

Report

**Prevention of violent conflict and
the coherence of EU policies
towards the Horn of Africa:**

**EU policies and the risk of conflict
in Ethiopia's Awash Valley**

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Executive Summary

Introduction

Ethiopia is one of the poorest countries in the world¹ and has endured long periods of inter-state and intra-state conflict. Food insecurity, environmental degradation and factors such as inequity in development, political and economic marginalisation, access to weapons and competition for scarce resources increase the risk of violent conflict in the future.

The European Union (EU), in recognizing that the human and material costs of violent conflict undermine efforts to foster sustainable development, now requires that development assistance be targeted to address the root causes of violent conflict². EU policy commitments in support of the prevention of violent conflict also necessitate enhanced coherence between the full range of instruments available to the EU such as trade, investment and diplomatic engagement. Greater coherence will need to be supported by more effective co-ordination between the EU and its member states and between the EU as a whole and the wider international community.

Ethiopia has been among the largest beneficiaries of EU food aid and EU investment in Ethiopia had, until the conflict with Eritrea began in 1998, been steadily growing. Moreover, Ethiopia's principal trading partners include a number of EU member states.

The challenge is to determine the actual impact of donor policies on the risks of violent conflict and on their potential for peace building. This requires an analysis of communities at risk of conflict as well as an exploration of the impact of external policies at local, national and regional levels. This case study seeks to undertake such an analysis through focusing on the impact of EU engagement in the Awash Valley in Ethiopia.

The Afar Autonomous region, of which the Awash Valley is part (see map), is one of the poorest and least developed regions of Ethiopia. Conflict in the Awash Valley has its roots in processes of inequitable political and economic development, differential access to vital resources between groups in society, obstructions to seasonal migration and to the impact of large-scale development projects by the state and private interests. Violence has also occurred as a response to encroachment by highland cultivators on pastoral lands. The Awash Valley therefore provides an important opportunity to consider the management of resources between the conflicting priorities of pastoralists, regional authorities, central government, and external investors, particularly with regard to EU involvement.

¹ In 1997 Ethiopia ranked 170 out of 174 in the UNDP scale of human development.

² Conclusions of the council and of the representatives of the member states on the role of development co-operation in strengthening peace-building, conflict prevention and resolution, adopted by the Development Council on 30 November 1998.

Risks of violent conflict in Ethiopia's Awash Valley

The case study identifies a wide range of risks of violent conflict which the EU will need to address in developing its engagement at local, regional, and national levels, as well as within the wider Horn if it is to be proactive in preventing conflict and maximising the efficacy of all instruments of external policy at its disposal. These risks include:

Regional Insecurity

Any attempt to assess the underlying causes and potential resolution of conflict within the Valley, must also seek to address the wider regional dimension. As a result of the ongoing Ethiopia – Eritrea conflict, the Ethiopian government is reliant upon Djibouti for its major trade and aid routes.³ The necessity for Ethiopia to maintain good relations with Djibouti will have long term implications at the local, national and regional levels and particularly for how the Ethiopian government approaches Afar-Issa conflict within Ethiopia.

Decentralisation and conflict risks

Conflict between the Afar and Issa Somali groups raises significant issues regarding the decentralisation process. The process of regionalisation in Ethiopia highlights the risks of marginalisation of those not belonging to the majority group within a region. Although regions have been established on the basis of ethnic majorities, the perceived under-representation of pastoral minorities (such as Issa in the Afar region) is likely to enhance the risks of conflict particularly where this is articulated with lack of access to natural resources.

Unrepresentative and weak regional government

Within the Awash Valley, problems of political representation are apparent in the absence of widely recognised political legitimacy. Furthermore, the Afar region's administrative capacity generally remains limited due to shortages of qualified Afar staff. This may weaken local confidence in the representative nature and executive capacity of the regional government, increasing the risk of intra-societal conflict developing between Afar clans/parties and the Afar regional government, particularly if the latter cannot play an effective mediation role. These risks are compounded by the lack of effective channels for civil society (for example, elders, women and youth) to participate in policy formulation regarding issues which affect them, such as land tenure, food security and resource management. In particular, gender issues within Afar and Issa society are highly significant in terms of long-term approaches to preventing conflict and ensuring structural stability.

