The two-day meeting addressed the challenges facing the Somali business community in the absence of a central government and the need to develop a strategy for national reconstruction. Participants met representatives of the international community and heard a statement by Ambassador Kiplagat. Members of the Somali business community also addressed the plenary of the SNRC at Mbagathi and pledged commitment and support. Although independent of the SNRC, both conferences essentially sought to harness the resources of the private sector to the goal of reconciliation. Neither however successfully maintained momentum.

The Djibouti High-level Dialogue was sponsored by IGAD and the government of Djibouti, and held at the Djibouti Sheraton. It coincided with the SNRC’s final and critical phase, that of forging agreement on the formation of transitional institutions in a reconstituted Somalia. The meeting was attended by 36 Somali business-men and -women representing the major economic sectors and geographical regions of Somalia.

Also present, as befits a High-level Dialogue, were H.E. Ismail Omar Guelleh, president of the republic of Djibouti; H.E. Ali Abdi Farah, minister of foreign affairs and international cooperation of the republic of Djibouti; H.E. Seyoum Mesfin, minister of foreign affairs of the federal democratic republic of Ethiopia; H.E. Stephen Kalonzo Musyoka, minister of environment and natural resources of the republic of Kenya; Mr. Mirugi Kariuki, assistant minister of foreign affairs

of the republic of Kenya; and H.E. Ambassador Bethuel Kiplagat, special envoy of the Kenyan government for Somalia. In attendance also were: diplomats from the United States, Sudan, and Eritrea; representatives of UNPOS, UNDP, EU Somalia and international organizations accredited to Djibouti. Professor Ken Menkhaus of Davidson University, who was touring the region, was also present. The conference was covered by the following media organizations, among others: BBC Somali Service; STN Television and Radio (Mogadishu); Djibouti Television; Benadir Radio; and Radio Shabelle.

The meeting was funded by UNDP Somalia and the government of Djibouti, which invited the participants and provided accommodation. CRD/WSP International facilitated the process. EU Somalia also extended background support.

OBJECTIVES OF THE MEETING

The objectives of the conference were:

- a) to elicit support from and engage the Somali business community in the proceedings of the SNRC, particularly the Mbagathi peace talks, at which they have been poorly represented.
- b) to demonstrate to the assembled business leaders that their involvement and active contribution is essential to the process of rebuilding Somalia.

In light of prevailing conditions in the country, it is widely believed the business community can provide practical input by partnering with the government to not only develop economic and business policy, but also to provide input on such crucial matters as security, demobilization, disarmament and re-integration of militias.

Organizers and facilitators of the High-level Dialogue envisioned that the meeting should not be a one-time event, but part of a process leading to the re-establishment of a viable state. At the same time, the meeting constituted a first step in the development of an organized and enlightened business community prepared for the global challenges of the 21st century. As a long-term strategy to re-engage the business community, it was hoped that a “Contact Group” of businessmen would be formed to liaise and cooperate with the IGAD facilitation committee, international community representatives, and the government that will emerge out of the Mbagathi conference.

PROCEEDINGS OF THE MEETING

The meeting was divided into four segments:

- *Presidential and ministerial addresses:* the President of Djibouti and other speakers reaffirmed the commitment of their respective countries and of IGAD to Somalia's reconciliation, rehabilitation and reconstruction.

On day one, the foreign minister of the republic of Djibouti, H.E. Ali Abdi Farah and the assistant foreign minister of the republic of Kenya, H.E. Mirugi Kariuki, made persuasive statements to open the proceedings. Both ministers reiterated calls for private-sector representatives to support the peace process and to pledge their sustained commitment. Speakers also reaffirmed the wish to see Somalia enjoy a lasting peace, which was described as being in the best interests also of neighboring countries. Also, Khalif Issa, a spokesperson for the Somali business community addressed the conference, asserting the need for a Somali government that will not only protect its private sector, but also promote greater economic integration within the region. Mr. Issa closed by emphasizing the commitment of Somalia's business-men and -women to their country's future.

- *Briefing on the status of the peace process and donor intentions toward the new government:* Participants were apprised of the status of the talks at Mbagathi, and also heard testimonials of donor support and post-reconstruction plans for a new Somali government. The EU representative, Mr. Paul Simkin, provided a detailed presentation of a draft *rapid assistance program* to be implemented by the international donor community to support the new government. He went on to outline the international community's priorities with respect to the rebuilding of Somalia and a new Somali government.
- *The Working Sessions:* In keeping with its participatory approach, and to encourage the commitment of the participants, CRD/WSP International prepared a series of questions to be discussed and answered by three groups formed from the participants. The three groups were randomly selected and given time to discuss and formulate their responses to ten questions, which addressed substantively, political, economic and security issues. After hours of deliberation, the groups re-assembled in the conference hall and each selected a spokesperson to present their answers. The conclusions of the deliberations were compiled and formed the basis of the joint statement
- *Commitment to the future:* The business community formalized its determination to actively participate in the peace process by forming a "Contact Group" to liaise and spearhead cooperation with the new transitional authority and the international community. The Chairman of the Somali business group, Mr. Sharif Ahmed declared that

the Somali business community fully supports the peace process at Mbagathi. Also, the business community will provide some initial financial assistance to the peace process, and it will work closely with the future Somali government. Mr. Sharif Ahmed and the ministers present signed a joint declaration formalizing the intentions of the business community, with the president of the republic of Djibouti as a witness.

The joint statement of the Somali Business Community in the Djibouti meeting codifies: the participants' cognizance of recent positive developments at Mbagathi and the urgency and sensitivity of ongoing dialogue there; participants' acknowledgement that security is a multidimensional concern and that their involvement is vital with respect to, among other issues, demilitarization, demobilization and maintenance of a ceasefire. Further, participants: agreed to support and comply with the UN Security council arms embargo on Somalia (Resolution 792; 1992); resolved to form a Somali chamber of commerce as soon as possible; stated their preference for a free-market economy in a reconstituted Somalia and economic integration with the region's economies; and sought regional and international assistance to promote Somalia's economic recovery.

After the closing ceremony, the Somali business leaders had separate afternoon sessions with Kenya's special envoy for Somalia, Ambassador Bethuel Kiplagat, Kenya's assistant foreign affairs minister, Mr. Mirugi Kariuki and Ethiopia's minister for foreign affairs, H.E. Seyoum Mesfin. Discussions in these meetings were reportedly cordial yet substantive and pertained to the past and the future of Somalia and the region.

CONCLUSION

The conference was widely adjudged a success; both in terms of substantive outcomes and the willingness of the business community to heed appeals for participation as well as to air their own concerns. The participants responded positively and with enthusiasm to the questions, evincing a willingness to take on more responsibility during and after the process of establishing a new government. Participants were also keen to voice their caution about the peace process and its imminent outcome, as well as their fears concerning the surrender of their own weapons and militias. The latter, they claimed, were formed only in response to the threat posed to their safety and their interests by warring clan leaders and freelance militias. One of the businessmen at the conference stated emphatically *"We took weapons to defend ourselves and property from the armed faction leaders who have been recalcitrant to every effort towards peace for Somalia. Should we, the business community, surrender our weapons to the very armed faction leaders, who may form together a government for Somalia, when we are not sure of their true commitment?"* He concluded, *"We have*

no problem to give the new government the benefit of the doubt but until we see tangible signs that our businesses and lives will not be jeopardized, we will remain reluctant to surrender our weapons.”

Noteworthy also, was the readiness of assembled businesspeople to acknowledge the need for a government and the benefits that would accrue to them following installation of a new administration. It might be expected that some businesspeople, having profited in part from the instability and chaos in Somalia, would be resistant to the idea of oversight and taxation. However, there was virtual consensus that the benefits of good government would outweigh the drawbacks. Lastly, the businesspeople present expressed their desire for a transitional national authority that would promote a free-market economy and stronger regional economic integration.

The Contact Group, with Sharif Ahmed as chairman, has already begun to work more closely with the international community and is readying a delegation to visit Nairobi and support the Mbagathi peace conference. To prepare for the arrival of the Contact Group, an advance team has been dispatched to Nairobi.

SUMMARY

- The Djibouti conference for members of the Somali business community was held within the framework of the IGAD-sponsored Somali National Reconciliation Conference in Kenya.
- The role of the business community in the implementation of peace is critical not only because of the financial and political resources it can offer a reconstituted Somalia government, but also because its input will be vital on such contentious issues as demobilization, disarmament and reintegration of militias.
- Central to the conference’s discussions was the need to achieve a balance between the business community’s national obligations and commitment on the one hand, and the new government’s willingness to respect and safeguard the private sector’s ability and right to generate revenue.
- The president of Djibouti, in his speech, emphasized the positive contributions of the business community following state collapse in providing both services and goods to the Somali community. He also alluded to the negative dimensions and consequences of its activities during that time: *“A Somali businessman is governed by self-interest to the core without having much knowledge of what that means.”*

- Representatives of the regional and international community repeatedly stressed the centrality of the Somali business community to reconstruction and implementation of peace on the ground. Speakers reiterated that the government that emerges from Mbagathi must be recognized and supported. Members of the IGAD Inter-Ministerial committee present expressed their unified commitment to seeing Somalia set on its feet once again.
- The detailed declaration of involvement and support by the EU representative, the statement by Babafemi Badejo of UNPOS and the presence of Abdisalam Omer Hadliye of UNDP Somalia conveyed powerfully the international community's resolve to assist a new administration.
- Conference participants expressed their willingness to take a role in the reconstruction of their country and to contribute to the efforts of implementation of peace on the ground in full cooperation with the new Somali government.
- The representatives of the business community also signaled their understanding that the real challenges lie ahead: to achieve a workable national government on the ground and to assure both the Somali people and the regional community that Somalia is fully reintegrated financially and politically into the world community.
- There were frequent allusions, in debate and speeches, to the scope and nature of the Somali crisis. Moreover, the consequences of continuing statelessness for the private sector and the wider Somali community, in terms of freedom of movement and security were acknowledged. As the president of Djibouti succinctly put it, *“The gains generated from the absence of formal taxation mean nothing in the long term.”*