Loss of access to livelihood resources

Loss of access to resources through government programmes, land ownership disputes or through environmental factors, increases both the potential for competition over scarce resources leading to intra-societal conflict and for conflict between social groups and those formally in control of resources, including external private investors. Afar pastoralists who have insufficient access to land and water resources have already come into conflict with institutions at various levels including other Afar clans, Issa pastoralists, cultivators and federal state bodies. In the long term, competition and ensuing conflict (whether actual or latent) may exacerbate environmental degradation further, increasing future risk of conflict, particularly during periods of drought.

³ The route through the Afar region to Djibouti has seen a 333% increase in the handling of Ethiopian goods.

Centralisation of resource management and inequity in national growth

Conflicts within the Awash Valley have, in part, arisen due to a perceived failure to balance developments that support national economic development (e.g. through providing domestic cotton) with the needs of those whose livelihoods are dependent on national resources (in particular the needs of pastoralists to graze areas adjacent to the River Awash that are now irrigated for cotton production). While the ongoing process of regionalisation provides an opportunity to redress this balance, the limited capacity of some regional governments, such as the Afar Region, hinders the development of 'win-win' solutions to this dilemma. Moreover, there is inequity in external engagement within Ethiopia, with certain regions receiving considerably greater support and resources (including capacity building) than others. If this serves to increase regional disparities in effective development planning, for instance, finding effective solutions to the pastoral-irrigation problem will be further delayed.

Marginalisation of pastoralists

Since the late 1950s large-scale irrigation has been the central focus of formal development in the Awash Valley. Although, since the 1970s onwards, some programmes have sought (outwardly at least) to share the benefits of irrigation with neighbouring pastoralists through increasing their participation on schemes, in most cases this has not been realised, at least in the form envisaged. Instead development continued to take a top-down approach, bypassing indigenous communities and largely expressing the interests of a centralised state and/or external foreign investors. The latter have recently re-emerged in the valley in tandem with the increasing involvement of Afar private investors, introducing a new dimension to the pastoralist-irrigation interface. This increasingly complicated relationship and the changes it is generating in Afar society combined with the enduring weak nature of local and regional governance (compared to the strength of civil society), is anticipated to increase the risks of violent conflict at a local level, regional (district) level and possibly inter-regional (inter-district) level as well.

Impact of EU engagement

The EU has sustained its development co-operation with Ethiopia during periods of violent intra-state and inter-state conflict. Throughout the course of its relationship since the early 1970s, EU aid to Ethiopia has covered most sectors of the national economy, including the provision of agricultural assistance, infrastructure development, financial programme aid, food aid and emergency aid. Between 1976 and 1994 the EU provided approximately ECU 2 billion to Ethiopia.

Since the early 1990s, the EU and its Member States have recognised peace and stability as "pre-conditions to the success of any development efforts in Ethiopia", and that long-term support is an important prerequisite for building stability in the Horn sub-region. To an extent the EU has promoted structural stability through support for processes of federal decentralisation and economic reform via aid instruments on democracy, peace building and support to market liberalisation. Current support includes development assistance to structures on which democratic reforms can be built, such as the Human Rights Ombudsman and training for the Ethiopian police in community policing and human rights.

However, in general a shift in EU peace-building and conflict prevention policies has not been followed by concomitant shifts in resources to programme-level support for democratization, human rights, and projects which aim to reduce inequality.⁴ Indeed, under the most recent NIP (covering 1997-2001) only 3% of the ECU 294 million provided is allotted for the promotion of democratisation. Nor have peace-building initiatives been integrated into new projects and programmes to any extent. Indeed, on the whole, there has been an apparent tendency towards increasing support for large-scale infrastructure projects even though they rarely consider the specific needs of poor communities vulnerable to conflict, or, explicitly support peace building in areas at risk of violent conflict.

In the Awash Valley specifically, European involvement has covered a range of political, economic and development instruments, all of which have affected development processes within the valley, some of which have contributed to a legacy of conflict over resources. Since the Awash River basin does not constitute a trans-boundary entity, as in the case of the Nile, for instance, development has not been constrained by international hydropolitics. Large-scale irrigation projects have duly been developed on more than 40,000 ha of land, often in an unregulated fashion and to the benefit of external interests rather than indigenous populations.

Private European companies and consultants firms have for more than 40 years been involved in the exploitation of riverain dry season pastures for commercial irrigation. The almost total exclusion of Afar pastoralists in planning and implementation of these projects has increased the conflicts of interest between pastoralists themselves and between pastoralists and the state. Very few formal channels for political dialogue have existed until recently, although at a local level informal dialogue between enterprise managers and Afar clan leaders has always existed. On the whole, apart from the few Afar who have benefited in some way through employment, agricultural schemes have been viewed as intrusive and extractive and as an invasion of Afar lands.

As a specific case where the EC became directly involved in financing such developments (with other donors such as the World Bank) the Amibara Project in the middle part of the valley (near Awash Town) forms a particularly clear example of intervention leading to development that can cause conflict. Constructed in the 1980s this scheme both displaced Afar clans and created conditions for greater conflict between Afar and Issa groups through disrupting dry and wet season grazing patterns in and around the river. Other development projects involving companies from European member states caused displacement amongst other pastoralist communities at earlier stages, including the Dutch HVA Sugar Cane Estates and the construction of the Koka Dam (undertaken by Italy) both in the 1950s. In this case Jille pastoralists were affected. In neither cases were pastoral communities compensated. Wider attempts at pastoral settlement as part of 'pastoral development' policy undertaken with the support of outside donors, revealed the complexities of attempting to 'change' the livelihood strategies of pastoralists and in most cases proved abject failures. Yet, this idea of 'settlement' remains fixed in the minds of many decision makers at both regional and federal levels.

⁴ This is partly the result of a lack of capacity at delegation level, rather than a reflection of policy. Recent projects and programmes, especially large infrastructure projects, require less intensive management than community development projects, for example.

New ideas, new commitment?

Nevertheless, in recent years there have been attempts at promoting new approaches to the development of pastoralist communities in the valley, including by the EC. In an attempt to develop small scale solutions to tackle some of the negative impacts of large scale schemes, and to address the root causes of conflict between the Issa and the Afar, in 1994 the EU provided ECU 1.9m for the Afar Pastoral Development Project (APDP). The pilot project was a relative success, with a marked development of trust between Afar communities and project staff, whilst the direct community engagement of the APDP was unique within the context of recent EC co-operation with Ethiopia. It constituted the sole donor project carried out under the direct responsibility of the regional government. However, although the EU developed a follow up project for the Afar, opposition from the Ethiopian central government and questions regarding whether the efficacy of EC engagement at such a level a continuation of the project was not endorsed. However, FARM Africa (a British NGO) developed a similar pilot project for zones 1 and 5 of the Afar state, continuing with the same approach as the APDP and recruiting former APDP staff. Funded by EU Member states, the pilot project provides the basis for building a long-term project in the Afar Region, to be replicated later in the Oromiya and Somali regions. As yet, however, this pilot project has not fed into changes in development policy either by donors or by regional government.

In spite of the precedent set by the APDP and the observations of the 1998 EC Water Guidelines, which highlight the importance of recognising the impact of development co-operation at the local level, little official change in either donor, EU or government policy is discernible. However, informally, and at a local level there has been significant change as land has been returned on many of the largest schemes to local Afar clans. In some cases it has been privately farmed in others left fallow. In both instances the issues of conflict arising both between competition for access to these plots between Afar clans and between private Afar interests and surrounding scheme management over the provision of irrigation water have been significant. It remains to be seen how some of these potentially violent scenarios can be avoided.