**High-Level Dialogue
with the
Somali Business Community**

Annexes

High-Level Dialogue with the Somali Business Community

Sheraton Hotel Djibouti

AGENDA

DAY ONE

Wednesday July 21

- 8:00 AM Arrival and Registration of Participants
- 9:00 Reading from the Qur'an
- 9:15 Introductory Speeches
- Opening words from the Minister for foreign Affairs and International Cooperation of Djibouti, **His Excellency Ali Abdi Farah**
 - Statement by the Assistant Minister for Foreign Affairs, Kenya, **The Honorary Mirugi Kariuki**
 - Statement by **Dr. Babafemi Badejo** of the United Nations Political Office for Somali
 - Statement by the President of the Djibouti Chamber of Commerce
 - Statement by **Khalif Isse Ali**, spokesman for the Somali business community
- 11:00 Resumption of conference
- Statement by **Paul Simkin**, EU Technical Advisor
 - Statement by **Abdulsalam Omer**, UNDP Program Officer
- Election of a conference bureau
- 12:30 End of Morning Session
- 1:00 PM Lunch, courtesy of the President of the Djibouti Chamber of Commerce
- 4:00 Resumption of Conference
Group Discussion
Selection of Business Committee

6:00 End of day one
7:00 Free Dinner (at the discretion of conference invitees)

DAY TWO

Thursday July 22

Resumption of Conference

8:30 AM Opening remarks by the minister for Foreign Affairs and International Cooperation of Djibouti, **His Excellency Mr. Ali Abdi Farah**

Statement by the Minister for Foreign Affairs of the Federal Democratic Republic of Ethiopia, **His Excellency Mr. Seyoum Mesfin**

Statement by the Minister for Environment and Natural Resources of Kenya, Kenya's Facilitation Committee, **Hon. Stephen Kalonzo Musyoka**
Leading Mediator to the IGAD Ministerial Committee, **Hon. Stephen Kalonzo Musyoka**

9:30 Speech by **His Excellency Mr. Ismail Omar Guelleh**, President of the Republic of Djibouti

Report from the Chairman of the Conference, Mr. Sharif Ahmed
Adoption of the Joint Agreement

Closing Ceremony

1:00 Lunch, hosted by the Minister for Foreign Affairs and International Cooperation of Djibouti

Djibouti – Somali Business Meeting

July 21-22, 2004

Substantive questions for the Somali business community

- 1) Under what circumstances and via what mechanisms should income-generating infrastructure (ports, airports) currently owned by business groups be transferred to the control of a new government? What are various alternative partnership arrangements between government and the private sector for management of ports and airports? What about assets that have been built since the collapse of government and which, consequently, do not qualify as national infrastructure?
- 2) What government business and tax policies, as well as other regulatory policies, will best promote business interests and national economic development? For instance, the re-establishment of Central Bank, Treasury, Commercial Banks and Chamber of Commerce etc.
- 3) What environmental policies should be priorities? For instance, how can the production of charcoal for export be managed to halt deforestation in the country?
- 4) Under what conditions and to what extent is the business community willing to contribute to the initial budget of a new government? What if any conditions would the private sector insist upon?
- 5) What steps can and should be taken to encourage re-establishment of business activities within Somalia rather than in Dubai and the Diaspora?
- 6) What role can the business community play in the reconstruction process? (in terms of rehabilitation of infrastructure, for instance.)
- 7) What forums, structures or mechanisms will there be for ongoing dialogue, partnership and consultation among a new government, the international community and the business community?
- 8) Which services should be returned to government control, which should remain under private sector ownership, which should be managed by private-public partnerships, and which should involve competitive services offered by public, non-profit, and private sectors?
- 9) What mechanisms will there be for government to ensure compliance from businesses that committed crimes since 1991, or that are recalcitrant in relinquishing public assets to the new administration. Examples include sanctions, asset-freezing, and disqualification from government or foreign contracts?
- 10) How can the business community assist in the establishment of a new government and the return of peace and stability in the first six months?
 - Who will control business community's militias? Under what circumstances will the business community willing to hand over their heavy weapons?

- Will the business community share the payment for a new police?
- What scope is there for private/public cooperation in other non-business matters such as demobilization, disarmament?

Joint Statement

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

1. Members of the Somali business community held a High-level Dialogue in Djibouti July 21-22, 2004 within the context of the IGAD-sponsored Somalia National Reconciliation Conference (SNCR). The meeting was hosted, sponsored, and addressed by H.E. Ismail Omar Guelleh, President of the Republic of Djibouti. The conference was also attended by: the Minister for Foreign Affairs and International Cooperation of Djibouti, H.E. Ali Abdi Farah; the Minister for Foreign Affairs of the Federal Democratic Republic of Ethiopia, H.E. Seyoum Mesfin; the Minister for Environment and Natural Resources and Kenya's leading Mediator to the IGAD Ministerial Facilitation Committee, Hon. Kalonzo Musyoka; Kenya's Special Envoy for Somalia, Amb. Bethuel Kiplagat; and Dr. Babafemi Badejo of the United Nations Political Office for Somalia.
2. The Undersigned members of the Somali business community participated in the Djibouti meeting.
3. The Djibouti meeting was held as part of the third and final phase of the SNRC, in implementation of the decision made by the IGAD 7th Ministerial meeting on Somalia, to discuss the role of the Somali business community in the stabilization of Somalia during the transitional period. In particular the participants agreed on the following:
 - To contribute to the creation and protection of a secure environment;
 - To create a contact group for the Somali business community to facilitate relations with the transitional institutions, IGAD countries, and the international community. The contact group will commence dialogue with the SNRC and international community in Nairobi as soon as possible.
 - To support and participate in economic reconstruction of the country.
4. **The Participants**
 - **Noted with satisfaction** the progress achieved at the SNRC **and acknowledged** that the conference is at a critical stage of forging agreement on the formation of transitional institutions;
 - **Further noted** the various phases of achieving control of the military situation inside Somalia **and agreed** to positively engage and cooperate with the Somali transitional institutions and with the international community in the realization of the full continuum of establishing a secure environment including: ceasefire, containment of heavy weapons,

demilitarization, demobilization and re-integration in a step-by-step process that provide security guarantees to the business community;

- **Expressed** commitment to the Security Council Resolution 792 (1992) imposing an arms embargo on Somalia;
 - **Highlighted** their imperative role in the political and economic reconstruction of Somalia, **and expressed** their strong desire to fully employ all of their capacities to consolidate a constructive cycle of economic recovery. In this regard, the participants would like priority consideration in the implementation of recovery programmes;
 - **Expressed** a desire for the transitional institutions to adopt policies supporting a free-market economy and regional economic integration;
 - **Acknowledged** the need to establish a structured approach of engagement in all matters concerning their role in the transitional period. In this respect, the participants agreed to explore the possibility of opening a Somalia Chamber of Commerce at the earliest opportunity, and requested support for that objective;
 - **Expressed** their deepest concern about the long-term damage caused to the Somali economy and ecology by the dumping of toxic waste, export of charcoal, and export of female livestock;
 - **Requested** specific assistance from international community in support of economic recovery in Somalia, including lifting of the livestock export ban, unfreezing of the assets of thousands of Somali businesses and households in Al Barakat, and on the United Nations Environmental Programme to ensure a ban on the exportation of charcoal from Somalia.
5. A more detailed report on the proceedings will be issued by the 31st July, to be distributed to all participants, and will be made available on the CRD website: www.crdsonalia.org .

Done in Djibouti on 22nd July 2004

Witnessed by:

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

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

H.E. Kalonzo Musyoka, Minister for the Environment and Natural Resources, Kenya

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

Amb. Bethuel Kiplagat, Kenya's Special Envoy for Somalia

High-Level Dialogue with the Somali Business Community

PARTICIPANTS

SHARIF AHMED MOHAMED

KHALIF ISSA ALI

SAID NUR QAILIYE

ABDULKADIR MOHAMED NUR (ENO)

MOHAMED ABDULLE MOHAMUD

AHMED DUALE GELLE

HASSAN MOALIM OMAR

ABDIRISAZ HASSAN JIMALE

ABDIRASHID SHIRE HUSEIN

MUHUMED AHMED NUR (FOODEY)

MOHAMUD OMAR ADEN

ABDIRAHMAN ROBLE

MOHAMED ABDALLAH MOHAMED

MAHDI DAHIR SHEIKH NUR

HASSAN HASHI MOHAMED

MOHAMUD OMAR ADUN

IMAN MOHAMED ALI

ABDULKADIR OSOBLE ALI

ABDIRASHID OSMAN HASSAN

MOHAMED ABDULAHI SHEIKH

MOHADEIN MOHAMED SHEIKH (ADAWE)

MOHAMED ADEN FARAH

AMIN OMAR ABUBAKAR

ABDIRIZAK HASSAN JIMALE

ABDIRASHID SHIRE HUSEIN

ZEINAB JAMA MUSSA

ASHA OSMAN UGAS

SIRAD HASSAN HUSEIN

SHAMSO ABDULLE BUTUGEY

ABDIRISAQ OSMAN HAGI

MOHAMUD OMAR ADEN

YUSUF ALI OSMAN
ABDIKARIN SHEIKH

STATEMENT

BY

HIS EXCELLENCY MR. ISMAIL OMAR

GUELLEH,

PRESIDENT

OF

THE REPUBLIC OF DJIBOUTI

22 July 2004

Excellencies,
Representatives of the Somali Business Community,
Ladies and Gentlemen,

It gives me great pleasure to welcome you to Djibouti, this sisterly country of yours. A country that is fervently committed to the promotion of peace and stability in the region. A country inhabited by people whose strong belief in the values of peace, tolerance and dialogue has helped overcome many trials and tribulations. I hope that you have enjoyed your stay and that Djibouti offered an inspiring environment for you to deliberate on the crucial issues tabled before you for discussions despite the severe heat that we are facing at this time of the year.

Excellencies,
Ladies and Gentlemen,

We are indeed heartened by the progress made in the current peace process in Mbagathi, Kenya.

We have strong indications that the long-drawn Somali National Reconciliation Conference is irreversibly progressing towards its successful conclusion. I would like to seize this opportunity to express my deepest gratitude to His Excellency, Mr. MWAI KIBAKI, President of the Republic of Kenya, the Government and the people of Kenya for hosting that conference for the last two years.