Developing EU support for peace and sustainable development

A number of factors presently constrain the integration of conflict prevention objectives and policies across the range of EU external engagement within the Horn, within Ethiopia, and in areas such as the Awash Valley. Factors include individual member states' historical, strategic and trading relations with particular countries in the region, differences in understanding and analysis of current developments within the Horn amongst EU member states and institutions leading to strategic incoherence and, more generally, a lack of expertise and awareness within EU country delegations on using existing aid instruments to prevent violent conflict. This capacity issue is aggravated by the desire to increase sectoral and budget support and to identify and fund large, less management-intensive infrastructural programmes. With these considerations in mind, the report outlines a number of recommendations, some of which are outlined below:

Promote a regional approach to peace building in the Horn of Africa

- The case study highlights the importance of engagement which takes a regional perspective, whether conflict is at a national, sub-national or local level. Frequently there is an interrelationship between these levels, particularly if pastoralist communities are affected, hence a regional perspective should be part of any strategy to build peace.

- The EU is encouraged to develop a shared regional analysis with Member States, and between the EU and the wider international community. This analysis should prioritise issues related to the prevention of violent conflict in the Horn. Such an analysis should form the basis for co-ordinated strategies of engagement. To be effective, these strategies will need to be developed in close consultation and engagement with state and non-state actors working to promote regional integration, down to the local level. The EU should also seek to strengthen the capacity of regional bodies that have the potential to promote peace within the region including the IGAD Secretariat and the IGAD Partners Forum secretariat. Non-state actors should be supported in providing informed analysis in support of such regional bodies and initiatives.
- Requiring an immediate response is the availability of small arms in the Horn region. The development of an IGAD Regional Action Programme to tackle the proliferation of small arms could be an important first step in addressing this issue. If developed, the EU could provide targeted assistance to address the illicit arms trade through, for example, strengthening the operational capacity of police and border guards to tackle illicit trafficking and support for initiatives that encourage the removal of weapons from society.

Strengthen Federal Regional Government capacity

- The current disparities in development between Ethiopia's regions are due to factors including historical development levels, existing human and institutional capacity and available environmental resources. However, the capacity to increase development in low-capacity regions such as the Afar National Regional State is limited. Unless efforts are made to address this issue of development differentials, external engagement – often biased towards higher capacity institutions – could well continue to reinforce existing inequalities. In close co-operation with the Ethiopian Government, including MEDAC, the EU should explore criteria for assessing priority needs and vulnerability across Ethiopia's regions and promote processes (particularly initiated from within civil society) that increase dialogue between donors and federal and regional government on development priorities. This bottom-up support should be complemented by training programmes for government staff up to and including regional government in development planning and implementation.
- Within these above processes the EU should seek to enhance the capacity of regional government to undertake conflict prevention tasks within such planning processes and to facilitate negotiation and dispute resolution at a local level. This latter objective should encourage engagement in, and provide support for, projects that establish greater understanding between regional governments and communities, and populations in neighbouring regions. As an example from this case study, the EU should actively support – where feasible – ongoing peace initiatives between representatives of the Issa and Afar communities mediated by regional, zonal and woreda-level government. It should also seek ways of facilitating dialogue and understanding between irrigators and pastoralists (whether belonging to or of different communities).

Strengthen democratic development

- The most recent National Indicative Programme for Ethiopia⁵ states the first priority of EU-Ethiopia co-operation to be "the development and consolidation of democracy, and the rule of law as well as respect for human rights and fundamental freedoms". Despite this, democratisation was allotted only 3% of the total budget, and most of which went to the

⁵ Signed on 27/1/97.

implementation of civil service reform.⁶ Moreover, changes within the EU, which have encouraged a tendency towards larger, more visible projects, are likely to make it increasingly difficult in the future for the EU to engage in a range of good governance projects.

- To strengthen democratic development, the EU should ensure the significant allocation of resources towards the building of channels and structures to promote inclusion and participation of all sections of society, with a particular focus on gender as one neglected area, particularly in pastoral contexts such as Afar and Issa society. Programmes which strengthen independent media channels and opportunities for civil society to participate in, and oversee, decision-making processes need to be supported. At the same time, the current emphasis being placed on sectoral and budget support by the EU should be qualified and the impact on poorer and more vulnerable communities made a clearer focus within these programmes.
- The EU should also develop systems for increasing the accountability of EU development co-operation to groups directly or indirectly affected by this engagement. The creation of a procedure for public consultation (including hearing grievances and complaints specific to the impacts of projects) with civil society affected, say, by large-scale irrigation development within the Horn, could contribute greatly to enhancing EU efforts at reducing conflict within development processes. For one thing, it would assist in a process of lesson-learning. Although currently, the EU Ombudsman can receive complaints from citizens of the EU, including on issues which concern EU engagement in non-EU countries, this is not open to individuals outside the EU.

Recognise the value and needs of pastoralists

In a qualitative sense attitudes towards pastoralist development and pastoralists *within* development need to change. Ethiopia supports one of the largest livestock herds in Africa. Yet its contribution to national development is constrained by problems of livestock access to markets, effective veterinary extension and the provision of social services to pastoralists.

- The EU needs to recognise this shortfall in servicing the needs of pastoralists, to raise awareness of the economic importance of pastoral modes of production and to increase understanding of the constraints placed on this production and the livelihoods it represents by poor development processes in other areas.
- The EU is encouraged to support regional government and civil society in the development of projects that seek to provide for pastoralist needs and create an incentive for trained staff within the region, including the experience of the APDP and current FARM Africa work. The EU should also acknowledge that such engagement will be more management and time-intensive than is the case with support to large-scale infrastructural projects; the inference is that the EU should work towards increasing its own capacity in this area in social and technical expertise.
- Conflict prevention should be supported and mainstreamed as part of initiatives to encourage co-operative efforts between clans from different pastoral groups given the cross-border movement of many pastoralists in the Horn. This should include an emphasis on community-based management of resources building on the example of FARM Africa's work on integrated conflict prevention initiatives within its work, including the irrigating of land suitable for livestock feed.

⁶ p70 CPN.

Support the diversification of livelihood systems

While there remains a need to recognise the economic importance of pastoralism, there is also a need to recognise the constraints natural resource availability places on human and livestock populations. As one strategy, for instance, in reducing vulnerability to natural and human-induced resource fluctuations, the development of alternative forms of employment and livelihoods diversification are important. To be effective, however, this will require the close and continued involvement of groups among whom resource pressures exist and support to federal, regional and woreda institutions concerned with adding value to existing livelihoods products. For example, through refining or developing primary commodities (such as hides and skins), ensuring that these products meet export quality requirements and promoting demand for them among major importers, including EU member states, value may be added to existing livelihoods strategies enabling greater reinvestment and diversification. Of key importance in seeking diversification will be to understand the full range of factors that create and sustain livelihoods insecurity.

Enhance food security and decrease vulnerability

Central to any such analysis will be an understanding of existing pastoral livelihood insecurity. The EU should ensure more inclusive food security policies and programmes which address vulnerability within different livelihood systems, included in which is an understanding of the water security needs of these different systems.⁷ Alongside addressing the needs of cultivators, through promoting agricultural development and channels for national redistribution in surplus producing areas and income generation in food deficit areas, food security policies should increase and sustain the asset base of pastoralists as a means by which to reduce vulnerability to both famine and conflict. At the same time, programmes to promote increased food security amongst pastoralists, such as restocking, zero grazing projects and income diversification, need to consider gender inequalities and roles as well as environmental impact.