I would also like to express my appreciation to the leadership in the region for the clarity of vision, the seriousness of purpose and the strong political resolve they have demonstrated to assist Somalis in their endeavour to establish a broad-based and all-inclusive Government.

Instead, I must commend the IGAD Ministers who are here with us today for their continued engagement and their commitment to speedy conclusion of the process.

The decision to speak with one voice and to articulate a unified position on the issue gave a strong signal to the Somali parties that the onus lied on them to end a long-running nightmare. They seemed to have got the message right and have since then taken positive actions that have helped move the process forward

There is however a strong need to sustain that commitment, to further accommodate one another, to deepen the political dialogue towards the formation of a successful and balanced transitional dispensation that can extend the process of national reconciliation and security throughout the country.

Excellencies,

Ladies and Gentlemen,

Somalia will soon arrive at a moment of hope. Let us all seize this opportunity.

The charge will be to help Somalia create a secure and enabling environment for the emerging institutions to function and address the mammoth task of consolidating peace, ensuring that there is no return to conflict, rebuilding a country that is devastated by a protracted and senseless conflict. Indeed, the real challenges of the transition lay ahead and comprehensive disarmament is the most crucial among them. The international community will be a vital partner in that endeavour. Immense external resources to be made available to the emerging institutions will be essential prerequisites for a successful conclusion

It is therefore of utmost importance for the Somalis to take ownership of the process, shape and define the priorities of the transitional strategy, and support the outcome of the Nairobi Conference. In this regard, the contribution of the business community is crucial.

Dear Brothers and sisters,

You have achieved miracles in an extremely difficult and challenging environment in the absence of a central authority. You have taken the lead in the ~ fundamental changes that are taking place in Somalia. You have laid the foundations for properly functioning institutions. Remittance companies that some of you own and manage continue to provide a critical lifeline to millions of Somalis inside the country and abroad.

The development of telecommunication and information technology remains a source of wonder to many' external observers. The entrepreneurial spirit you have demonstrated and the achievements made have certainly triggered hope among Somalis. The most recent illustration of that renewed confidence in the possibility of a better future for Somalia is the reopening of the Coca-Cola Company a few weeks ago.

But it must also say that the continued lack of governance structures, of a regulatory framework and the absence of peace and stability would jeopardize those positive gains. For the survivors to thrive, peace and security and the creation of an enabling environment for business to grow and attract direct foreign investment are indispensable.

Therefore, you must pool your resources and all work together to support the new Somali Government that we hope will soon be formed.

You have a historic role to play and your support will be critical. You may not quarrel with the thinking. You may actually react positively to the idea.

But we need to see signs of that happening in the early days after the formation of a Government. You need to exert all our energies and efforts to draw an action-plan that would translate your thinking into concrete action if we are to expect the new dispensation to be effective

I believe our meeting today will be the most appropriate forum to initiate discussions on a result-oriented strategy aimed at providing a quick-response to the daunting challenges the emerging administration will have to face.

The region will strongly back your efforts and the international community at various fora has already expressed its willingness to support. God help us in our collective endeavour.

I thank you!

ISMAIL OMAR GUELLEH

Remarks

By

H.E. Seyoum Mesfin

Minister of Foreign Affairs

of the

Federal Democratic Republic Of Ethiopia

22 July 2004

- Honorable Colleague Ali Abdi Farah
Minister of Foreign Affairs and Int. Cooperation of the ROD.
- Hon. Stephen Kalonzo Musyoka,
Minister of Environment and Natural Resources of the ROK,
- Distinguished Ministers of the ROD
- Excellencies, Honorables and international organizations accredited to Djibouti
- Distinguished members of IPF.

His Excellency President Ismail Omar Guelleh,
President of the Republic of Djibouti,
Excellencies,

Distinguished Guests,
Dear Members of the Business Community of Somalia,
Ladies and Gentlemen,

At the outset, let me express my pleasure at being here in Djibouti for this important meeting of the business community of Somalia, the IGAD Ministerial Facilitation Committee and the Representatives of the IPF.

Mr. President, we all know that Somalia is close to your heart. You have made personal sacrifices to assist Somalia. The People and Government of Djibouti have made tremendous sacrifices for Somalia.

Let me express our deep appreciation for the decision taken by the government of Djibouti to host this meeting. You will also agree with me that our meeting today is very significant given our expectation of the crucial role that could be played by the business community in the future reconstruction of Somalia, which cannot be achieved without full participation.

Today Somalia needs the vital contribution of all segments of its society of which the business community is an important element. We have no illusions that peace will be realized fully in Somalia without active participation of the business community, whose role in bringing about national reconciliation is decisive as it is in disarmament, reconstruction and peace building.

- ❑ Somalia today is the only nation in the world without a functioning government
- ❑ Imagine a Somali child who was seven years old in 1991, is by now in his twenties but leading a precarious life without going to formal education.
- ❑ Imagine Somali children born since 1991 who are teenagers by now and serving in youth militias as child soldiers. Somalia lost a generation.

I am extremely delighted to share with you our satisfaction at the progress so far achieved in the peace process currently underway in Mbagathi, Kenya. The National Reconciliation Conference is now in its third and final phase and all the Somali clans are in the process of distribution and selection of the 275 members of parliament. We are hopeful that by the end of this month we will have the Transitional Federal Parliament of Somali in Place.

While much has been done in Mbagathi already, it is nonetheless obvious that what remains to be done is even more daunting. The challenge you face is building the Somali State from the ashes after fourteen years of anguish and national humiliation. This exercise is not going to be easy and no breakthrough can be achieved in this regard without the full commitment of all Somali actors including enthusiastic involvement of the Somali business community in the peace process.

At no time has Somalia needed the services of its business community more than it does now. First of all for peace for national reconciliation. And then for rebuilding Somalia's state institutions and for reviving, with the support of the international community, Somalia's economy, without which there can be neither peace nor durable national reconciliation.

- ❑ Somalia's leaders (Political or Business) have failed in their people and nation.
- ❑ The region and the international community have also failed Somalia.

This must be turned around. It is recognized of this fact that we all have come together to assist Somalia.

Excellency President Ismail Omar Guelleh,

Dear Friends,

No matter how much the road ahead might not be all that smooth; there is ample reason for greater optimism in Somalia than any time in the last close to fourteen years.

First of all, the countries of the sub-region are ready to stand behind the people of Somali in unison. What we have started doing over the last few months has made it all too apparent that the people of Somalia can count fully on the Facilitation committee to discharge its responsibilities. This is a tremendous achievement for the regional states. It is with great pleasure now that I am reaffirming to you we in the sub-region are united in all our efforts to help Somalia regain its rightful place in the community of nations. No doubt, the unity of purpose displayed by the member states of IGAD since last May has been instrumental in achieving positive progress in the National Reconciliation Conference.

Excellencies,

Ladies and Gentlemen,

It is also clear that the international community has begun to show greater determination than before to make a difference for peace in Somali. We continue to get assurances from our partners, with whom we have begun to work very closely, that Somalia can count on the support of the international community to ensure that the government that will be established would be viable and that it would not face complications because of lack of resources which will be critical particularly during the initial period after its establishment.

Excellencies,

Let me reiterate how important this meeting is, for which we are extremely grateful to H.E. President Ismail Omar Guelleh. It is my earnest hope that this will be a successful event. Before concluding, I would like to reaffirm Ethiopia's commitment to do whatever is necessary, along with the countries of the sub-region, for peace in Somalia and for national reconciliation. I would like also to express my sincere appreciation and many thanks to UNDP for joining hands with IGAD in facilitating this important forum, the High-level Dialogue with the Somali business community.

I thank you!

Getting it Right this Time

By

Babafemi A. Badejo, PhD

Senior Political Adviser, UNPOS

21 July 2004

Honorable Ali Abdi Farah
Assistant Minister Mirugi Kariuki
Honorable Ambassadors here present
The UN Resident Coordinator for Djibouti
Respected Business-men and -women
Ladies and Gentlemen of the Fourth Estate
Distinguished Guests,

It is a great pleasure for me to be back in Djibouti after a long absence from a city that is like a second home. The opportunity to be here arose out of a clash in the programme of Ambassador Winston Tubman, the Representative of the UN Secretary-General for Somalia. He had to undertake an urgent diplomatic mission on Somalia that arose after he had concluded all arrangements to be here. He sends his felicitations through me to His Excellency, President Ismail Omar Guelleh for his untiring belief and effort on the need for the revitalization of the Somali State. President Guelleh's zeal has seen the convening of the High-level Dialogue with Somali Business Community. Ambassador Tubman also sends his deep regards to the participants at this meeting and especially the Somali business-men and -women who left the task of making money to attend to the crucial task of seeing Somalia back on its feet.

Monsieur Le Ministre

The importance of the role of business in a peace process was recently emphasized at the July 14 informal consultations of the Security Council on Somalia. Many Ambassadors representing sovereign countries took note of the opening of a Coca-Cola bottling plant in Mogadishu. They were excited and welcomed this development. It was not because they thought that this gift of the United States to the world was crucial for the existence of the simple Somali nomad as he searched for pasture for his camels. They were happy because they saw this development as a signal that peace was returning to Somalia. One of them asserted that capital was a weakling and runs fast from insecure situations. They saw the return of Coke as an indication that peace was about to break and security was returning to Mogadishu and Somalia. Another Ambassador noted that a similar development took place as peace returned to Liberia. Such an appreciation of the role of business at the highest political level is an indication of the importance of business for the peace process in Somalia.

Monsieur Le Ministre

Permit me to note that many, in disparaging comments about the many efforts to bring peace to Somalia, postulate that the Mbagathi peace process will be no different from earlier examples. I personally felt this way until the 5th IGAD Ministerial Conference espoused a decision of all the Ministers concerned about peace in Somalia, to work on the basis of genuine uniformity of approach. Events on the ground have, so far, supported this decision of the Ministers. Their zeal has also seen four Ministerial meetings on Somalia between May and now. The ultimate meeting to launch the new Somali Parliament is expected in a little over a week from today.

It must be accepted that the world environment in the post 9/11 period is different. Circumstances that could allow opportunities for the flourishing of terrorism are of concern to the general international community. A state in coma like that of Somalia is of concern. Such concern led the Security Council to show a desire to implement the arms embargo on Somalia. After two reports from experts and a visit to the region by the Sanctions Committee on the Somali Arms Embargo, a Monitoring Group was established pursuant to resolution 1519 (2003) of 16 December 2003. With this Monitoring Group, it is expected that it will not be business as usual with respect to the importation of weapons into Somalia.

Winston Tubman, in collaboration with many international observers and especially the European Commission, the African Union, the League of Arab States, the United States and a number of European countries has been working strenuously with Kenya and IGAD in making sure we get it right this time.

The commitment of the United Nations and the belief that this should be the last peace meeting in a foreign land on Somalia was demonstrated by the visit of Kofi Annan, the UN Secretary-General to Mbagathi on July 8, 2004. The sense of his speech to delegates on that occasion was that we must get it right this time and bring succor to many Somalis who live under harrowing situations.

Monsieur Le Ministre

The Somali business community has an interest in peace in Somalia. Many would suggest that the Somali business community is used to the short-term gains that are associated with the comatose state of their country.

However, I would like to suggest otherwise. To start with, simple things like each unto himself or herself with respect to security is an expensive way for business to thrive. Waste of human lives represents destruction of consumers and in many instances, family members. Associated with this are higher costs that Somali business-men and -women must carry in operating in a situation in which the world does not have an accepted counterpart with respect to governmental backing to a Central Bank. As you know, such a clearing house is essential for commercial transactions with other countries when it comes to needs like Letters of Credit. The discrimination arising from the lack of an acceptable passport in much of the world is a social cost. I do not want to belabor the point that there are social costs to living in the Diaspora as a result of fear of security for immediate family members after goods in transit in Somalia have been heavily fortified by technicals.

Important, however, is the fact that Somalia has a lot of potential with respect to the construction and rehabilitation of developmental infrastructures all over a vast land. While I will admit that some make some gains from chaos, such gains are not equal to the lives of several clan and family members who are threatened by insecurity that results from stray bullets, kidnapping for ransom, etc.

Monsieur Le Ministre

Somali business-men and -women, in trying to protect their goods in transit have also maintained militias. The business community has, at times, engaged in fire-fights that shed the blood of militias and innocent people. No moral or religious precept sanctions the making of money this way. In effect, the Somali business community has a stake in peace for Somalia, even if for moral or religious reasons among other reasons.

A federal state as is being negotiated in Mbagathi cannot but follow the pressures at the international level to be business-friendly. This suggests that there is enough latitude for dialogue between those in business and those who will be in charge of the apparatus of state power. Such a dialogue should start from now. The presence of designated representatives of the business community could still make a lot of difference in the selection of those to represent Somalia during the five years of transition. I would like to humbly suggest that the most recent statement by the president of the Security Council (S/PRST/2004/24) applies to the Somali business community. In a paragraph, it was stated:

The Security Council reiterates that the Somali parties themselves bear the main responsibility of achieving a comprehensive ceasefire throughout Somalia. The

Council calls on the Somali parties to fully implement the ceasefire, to ensure security, and to resolve their differences through peaceful means.

Monsieur Le Ministre

This does not mean that the Somalis will have to do it all alone. IGAD as a whole and the government of President Mwai Kibaki of Kenya remain steadfastly devoted to the goal of seeing Somalia back on its feet. The Secretary-General of the United Nations used the occasion of his visit to Mbagathi to re-assure Somalis of the commitment of the United Nations to assist. He also called on the international community to help further. But even before his call, a core group was working on behalf of the international community to put in place a fast track Rapid Assistance Programme for the first six to twelve months of a government out of Mbagathi. The second track will see a pledging conference following a needs assessment. Italy has just made an additional contribution of \$2,239,200 to an earlier \$536,150 to the UN Trust Fund for Peace-Building in Somalia. Other contributors to this fund were: Ireland, \$34,668.65; and Norway, \$836,533.39.

If Somalis get it right, including the support of the Somali business community, more can be expected from the international community in addressing the different aspects of putting Somalia back on its feet.

Monsieur Le Ministre

Let me once again use this opportunity to thank President Guelleh for conceiving this initiative and commend the support of UNDP Somalia.

I thank you, Monsieur Le Ministre, for your kind indulgence.

Remarks

By

Sharif Ahmed

Chairman of the Somali business community

22 July 2004

- ♦ Madaxweynaha Jamhuuriyadda Jabuuti, Mudane Ismaaciil Cumar Geelle,
- ♦ Wasiirka Arrimaha Dibadda iyo Iskaa-shiga caalamiga, Mudane Cali Cabdi Faarax,
- ♦ Wasiirka Arrimaha Dibadda ee Dawladda Itoobiya, Mudane Siyum Mesfin,
- ♦ Wasiirka Degaanka iyo Khayraadka Dabiiciga ah, Mudane Kalonzo Musyoka,
- ♦ Wasiirka ku-xigeenka Arrimaha Dibadda isla markaasna ah ku qaybsanaha Arrimaha Afrika, Mudane Mirugi Kariuki;

Ra'iisul-wasaa ... waad salaaman tihiin.

Anigoo ku hadlaya magaca ganacsatada Soomaaliyeed, waxaan u mahad-celinayaa Madaxweynaha Jamhuuriyadda Jabuuti, Mudane Ismaaciil Cumar Geelle, Dawladda iyo shacabka reer Jabuuti – sida sharafta leh ee ay noogu soo dhaweeyeen waddankeennii 2aad. Sidoo kale, waxaan mahad ballaaran u soo jeedineynaa dawladda Kiinya, oo dul-qaad dheer iyo dadaal, ka muujisay arrimaha dib-u-heshiissinta Soomaaliyeed. Dadaalka dawladda Kiinya, waxaa laga milicsan karaa xubnaha sar-sare ee metelaya dawladda Kiinya, ee yimid dalka Jabuuti, si ay u dhiirri-geliyaan, in ganac-satada Soomaaliyeed door shariif ah ka qaadato arrimaha nabad raadinta Soomaaliya.

Waxaan sidaa si la'eg, u mahad-celineynaa dawladda Itoobiya, oo in muddo ahba ku hawlaneed arrimaha dib-u-heshiisiinta Soomaaliya. Waxaa mahaddaas oo kale mudan dhammaan hay'adaha IGAD, IGAD Partner Forum, UN, EC, Jaamicadda Carabta iyo African Union.

Soomaaliya, oo aaney ka jirin dawlad dammaanad qaadda ganacsiga, ayeey ganacsatada Soomaaliyeed, si aad ah ugu dadaaleen, in ay horumariyaan ganacsiga Soomaaliya, iyadoo ku dhex shaqeynaya xaalad aad u adag, in ka badan muddo 14 sano ah. Xaaladdaas waxay xaddiday horumarinta iyo ballaarinta dhaqaalaha iyo ganacsiga Soomaaliya. Caqabadaha ugu adag waxay ka soo wajeheen arrimaha la xiriira nabad-gelyo xumada.

Waxaan shaki ku jirin, in aan la horumarin karin dhaqaalaha iyo ganacsiga dalka Soomaaliya, haddii shacbiga Soomaaliyeed uusan helin dawlad metesha. Dadaal badan, oo ay beesha caalamku ku dadaashay, in Soomaaliya ay ku naallooto nabad iyo horumar, ayaa waxaa si hagar la'aan ah loogu dadaalay in dib-u-heshiisiin laga dhex dhaliyo kooxaha isku haysta ka-arriminta Soomaaliya. Dadaalkaasi wuxuu soo socday in muddo ah.

Dadaallada la xiriira dib-u-heshiisiinta Soomaaliya, waxaan amminsanaahay in dawladda Jabuuti ay si aad ah ugu dadaashay wax ka qabashada xasaradda ka oogan Soomaaliya. Shirkaa ka horreeyay kan maanta ka socda Mbagathi, Kiinya – ee lagu qabtay Carta (Dalka Jabuuti), wuxuu ahaa mid taariikhi ah, oo ay shacbiga Soomaaliyeed ku muujiyeen baahida ay u qabaan in geyiga Soomaaliyeed noqdo mid xasilloon. Dadaalladii loo galay dib-u-heshiisiinta Soomaaliya, kii Carta wuxuu ahaa mid aad u qiimo badan. Dadaalkaas ay sameysay dawladda Jabuuti ma aha mid uu shacbiga Soomaaliyeed illaawi doono; waxaanna madaxweynaha Jabuuti hortiiisa ka caddeyneynaa in ay Soomaaliya u hayso (dalka iyo shacabka reer Jabuuti) mahad weyn oo kal iyo lab ah.

Sidoo kale, iyadoo ka dhii-dhineysa dhibaataada la soo deristay Soomaaliya, ayeey dawladda Kiinya iyo shacabkeeduba u is-taageen, in ay u hiiliyaan shacabka Soomaaliyeed. Dawladda Kiinya waxay u dul-qaadatay, iyadoon ka daalin, in ay gacanta ku hayso shirka dib-u-heshiisiinta Soomaalida, in ka badan 18 bilood. Waxay kaloo dawladda Kiinya u dul-qaadatay caqabado badan, oo soo wajahay socodka shirka nabadda Soomaalida. Shirka nabadda ee Mbagathi (dalka Kiinya), wuxuu hadda marayaa gabo-gabo; shacabka Soomaaliyeed na wuxuu durba dareemayaa neecowda dawladnimo ee Soomaaliya.

Waxaa sidaas si la’eg, aan mahad ballaaran u jeedineynaa dawladda iyo shacabka Itoobiya, sida ay ugu guntatay wax-ka-qabashada arrimaha Soomaaliya, tan iyo markuu sannadku ahaa 1993dii. Waxay taariikhdu xusi doontaa dadaalka nabadeed ee shacbiga aan walaalaha nahay uu u muujiyay shacabka Soomaalida.