Land tenure remains at the heart of much latent conflict in the Awash valley. Disputes over ownership are fundamental to the relationship between pastoralists and irrigation schemes. The EU could seek to encourage central and regional governments to adopt a *systematic* policy regarding the return of formerly irrigated land to Afar clans, including assistance in land management, as part of a *coherent* strategy to address these latent conflict (which do much to damage both irrigation efficiency as well as pastoral livelihoods). More broadly, the EU should aim to facilitate where possible the establishment of a national land tenure policy which recognises established rights for pastoralists and which incorporates specific ideas of pastoral land tenure. Within the dialogue on land policy, the EU needs to consider the issues of security of tenure and to base policy discussions around best practice in the Horn of Africa region. As an initial priority, the EU should engage in joint research between the Ethiopian government and other donors, to explore the links between land tenure, water security and sustainable livelihoods in pastoral areas. The need to develop equitable and sustainable land policy becomes ever more urgent, particularly as the pressure increases to develop irrigation in the Awash and other basins in Ethiopia and the Horn of Africa. It is the firm hope of this study that the Awash valley may in the future provide both examples of conflict and of imaginative and resourceful solutions to conflict over joint development of resource for pastoralism and irrigation. The EU can be central to this process.

⁷ This issue is more fully explored within the Nile case study, one of the four case studies being carried out within the current project.

Preface

This case study is one of four undertaken by Saferworld to critically examine the impact of EU policies on the risks of violent conflict in countries of the Horn of Africa. It is hoped that these studies can establish a basis by which to clarify proposals on enhancing the effectiveness of EU efforts to prevent violent conflict, including by how to maximize towards this end the use of all external policy instruments at its disposal.

The extent to which external aid, trade and development instruments influence conflict is a concern of the European Union and its Member States. The EU recognizes its potential to support international efforts to prevent violent conflict through ensuring that its policies and programmes do not serve to cause or exacerbate the risks of conflict, and that its development assistance is targeted to address the root causes of violent conflict.

Based in the Awash Valley in Ethiopia, this study aims to explore the relationships between EU policies and instruments, resource scarcity, competition for access to and control of scarce resources and the risks of violent conflict. The study demonstrates links between resource conflict and wider social, economic and political conflicts and the need for an open and accountable process of development that consider national economic growth alongside local livelihood needs. It also highlights the need for the EU to ensure that its engagement is informed by full consideration of the potential impact of proposed initiatives on the existing risks of conflict.

Through determining the actual impact of donor policies on conflict, it is hoped that this study can help to identify a wide range of risks of violent conflict which the EU will need to acknowledge if it is to proactively prevent conflict and maximise the efficacy of all instruments at his disposal.

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Acronyms

ACP	Africa, Caribbean and Pacific countries
ADB	African Development Bank
ADF	African Development Fund
AIP	Amibara Irrigation Project
ANLM	Afar National Liberation Movement
APDP	Afar Pastoral Development Project
AVA	Awash Valley Authority
CFSP	Common Foreign and Security Policy
DFID	Department for International Development (UK)
DG	Directorate-General
E	Euro
EB	Ethiopian Birr
EC	European Community
ECHO	European Community Humanitarian Organisation
EDF	European Development Fund
EPLF	Eritrean Peoples' Liberation Front
ELF	Eritrean Liberation Front
EPRDF	Ethiopian Peoples Revolutionary Democratic Front
EU	European Union
FAO	Food and Agricultural Organisation
FDRE	Federal Democratic Republic of Ethiopia
MAADE	Middle Awash Agricultural Development Enterprise
MEDAC	Ministry of Economic Development and Co-operation
MS	Member State
NERDU	Northeast Range-lands Development Unit
OLF	Oromo Liberation Front
PC	Producer Co-operative
RRC	Relief and Rehabilitation Commission
TADE	Tendaho Agricultural Development Enterprise
TPLF	Tigrayan Peoples' Liberation Front
TPSC	Tendaho Plantation Share Company
UNDP	United Nations Development Programme
VADA	Valleys Agricultural Development Authority

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Introduction

Ethiopia is one of the poorest countries in the world¹, endures structural and chronic food insecurity and is threatened by both relative and absolute resource scarcity as well as increasing competition for those resources. Political instability and conflict have deepened poverty and increased the intensity of famine, as underlined by the current food insecurity being experienced in some areas. Factors such as inequity in development, political and economic marginalisation, access to weapons and competition for resources between different groups both within Ethiopia and with its neighbours, increase the risk of future conflicts.