Annaga oo ah ganacsatada Soomaaliyeed, waxaan diyaar u nahay in aan la shaqeyno dawlad ka dhalata dalka Kiinya, oo ay Soomaalidu leedahay. Waxaan hortinna ka caddeyneynaa in aan dawladdaas u huri doonno hantideenna, xooggeena iyo garashadeenna. Waxaan ka kaalmeyn doonna, in la xaqiijiyo, in Soomaaliya nabad lagu soo celiyo; in Soomaaliya ay si rasmi ah uga mid noqoto beesha caalamka.

Ganacsatada Soomaaliyeed, waxay ballaan qaadayaan in ay fuliyaan mas’uuliyadda ka saaran dalkooda: haddii ay ahaan lahayd dib-u-dhiska kaabayaasha dhaqaale, horumarinta waxbarashada, isgaarsiinta, gaadiidka iyo dhammaan hawlaha kale ee dib-u-dhiska.

Dareenka ganacsatada Soomaaliyeed wuxuu, mar walba ahaa, mid ku wajahan ka qayb gelidda iyo taageeridda barnaamijyada dib u heshiisiinta. Bishii April iyo Novembar, sannadkii 2003da, waxaan isugu nimid shirar aan uga hadleynay sidii aan kaalmo uga geysan lahayn nabad raadinta Soomaaliya. Waxaan la kulannay ergada shirka nabadda Soomaalida ee ku sugan tuulada Mbagathi ee dalka Kiinya. Waxaan hortooda ka ballan qaadnay in, haddii ay isu tanusalaan, kuna heshiiyaan dhismo dawlada qaran, aan ka kaalmeyn doonno xag walba.

Annaga oo tixraaceynta dadaalladaas aan hore u sameynay, waxaan 2dii maalmood, ee aan ku sugneyn dalka aan walaalaha nahay ee Jabuuti, ka doodnay sidii, aan haddana mar kale, uga qayb qaadan lahayn nabad raadinta Soomaaliya. Go'aanka aan gaarnay waxaan ku soo saarnay BAAQ hortiinna la keeni doono.

BAAQAAS waxaa ka mid ah, in aan magacawney guddi heer sare ah, oo si joogto ah uga qayb qaadan doona shirka nabad raadinta Soomaaliya, si aan shacabka Soomaaliyeed iyo beesha caalamkaba ugu muujinno sida aan diyaarka ugu nahay wax-ka-qabashada arrimaha Soomaaliya. Guddigaasi wuxuu si rasmi ah ula shaqeyn doonaa beesha caalamka, dawlada Soomaaliyeed oo dhalata iyo shacabka Soomaaliyeed dhammaantood.

Baahida dhaqaale ee ka jirta shirka nabad-raadinta hadda ka socda dalka Kiinya awgeed, waxay ganacsatada Soomaaliyeed ku tabba-rucaysaa dhaqaale aan u soo marin doonno Guddiga Ganacsatada Soomaalida ee maanta magacownay. Guddigaani wuxuu dhawaan tegi doonaa dalka Kiinya, si aan ugu wareejinno deeqdaas aan bixineyno, iyo sidii aan uga qayb qaadan lahayn shirka nabadda Soomaaliya.

Waxaan beesha caalamka uga mahad-celineynaa dadaalka hagar la'aaneed ee ay u muujiyeen shacabka Soomaalida. Waxaan kaloo ka mahad-celineynaa ballan qaad yada ay beesha caalamku muujisay marka Soomaalioya ay hesho dawladda loo dhan yahay, oo xaqiijisa nabadgelya dalka.

Annagana waxaan ballan qaadaynaa in aan la shaqeyn doonno dawladda Soomaaliyeed ee cusub iyo beesha caalamka iyo dawladdaha aan deriska nahay.

Conference Photographs



Participants chat during a coffee break.

The Foreign Minister of the Republic of Djibouti, the Assistant Foreign Minister of the Republic of Kenya and the Kenya Ambassador to Somalia look on with others as a statement is made.



Somali businessmen react to what is being said.



The conference gets underway.

An informal meeting in between sessions.



The United States Ambassador to Djibouti studies a document.

A FOLLOW-UP NAIROBI MEETING
--- SOMALI BUSINESS COMMUNITY ---
Aug. 29 – Sep. 2, 2004

Background

From August 28 – September 2, 2004, a follow up meeting to the High Level Dialogue meeting in Djibouti of 21-22 July, 2004 was held in the Nairobi Intercontinental Hotel. The event was attended by the so-called Contact Group of Somali businesspeople formed in Djibouti and comprising representatives from the following sectors:

- Trade
- Commercial Aviation
- Remittances
- Manufacturing
- Port Services
- Telecommunications & Postal Services
- Small Business
- Microfinance

The Djibouti meeting constituted part of the third and final phase of the Somali National Reconciliation Conference (SNRC), in implementation of the outcomes of the seventh IGAD Ministerial Meeting on Somalia to engage the business community. Among these:

- to contribute to the creation and protection of a secure environment;
- to support and participate in the economic reconstruction of the country;
- to create a *Contact Group* for the Somali Business Community to facilitate relations with the transitional institutions, IGAD countries and the international community. The *Contact Group* was mandated to commence dialogue with the Somali National Reconciliation Conference and the international community in Nairobi as soon as possible;

Following the successful conclusion of the Djibouti high-level Dialogue the *Contact Group* planned to meet in Nairobi within a week, but due to immigration and other constraints plans were delayed for approximately a month, in part because Contact Group members live in the UAE, Mogadishu, Djibouti and Puntland. Eventually the efforts of the IGAD Facilitation Committee and WSP International, in partnership with its affiliate, CRD paid off. It was especially critical that the meeting take place as soon as possible so as to maintain the momentum generated by Djibouti, as well as the pace of events at the SNRC.

Expenses for the event, including travel, accommodation and logistical costs were met by the Somali business community. The agenda was as follows:

ACTIVITY 1

(Sunday Aug. 29, 2004)

The Inauguration of the Somali Parliament

The Somali Business Community representatives attended the first inauguration ceremony of the transitional Federal Parliament of Somalia held at Gigiri, the UN's regional headquarters in Nairobi on Aug. 29, 2004. The official ceremony, anchored by Ambassador Ahmed Mohamed Afey, Kenya's ambassador to Somalia, was attended by the Kenyan Vice President H.E. Moody Awori, distinguished ministers from the Republic of Kenya, members of the international community, IGAD Facilitation Committee, IPF, the Director General of UNEP, Somali traditional leaders, and a Somali performance troupe.

The ceremony began with a reading of verses from the holy Qur'aan by a Somali cleric, followed by statements from:

- The Vice President of Kenya, H.E. Moody Awori
- Foreign Affairs & International Cooperation minister, H.E. Ali Magueri
- Environment & Natural Resources minister, H.E. Stephen Kalonzo Musyoka
- Representatives of: the African Union, League of Arab States, Uganda, Eritrea, Sudan, United Nations Political Office for Somalia, IGAD and the Director General of UNEP (Nairobi)
- The Chairman of the Somali Business Community, Mr. Sharif Ahmed Sharif.

A Somali troupe performed national songs and poems, touching, in the process, the emotions of the new members of the Somali parliament and other guests. Many MPS had been previously sworn in at the same venue but those seats that remained unfilled or in dispute then were sworn in during the August 29 inauguration ceremony.

The inauguration ceremony was officially honoured by the vice president of the republic of Kenya, H.E. Moody Awori and the aforementioned dignitaries made historic remarks.

ACTIVITY 2

(Sunday Aug. 29, 2004)

Pledge of commitment to provide financial support to the peace process

Members of the Contact Group met at the Nairobi Intercontinental to discuss their token financial contribution to the Somali National Reconciliation Conference, in keeping with their decision at the High Level Dialogue in Djibouti. Following deliberations, they earmarked a small sum of money as an initial contribution to the Somali peace process. During the meeting, the contact Group also met with co-facilitators of the Djibouti meeting, UNDP Somalia and WSP International (PDRC and CRD) to discuss the agenda for the subsequent two days.

ACTIVITY 3

(Tuesday Aug. 31, 2004)

Meeting with IGAD and IPF members

The meeting, facilitated by WSP international and CRD, opened with a speech by the chairman of the Somali Business Council of Dubai and the Contact Group. His address set the tone for the subsequent substantive discussion among the Contact Group, members of the IGAD Facilitation Committee led by H.E. Ambassador Bethuel Kiplagat and representatives of the IPF.

The Somali business community re-iterated the pledges it made in Djibouti to:

- fully support, cooperate and assist the Transitional Federal Government of Somalia particularly with respect to the issues of disarmament, demobilization and re-integration of armed militia;
- work with the TFG to ensure the overall security of the country and people of Somalia;
- fully participate in national reconstruction and reconciliation with the help of traditional elders, religious leaders, youth and civil society groups;
- assist the TFG with implementation of much needed revenue collection and take part in combating the illegal trade and degradation of the Somali environment;
- continue and compound the private sector's achievements of the past 14 years in education, health, communication, and airlines, among others.

In his statement, the chairman, Sharif Ahmed Sharif, on behalf of the Somali business community, requested assistance from the international community with respect to:

- the re-establishment of the Somali Chamber of Commerce and Industries through provision of technical expertise in order to unite their voices and business entrepreneurship;
- the allocation of membership within the various commissions of the reconstruction of Somalia, the disarmament, demobilization and re-integration of the armed militia, land and property dispute in their effort to participate in the recovery programs for Somalia;
- the encouragement of the future Somali Federal government to support the development of the expanding Somali private sector;
- the appointment of an anti-corruption commission;
- the fight against the depletion of Somalia's environmental resources;
- the establishment of an accepted Bureau of Standardization for quality control of imports and exports;
- the effective implementation of the UN Security Council's arms embargo on Somalia;
- the apprehension of recalcitrant political leaders that oppose the implementation of agreements reached in a series of Somali peace conferences and bringing them to justice, as has been effected in other formerly war-torn African states such as Liberia, Rwanda, Burundi, and Sierra Leone.

The chairman of the Somali business community, Mr. Sharif Ahmed Sharif, expressed sorrow at the division of Somalia into enemy clans, and requested of the international community assistance for the future Somali Federal government on:

- Support to embark on a more aggressive national reconciliation within Somalia to heal the wounds of civil war syndrome and to avoid the mistakes committed by the Transitional National Government formed in Arta, Djibouti in August 2000.
- Providing full political recognition, as well as economic and military assistance to generate public support on the ground;
- Helping to bring together peacefully through dialogue Somalis from both Somaliland and south Somalia; and
- Implementation of a more unified and well-coordinated disarmament policy throughout Somalia.

Mr. Sharif Ahmed expressed the business community's hope: that the armed political leaders of Somalia reconcile and compromise; that they advance the interests of the wider Somali people and demonstrate true political leadership and patriotism to help Somalia stand on its feet; that they remain loyal and committed to the agreements they have signed.

In conclusion, the chairman expressed, on behalf of the Somali business community, deepest gratitude to the people and republics of Kenya, Djibouti, Uganda, Eritrea, Sudan and Ethiopia for their selfless efforts to help Somalia remain a peaceful country. He expressed similar gratitude to the governments of the EU, League of Arab States and the US, without whose generous commitment to financially sustain the Somali peace process, one of the longest peace conferences, there would be no positive result. Also, the chairman thanked the UN, LAS, AU and international NGOs that have assisted the Somali people in one way or another over the past 14 years.

In reaction to Mr Sharif's emotional speech, interventions were made by Ambassador Bethuel Kiplagat, Ambassador Fom of the AU, David G. Bell on behalf of the IPF and Ambassador Winston Tubman, the special envoy of the UN secretary general for Somalia. The appreciation and positive reaction of IGAD/IPF attendees was expressed by ambassador Fom: "We have been seeing time and again Somalis, when asked about the current situation with answers followed by a number of BUTs. This meeting is the first meeting that gives us an impression of HOPE and revival that Somalia, with the help of the Somali business community, could be a peaceful and prosperous country in the near future." Another hopeful comment was made by ambassador Bethuel Kiplagat: "While I was in charge of the Somali peace conference, I was given a number of commitments by different parties but the commitment of the Somali business community is one of the most important commitments I would adore as I would love to see a peaceful Somalia." Ambassador Winston Tubman asserted that Somalia would not have survived statelessness for such a long time without the resilience of the Somali business community, whose entrepreneurship should serve as an example for many other African countries.

ACTIVITY 3.1

UNDP Somalia presentation “UNLEASHING ENTREPRENEURSHIP: Making Business work for the poor”, a report to the Secretary General of the United Nations

Mr. Elbala Hagona, director of programmes at UNDP Somalia, shared with members of the Somali business community a report made to the UN Secretary General that addressed making business work for the poor. The report underscores that any approach to private sector development, including policy and action recommendations should begin with the understanding that the savings, investment and innovations that lead to development are undertaken largely by private individuals, corporations and communities. The presentation posited that the private sector can alleviate poverty by contributing to economic growth, job creation and poor people’s incomes. It can also empower poor people by providing a broad range of products and services at lower prices.

ACTIVITY 3.2

Contact Group meeting with an EC consultant to discuss peace building

A consultant was brought in to explain that conflict is inherent in human nature and that the Somali case is not unique. Since humankind must live with conflict in one form or another daily, it must be managed and overcome. The consultant also stated that there was irony and sadness in Somalia’s being homogeneous unlike the former Yugoslavia, and yet still capable of engaging in a complex, 14-year conflict. The business community was encouraged to believe that its role could be substantially helpful in the context of the Somali conflict by creating employment opportunities and alleviating poverty-induced conflict.

ACTIVITY 3.3

Dinner with Ambassador Kiplagat

To honour the Somali business community, His Excellency Ambassador Bethuel Kiplagat, in the company of Kenya’s ambassador to Somalia, Afey, offered dinner to members of the business community at Nairobi’s Carnivore restaurant. The ambiance of the dinner was cordial and relaxed and offered all parties a space to exchange different comments and views about the peace conference, the future implementation of the agreements reached and the roles of the Somali business community and the regional and international community.

ACTIVITY 4

(Wednesday Sept. 1, 2004)

Open Discussion: EC, UNDP Somalia and WSP International

At the Nairobi Intercontinental hotel, the Contact Group sat down with representatives of UNDP Somalia, the EC and WSP International to discuss the way ahead for the Somali private sector. Based on the outcome of a number of business meetings held for the various sectors of the business community in Dubai, London and Nairobi respectively, businesspeople were asked about their expectations of international agencies and donors.

Attendees from the different sectors of the business community held separate sessions to formulate proposals and suggestions for action. After an hour's deliberation, the groups came up with the following points of action:

- the formation of an independent national Chamber of Commerce & Industry;
- capacity building for the Somali Business Community;
- the provision of technical know-how and expertise on the fundamentals of establishing a national Chamber of Commerce & Industry;
- the need for an expert to create a blueprint for the formation of a Chamber of Commerce & Industry;
- the need to safeguard existing businesses from potentially negative government intervention and harmful competition from foreign companies in the event a government is formed;
- the need for substantive input from the international community and vital sectors of the Somali economy such as livestock, agriculture and fisheries.

UNDP Somalia responded to the presentation of the Somali Business Community representatives with a pledge to provide a consultant as requested. In turn the Contact Group was asked to appoint a committee to cooperate with UNDP Somalia on the hiring of an expert and subsequently to work with him or her on different focus areas. As a result, the following focal points were selected by the members of the Contact Group:

- | | |
|-----------------------------|----------------------|
| 1. Sharif Ahmed Sharif | Dubai, UAE |
| 2. Mohamed Abshir Waldo | Nairobi, Kenya |
| 3. Eng. Abdi M. Sabrie | Mogadishu, Somalia |
| 4. Abdulkadir Ossobleh | Mogadishu, Somalia |
| 5. Abdikarim Sheikh Ibrahim | Mogadishu, Somalia |
| 6. Kassim Ali Jama | Bosasso, Puntland |
| 7. Mohamed Jirde Hussein | Hargeisa, Somaliland |
| 8. Bashir Mohamed Jama | London, UK |

ACTIVITY 4.1

Discussion with the Kenyan Investment Promotion Centre

A representative of the Kenyan Investment Promotion Centre met with members of the business community. During the meeting issues of broader importance were addressed, such as attracting and promoting investment projects to take advantage of Somalia's enormous economic potential. During the meeting, the KIPC representative cited sectors

with the potential for economic intervention and investment, among these, tourism, agriculture, fishing and livestock. The attendees agreed to establish communication channels to explore other possible options of investment.

NAIROBI FOLLOW-UP OF THE HIGH LEVEL DIALOGUE IN DJIBOUTI FOR SOMALI BUSINESS COMMUNITY

- Saturday, 28 August 2004 Arrival of business-men and -women in Nairobi
- Open
- Sunday, 29 August Sharif Ahmed, Chairman of the Business Community makes
speech at the swearing in ceremony of the parliament
- Monday, 30 August Informal discussion among the Business Community delegation
- Tuesday, 31 August
09 00 - 10 00 Meeting with IGAD and IPF
- IGAD & IPF
Remarks by Amb. Mohamed Abdi Afey
: Sharif Ahmed
: Amb. B. Kiplagat
Venue: Inter-Continental Hotel
- 1230 - 1350 *Lunch - hosted by UNDP Governance & Financial Services
Programme
Venue: Inter-Continental Hotel*
- 14 00 - 16 00 Opening remarks by Max Gaylard, UNDP Resident
Representative "Presentation by Elbala Hagona, Country Director
and Abdikadir Yahya, Co-Director of the Centre for Research and
Dialogue (CRD), on the Main Messages and Recommendations
of the Report to UN Secretary General titled: *Unleashing
Entrepreneurship: Making Business Work for the Poor*"
Venue: Inter-Continental Hotel
- 16 00 - 17 00 Meeting with Mr. Kai F. Brand - Jacobsen, Reconciliation
Consultant
- 1900 - 21 30 Dinner with Amb. Kiplagat & team
Venue: Inter-Continental Hotel
- Wednesday, 1 September
0900 -1100 Meeting with UNDP Somalia and EU/EC Somalia Unit and WSPI
to discuss about the possibilities of establishing a Chamber of
Commerce for Somalia
Venue: Inter-Continental Hotel
- 1100 - 12 45 Meeting with EU/EC Somalia Unit
Venue: Inter-Continental Hotel
- 13 00 - 14 00 Meeting with the Kenya government's Investment Promotion
Centre (IPC)
- Thursday, 2 September
09 00 - 12 00 Meeting with WSPI to discuss "National Dialogue for
Reconciliation Programme"
Venue: Inter-Continental Hotel

Somali Business Community

Presents

An open letter to the International Community & the Somali Participants of the Peace Talks in Mbagathi, Kenya

23 May 2003

On behalf of the Somali business community, we hereby express our appreciation and gratitude to the frontline states, Djibouti, Ethiopia and Kenya and all the International Community for their positive efforts and contributions to the Somali Peace Process.

The Somali Business Community (SBC) would like to extend our gratitude to Ambassador Bethuel Kiplagat for inviting us to the IGAD Workshop for Somali Business Community on Somali National Peace and Reconciliation Conference to address the organizers and participants of the Peace Conference. We are honored by this invitation, which is a testimony to organizers' wise leadership, sincerity and willingness to empower the Somali people, including Soma Business Community. The encouragement and advice of Ambassador Winston Tubman, the Representative of Secretary – General of the United Nations, is much appreciated. Of notable importance is the participation of members of the International community and particularly, the support of the representatives of Center for Research and Dialogue (CRD/WSP).

We, the Business Community, recognize the multifaceted obstacles resulting from the status quo and the lack of an internationally recognized system of government. And, it goes without saying the Somali business community remains at the mercy of a volatile, indeed hazardous business environment. As a result, incredible funds go to security arrangements, extortions, bribes, and such. And, coupled with the said daunting problems, is the lack of necessary infrastructure for businesses to thrive – roads, air and seaports, etc. Needless to say, this has the potential to become a major blow, if not a detrimental setback to any business anywhere. However, due to the Somali ingenuity, entrepreneurial spirit, and human resources, the business community has, by and large, sustained the economic and social well being of the entire nation.