The European Union (EU)², in recognising that the human and material costs of violent conflict undermine efforts to foster sustainable development, now requires that development assistance be targeted to address the root causes of violent conflict³. EU policy commitments in support of the prevention of violent conflict also necessitate enhanced coherence of the full range of instruments available to the EU such as trade, investment and diplomatic engagement. Growing recognition that conflict prevention requires increased coherence has also raised awareness of the need for greater co-ordination during the development and implementation of policies between the EU institutions and its member states (MS) and between the EU and the wider international community.

As one of the most significant recipients of EU development co-operation, Ethiopia provides a context in which to explore the extent to which EU commitments have been translated into practice. Ethiopia has been among the largest beneficiaries of EU food aid and EU investment in Ethiopia had, until the outbreak of war with Eritrea, been steadily growing. In addition, Ethiopia's principal trading partners include a number of EU MSs.

The challenge, however, is to determine the actual impact of donor policies on the risks of violent conflict and on the potential for peace building. This requires an analysis of communities at risk of conflict as well as an exploration of the impact of external policies at local, national and regional levels.

This case study seeks to undertake such an analysis and to inform European Union policies through focusing on the impact of EU engagement in the Awash valley in Ethiopia. The Valley provides a focus from which to consider the management of resources between the conflicting priorities of Afar pastoralists, regional authorities, central government, and external investors, particularly with regard to the EC/EU involvement.

¹ In 1997 Ethiopia ranked 170 out of 174 in the UNDP scale of human development.

² The 'European Union' refers to the EC and its Member States.

³ Conclusions of the council and of the representatives of the member states on the role of development co-operation in strengthening peace-building, conflict prevention and resolution, adopted by the Development Council on 30 November 1998.

This study therefore aims to highlight the factors which have potential to catalyze conflict in Ethiopia in general, and in the Awash in particular, and to identify areas in which the EU and its MSs can make a positive contribution to peace-building. It is hoped that such a study can catalogue the wide range of risks of violent conflict which the EU will need to acknowledge in developing its engagement at local, national and regional levels, if EU engagement is to proactively prevent conflict and maximize the efficacy of all instruments of external policy at its disposal. The report specifically aims to:

- Assess the nature, cause and dynamics of conflict in Ethiopia and more specifically in the Awash Valley.
- Consider past and present EC/EU engagement in Ethiopia and the impact of engagement in the Awash Valley on the risks of violent conflict.
- Outline options for EU engagement in the Valley, in Ethiopia and in the Horn region, which can best support the building of sustainable peace at local, regional, national and Horn levels.

Part 1 provides a strategic context in which to consider the cross-border, national, regional and more localised causes of conflict, relevant to the case study. Part 2 provides a setting in which to consider EU engagement and how EU policies and programmes have impacted on the risks of violent conflict within the Valley. Part 3 considers how the EU and MSs can better promote sustainable peace and development at local and national levels, as well as within the wider Horn region.

1. An overview of conflict and conflict risks in Ethiopia

Setting the scene: an historical perspective

The Horn of Africa has been the scene of some of the most intractable conflicts of the 20th Century. Not only has the region been affected by inter-state warfare, it has also experienced various degrees of civil conflict. Although most conflicts have arisen within national contexts, their impact has invariably been felt beyond national borders. Rebel groups have established bases in neighbouring countries, cross-border arms trafficking has escalated, and the numbers of displaced and dispossessed are testament to a trend where war takes a disproportionate toll on civilians, especially women and children.