The business sector is the main source of employment and is currently the only apparatus indiscriminately interlinking all over the nation. When it comes to business, the whole nation is interconnected and operates like one unit. Goods and services travel from one corner of the country to the other. Advanced telecommunication systems, cyber augmentation, money transfer and the informal banking systems keep the nation connected to the rest of the world. Livestock exports are flourishing. Likewise, the exports of seafood and agricultural products are steadily growing. However, history attests to the fact that no economic machine, notwithstanding its sophistication, could ever endure the vicious winds of uncertainty and insecurity for long.

Therefore, the Somali Business Community is prepared to fully endorse the Somali Peace Process in Kenya and to accept any outcome agreed upon by all Somali participants.

The Somali Business Community enlists its positive contributions to the outcome of the Mbagathi Peace Process through:

- 1. Establishment of an eight-member General Co-ordination body to represent the SBC will be established**
- 2. Provision of active support for a bottoms-up approach to the demobilization, disarmament and rehabilitation processes**
- 3. Commitment to pay its share, i.e., taxes and its collection process.**

Recommendations:

As concerned Somali citizens, we shall do all within our capacity to facilitate peace among our brethren. And, it is in that spirit that we offer the following recommendations to the organizers and the international community:

- 1) This conference SHOULD be an all-inclusive, fair and forward but NOT individual/group-pleasing conference. Those kinds do not work- we should know it after 13 failed ones!
- 2) The international community should demand more commitment from ALL stakeholders. These individuals/groups should recognize the warning sign: the old mentality of 'Let us hug on the stage and fight in the alley' is NO LONGER acceptable.
- 3) All participants of the peace process should promote the culture of forgiveness - "the best revenge is to forgive"
- 4) An appeal to ALL the International Community and stakeholders:
 - a) To support the agreed upon outcome. For any outcome to work, it is imperative that it receives unequivocal recognition and support from ALL the above entities.
 - b) To support an independent monitoring body to ensure a fair transition and implementation. By "independent", we mean objective minds (Somalis and foreign advocates) that could be in the Diaspora or their respective countries that could monitor the implementation process... and would publish quarterly report(s) that thoroughly evaluates the merits or the demerits of the transitional authority.
- 5) There should be a well-defined disarmament plan that is fair, uniform, comprehensive and simultaneous
- 6) Strong warning must be given to those countries and individuals that contribute, support and/or the violation of the UN arms embargo on

Somalia.

- 7) Also, those who support or harbor any faction leader(s) in violation of the agreed upon outcome of the peace process.

In Conclusion, the SBC would like to extend special gratitude to Mr. Maxwell Gaylard, UNDP Resident Representative and his good offices for hosting and organizing this successful workshop. We appreciate the opportunity accorded to us and wish all the delegates and the organizers of this peace conference a very peaceful, successful and productive deliberation that will result in an outcome that will be embraced and nurtured by the Somali people.

Concept Paper to Support a Somali Chamber of Commerce

I. Summary

This paper provides a brief overview of UNDP support for the Somali private sector development and the related trade and professional associations. In the aftermath of the collapse of the state and its institutions, the Somali private sector has expanded its operations to include traditionally public services delivered in an environment lacking governmental regulations and oversight as well as multilateral and bilateral financial and technical support. In addition this paper proposes a unification of these professional associations, and others that UNDP does not currently support, under the umbrella of a Somali Chamber of Commerce. Through supporting a centrally linked Chamber of Commerce, UNDP will be able to efficiently channel funding to these providers of public goods, strengthening their capacity and increasing their effectiveness in delivery in Somalia. These activities fall under UNDP's goal of sustainable human development and fulfill the aim of Millennium Development Goal 1: eradicate extreme poverty and hunger.

II. Background

The Somali private sector development and its associations are experiencing robust development in the absence of a government. Since 1998, UNDP has embarked on a strategic programme of providing technical support, albeit limited, to telecommunication sector, remittance companies, livestock professional and certification process and other professional trade associations now functioning in the country. Following the business community workshop held in Dubai, UAE in 1998, the Somali Business Council was formed to provide a platform for all Somali associations and a forum for engagement between the private sector community and the international community operating in Somalia.

From its inception the Somali Business Council (SBC) provided support for individual businesses and for private sector associations as they arose, particularly the Somali Telecom Association and the Somali Financial Services Association. Acting as an umbrella to the private sector, the SBC aims to provide guidance and serve as an international voice to the associations, particularly during their development stages. As time progresses, particularly while there is no central government, the SBC will change the focus of their activities from direct assistance to policy coordination for all private sector bodies. The SBC is responsible for introducing the international community to the critical functions of the Somali private sector and informing them of the challenges they continue to face today.

The remittances sector, a large percentage of the private sector, is a critical component of the Somali economy today, comprising the direct household incomes for over two million Somalis, investment for private enterprises, and the sole facilitation of trade with Somali businesses. With the closure of Al-Barakat in November 2001, UNDP became concerned over the implications this had on both the remittance industry and the economy it supports¹. UNDP's engagement is embraced by all stakeholders involved in the industry and has become the focal point for the sector.

¹ UNDP launched its Remittance Initiative with the publication of "A Report on Supporting Systems and Procedures for the Effective Regulation and Monitoring of Somali Remittance Companies (Hawala)" by Dr. Abdusalam Omer, August 2002.

In 2003, UNDP initiated its project on the Somali financial sector, the Somali Remittance Initiative, which engaged both a short-term and long-term strategy to support the remittance sector while also promoting an environment conducive for the entry of a formal banking system in Somalia. The programme addressed several issues regarding the remittance sector, including standardization of the industry, compliance with host government regulatory requirements, and expansion of services.

This project was continued in 2004 in a two-year initiative, the Financial Services Development Project. Out of these initiatives, the Somali Financial Services Association, established in October 2003, was formed and acts as the conduit with which to provide the remittance company members with increased financial and technical expert assistance from UNDP Country Office.

In 2003 UNDP and FAO initiated a programme to respond to the needs of Somali pastoralists that are dependent financially on the export sale of livestock and livestock products. The main markets are in the Middle East particularly in the Arabian Peninsula. The Office International des Epizooties (OIE) reported list of diseases such as Rift Valley Fever (RVF), foot and mouth disease, rinderpest, pest des petits ruminants and sheep pox, have led to severe restriction on the trade in live animals to these markets from Somalia and neighboring countries. These restrictions have caused serious economic loss to pastoralists, traders, and authorities in Somalia. An alternative to live animals has become the export of meat products since it carries a lower risk of transmitting diseases. Because of that a number of abattoirs have emerged in the several parts of the country. However, even this meat trade has been threatened with interruption because of disease related concerns.

Prior the collapse of all institutions in Somalia, the Ministry of Livestock and Range performed the role of inspection and supervision of animal health in Somalia but since there is no institution performing this function today, concern of importing countries is understandably high.

In light of the above, the importing countries have requested that UNDP and FAO to assist the various Somali authorities in the certification of the livestock and livestock products. While UNDP and FAO are collaborating in assisting this sector of the Somali economy, neither agency has the mandate for certifying Somali products nor the manpower on the ground to do so. However, a number of importing countries from the Arabian Peninsula have suggested that a system of standardized certification implemented throughout the country, under the supervision of UNDP/FAO, municipalities and the livestock association, would most likely be acceptable given an independent body is responsible for the undertaking of the certification process - for quality control purpose.

In the absence of a central government in Somalia, these business associations have played and continue to play an instrumental role in the shaping and expansion of development in their respective sectors. Taking advantage of the open market, the increasing need for technological and industrial improvements and the lack of restrictive governmental regulations that once existed, the entrepreneurial spirit of the Somali businesspeople captured Somalia, crossing clan and geographic boundaries and serving the common interests of the broader sections of Somalia. In addition to the above named associations, there are several others that are not currently supported but do require international focus and support. These include civil aviation, women businesspeople, manufacturing and fisheries, among others. By incorporating these sectors under the umbrella of the Chamber of Commerce, their respective associations can develop and the increased number of members will serve to broaden and strengthen the association.

As the associations grow, they further expand and diversify their sectors, focusing on outside trade partners, regulators and international laws. The associations are, therefore, integral to the sustainable growth of these sectors. If and until a central government is in place, these private sector associations are critical to ensuring the continuation of capacity building and employment opportunities as well as economic development for the whole of Somalia.

III. Overview of Currently Supported Associations

Somali Telecom Association (STA)

In 1998, the Somalia Telecom Association (STA) was established with its seat of operation in Dubai, UAE. It remains to be one of the success stories of UNDP's private sector initiative in terms of providing support to institutional rebuilding that has effectively brought together all major telecommunication companies into a single association. The partnership between UNDP and STA entails provisions of technical experts provided by the International Telecommunication Union (ITU) with the aim of improving the operating systems, as well as play an advisory role in the implementation of telecom interface and skills enhancement for all operators.

Despite the protracted conflict and instability, the telecommunications industry increased telephone fix-lines from 17,000 to 100,000 lines consisting of both landlines and mobile users. Also, Internet access is expanding throughout the country. In 2002, the telephone network covers approximately 87% of the country.

STA has provided overseas and in-country training and skills improvement to more than 112 Somali engineers and managers through the ITU cooperation. The position of the Association is unique as it is a Somali institution run and managed by Somali professionals in close consultation with industry's leading product suppliers. Also, STA members participate in telecommunication conferences on behalf of Somalia. A memorandum of understanding is the legal framework for all Somali operators' cooperation. The aim of STA is to become Telecommunication regulatory agency for future Somalia. The Association has the manpower and skills required to lead the regulatory and telecommunication industry in a very competitive environment. It also prevents administrative gaps arising during the transitioning period from conflict to peace and institutional building - in the event a national government is formed. Additionally, the STA enables the higher education institutions to provide technology programmes, such as the African Virtual University (AVU) and access to other valuable online resources otherwise unavailable in the country. As such, the functioning of the STA and its member companies are critical in improving the state of human development in Somalia. Through their membership in a Chamber of Commerce, they could provide valuable international training institute connections as well as telecommunication assistance to its members.

The Somali Financial Services Association (SFSA)

The establishment of the Somali Financial Services Association (SFSA) is a critical component in strengthening and expanding the remittance sector, networking the remittance companies to make training and advocacy efficient and effective, and perhaps most importantly, instituting a self-regulation mechanism for the Somali remittance companies in the complete absence of a formal banking and regulatory sector inside Somalia.

In June 2003, the Somali remittance companies came together in a workshop held in Dubai to discuss the feasibility of expanding the financial services sector in Somalia. During the course of the workshop they unanimously decided to launch an association as the best means of organizing, strengthening and ensuring the

continuity of their sector. As such, 14 remittance company members adopted the Constitution, which identified objectives, organizational structure, membership guidelines and powers of the Somali Financial Services Association (SFSA), on October 2, 2003. Subsequently, the SFSA was formally launched at a conference in London December 4, 2003.

The primary objectives of the Association are:

- Ensure the continuation of the remittance flow to Somalia from host countries;
- Self-regulate in the absence of central authority and central bank institutions inside Somalia through the establishment of standards and guidelines for good working practices;
- Promote the adherence to sound financial practices amongst all members through training and education programs;
- Liaise with regulators, government and other agencies to increase their awareness and understanding of the industry and to assist in the development of appropriate regulation for the industry;
- Raise public awareness on future challenges and opportunities for the remittance industry.

Since its adoption, the Executive Board, elected by the General Assembly as delineated in the Constitution, has drafted a Code of Conduct, which serves as the cornerstone to ensuring compliance and coordination amongst all of its members. They launched the European branch of the SFSA, which is headquartered in London. Additionally, in June 2004 there was an Anti-money Laundering Compliance Guide workshop for the SFSA members. During that workshop, 9 member companies were trained on AML best practice and an SFSA Compliance Guide was developed. Most recently, a delegation of SFSA members attended the annual meeting of the Alliance of African Bankers' Institutions, and they were accepted as affiliate members. This affiliation paves the way for successful advocacy and international networking that can assist the SFSA and its members as well as a Chamber of Commerce.

Somali Livestock Board (SLB)

Following the April 2003 workshop held in Dubai, UAE, for livestock and livestock product importing countries and the Somali exporters from all parts of Somalia, including the local authorities, municipalities, and veterinarians association. At the workshop it was recommended to establish a common system of certification for Somali livestock and livestock products and under the aegis of "the Somali Livestock Board (SLB)". The SLB will be constituted as the competent body to regulate the livestock and meat industry in the Somali areas through ensuring inspection and certification, especially for export. This setup will consist of an executive board and zonal boards for the different political zones of Somalia. The recommendation further elaborated the following:

- Through legislature promulgated by the appropriate regional authorities will have oversight responsibilities for the inspection and certification of the Somali livestock and meat industry, including preparation for export and ensuring compliance with international standards and practice;
- Mandate SLB through legislation by the appropriate regional authorities, to establish an institutional mechanism such as veterinary body to cover the relevant zones in accordance with international standards and practice, especially the standards established by the OIE. In this way the needs and

requirements of the importing countries in the implementation of inspection and certification of Somali livestock and livestock products, based upon the common system of certification proposed at the meeting, will be taken fully into account; and

- Provide training of various personnel of the Somali livestock and meat industry, to enable them to fulfill the duties and responsibility demanded by the common system of certification.

In accordance with DIE recommendation procedures for certification, the Somali Livestock Board will act in effect as the recognized Veterinary Administration in the zones of Somalia where it is implemented; the ministries, municipalities that are working in association with SLB will be effective veterinary authorities and the SLB accredited veterinarians will act as the certifying veterinarians.

With support from the World Bank through their LICUS (Low Income Countries Under Stress) initiative, FAG is currently implementing activities associated with the establishment of the main livestock board and three zonal boards. The zonal boards will be located in the three main geographical regions of Somalia: Northwest, Northeast and Southwest. Through the SLB, livestock can be reopened as a major source of hard currency earning for the country, enhancing the opportunities for employment, investment and poverty reduction in Somalia. Their membership to a chamber of commerce would afford them with the international networking activities that are immensely needed.

IV. Proposed Assistance for Activities with the Chamber of Commerce

- Revitalize the Somali Business Council to become the Somali Chamber of Commerce, including support for its infrastructure;
- Network with international chambers of commerce and relevant associations; Establish a directory;
- Provide technical assistance in drafting documents, creating and maintaining a website, developing compliance manuals and other technical assistance deemed necessary for member and emerging associations;
- Establish links with training institutes and related programmes that exist outside the country;
- Hold workshops for the sectors on key areas such as mechanisms for self-regulation and gender-equality in the private sector.

V. Indicative Outcomes

- Increased awareness in the international sphere;
- Increased investment into the Somali private sector;
- Technical requirements of the member associations are met;
- Increased networking and information sharing among the associations;
- Increased employment and reduction of poverty in Somalia;
- Increased profitability of private sector businesses involved in the Chamber of Commerce.

Press Release

**Somali business community to create
Chamber of Commerce and Industry**

Nairobi (2 September 2004) - UNDP welcomes the declaration of intent by the Somali business community to create the Somali Chamber of Commerce and Industry.

The pronouncement in Nairobi comes at the conclusion of a two-day follow up meeting to the high level Intergovernmental Authority on Development (IGAD) dialogue held in Djibouti in July 2004, where the business community pledged to support and participate in the peaceful and economic reconstruction of Somalia.

"The private sector has sustained Somalia for the last fourteen years in the absence of a functional central government. The Chamber of Commerce and Industry will enhance that role, and support the new Somali government through a united voice and the action of business," says Sharif Ahmed, current Chairman of the Somali Business Council. "In addition, the Chamber will foster networks within the region and globally, promoting investment."

To this end the business community has formed an interim advisory committee of eight members to oversee the initiation of the Chamber of Commerce within the next eight weeks. With the support of UNDP Somalia, the working group will institute a draft constitution, approve a technical expert to assist in the formation of the Chamber, bring together other Chamber members to approve the final constitution, and elect its executive board and chairperson.

"For UNDP, this is a clear indication of the Somali business community's resolve to be a part of the reconstruction effort in Somalia," UNDP Resident Representative Maxwell Gaylard noted. "This is, and will continue to be a Herculean task and we encourage more Somali-led initiatives that can make a positive contribution to the development of the country."

While in Nairobi the Somali business community met with senior IGAD officials, the International Partners Forum, the United Nations, the European Commission, as well as the Investment Corporation of Kenya to discuss collaborative economic opportunities.

.....

For more information, please contact:

Sandra Macharia, Information Officer, UNDP Somalia

Tel: (254 20) 4448434; Fax: (254 20) 4448439; Email: sandra.macharia@undp.org

Centenary House, Ring Road Westlands Lane, PO Box 28832, Nairobi 00200, Kenya Tel: (254) 204448434-8
Fax: (254) 204448439 www.so.undp.org

UNDP Somalia's Engagement with the Private Sector

(1) UNDP's Commitment to the Private Sector

- Private sector is the provider of public goods in Somalia today
- In line with meeting MDGs, particularly #1: Eradicate Extreme Poverty and Hunger
- Sole source of investment and economic development of Somalia
- UNDP support since 1998, following a conference in Dubai where the Somali Business Council was formed

(2) Private Sector Associations

- **Somali Business Council (SBC)**
 - Formed in Dubai 1998 (UNDP Business Community Workshop)
 - Network for all business associations
 - Link between the private sector and international community operating in Somalia
 - Brings needs and challenges to the attention of international aid organizations
 - Historically, was providing direct assistance to the establishment of business associations; but limited in recent years
- **Somali Livestock Board (SLB)**
 - Formed in Dubai April 2003 (UNDP and FAD workshop for livestock and livestock importing countries, as well as Somali exporters)
 - Established common system of certification for livestock/products to enable cooperation with importing countries
 - With support from the World Bank through LICUS, FAD is implementing activities associated with the establishment of the main livestock board and 3 zonal boards
 - Ideally, in the absence of a central government, act as Veterinary Administration, where implemented, to assist the importers, exporters and livestock workers
- **Somali Telecom Association (STA)**
 - Established in 1998 in Dubai, where it sits today
 - Partners with UNDP and International Telecommunication Union (ITU) who provides technical expertise and training
 - Has provided overseas and in-country training to 112 Somali engineers and managers to date
 - Acts as a regulatory body for telecommunications and aims to

become the governmental regulatory body when a central government is in place

- Expanding and successful private sector, enabling technology-enhanced education in universities, employment and training opportunities and competitive communication facilities

- **Somali Financial Services Association (SFSA)**

- Established in September 2003 following a Dubai workshop in June 2003 and officially launched in London workshop (UNDP and DFID) December 2003
- Currently has 14 of the largest Somali remittance companies as members
- Committed to networking, training, compliance with international financial regulations and advocacy on behalf of the sector and its members
- Self-regulatory body for the members in absence of a central government/central bank (Constitution, Code of Conduct and Anti-money Laundering Compliance Guide)
- Recently accepted as an affiliate member of the African Institute of Bankers' Associations at annual conference in Uganda August 2004

(3) Chamber of Commerce Intro

- **Purpose of Chamber of Commerce**

- Provide a common platform for the Somali business sector to strengthen its various private sector association members

- **Fundamental Principles of a Chamber of Commerce**

- Members are business associations of various sectors, geographic and demographic scopes
- Private sector
- Umbrella to new and emerging business institutions (network, advocacy and guidance)
- Link between private sector and international aid community; Somali private sector and international investors
- Publicity of businesses and promotion of good business practices and competition

- **Somali Setting**

- Poor international public relations and awareness of the Somali private sector
- Insecurity and lack of regulation in Somalia leading to risky

investments

- Lack of coordination in private sector needs and current service provisions
- **Existing Mechanisms to be Enhanced**
 - Somali Business Council; as established its mandate was to:
 - Network Somali business associations
 - Assist the formation of new business associations
 - Act as a link between the Somali business associations and international community
 - Speak as one voice for the Somali business community
 - SBC has been stagnant in recent years but retains sufficient interest by the business community
 - Potentially has the capacity to overcome the challenges of operation in Somalia
 - Utilizing their existing structure and increased technical and advocacy support from UNDP, SBC can be reconstructed to be the Somali Chamber of Commerce as per its original goals