State formation and conflict risks

Ethiopia has experienced long periods of violent inter-state and intra-state violence. Conflict has arisen partly in response to the often violent processes of state formation whereby divergent groups were integrated, not always successfully, into a central state which reflected the values of an elite, strongly Christian orthodox group. The legacy of tension between central state and periphery, coupled with state authority over the control and management of resources, meant that the state frequently became the focus of conflict, especially where resource allocation was perceived to be uneven. Conflict became intractable as political and economic power became inexorably linked to acquisition and control of resources.

Processes of state formation in neighbouring countries also impacted on the roots of conflict, especially where previously porous boundaries were transfigured into borders which curtailed the movement of peoples. Almost without exception, colonial territorial boundaries cut through lowland pastoralist habitat, fragmenting communities and separating pastoralists from their traditional grazing lands. Afar pastoralists, for example, were divided between the states of present-day Ethiopia, Eritrea and Djibouti. Similarly, the Somali Issa pastoralists found themselves divided between Djibouti and Somalia.

In effect, the joint processes of Ethiopian expansion and colonial penetration shaped modern inter-state relations between countries in the Horn and ultimately created mistrust and competition between groups that had previously been linked through trade, kinship and migration. The restriction of mobility through constraints imposed by state borders, provincial boundaries, grazing zones, and the incursion of cultivation led to a significant decline in sustainable pastoralist livelihood systems. It also led to an increase in conflict among pastoral groups and between central authorities. For example, Ethiopia's attempt to curtail the movement of Somalis into southern Sidamo province in the early 1960s sparked off rebellion there and in the adjacent province of Bale and ultimately played a role in the 1970s Somali invasion. Violence was not restricted to clashes between pastoralists and the state, however, but also occurred between pastoralists and cultivators encroaching on grazing lands. This may become more pronounced as environmental degradation and competition for land force highland cultivators further afield.⁴

⁴ Appendix 1 provides additional information on the historical roots of conflict in this area.

The immediate impact of colonialism was superseded during the period of cold war *realpolitik* which set Horn countries on divergent economic and political paths. Militarisation and centralisation of power became entrenched in political authority in Ethiopia, Somalia and Sudan and the risk of conflict between nations heightened as Horn states became players in superpower rivalries. The cold war proliferation of arms in the region increased both the intensity and devastation of the wars in Somalia, Ethiopia and Sudan.

Land policies and conflict risks

Issues around land tenure, ownership and control have also contributed to the dynamics of conflict in Ethiopia. For many Ethiopians, the promise of land reform has been a main reason for engaging in the struggles against central authorities. Access to land became an increasingly contentious issue following the introduction of freehold ownership rights during the reign of Haile Selassie whereupon privileged recipients became private landlords; a process that had implications for social stratification and rebellion. Freehold ownership occurred concurrently with reforms in taxation which eliminated intermediary tiers of revenue appropriation in the form of land tribute. Later tax reforms were to have immediate negative consequences for peasants and the landless as private landlords cemented their tenure.

Table 1: Impact of land policies under Haile Selassie

Year	Aim	Impact
1942 & 1944	To replace divergent land tribute and tithes by a tax payment direct to Ministry of Agriculture.	Very little and many provinces revolted and were exempt from law.
1966 Land Tax Statute	To abolish <i>gult</i> (the inherited right to extract tribute).	Negative for those whom it was intended to help as holders of <i>gult</i> cemented their land as private tenure.
1967 Income Tax Statute	To abolish payment of tithes.	The peasantry now paid tax to central government and tithes to landlords, thereby increasing their burden dramatically.

Adapted from information in Cohen 1975: p39.

By 1975, approximately two thirds of the Ethiopian population resided on private land, most of which was located in the southern provinces. Furthermore, some communities/households lost their right to land altogether through various capitalist ventures. This occurred in pastoral areas with the government distribution of land grants in the post-1945 period. The bulk of such grants came from pastoralist grazing land, especially after 1960.⁵ The 1955 constitution in Ethiopia had put under State Domain all natural resources within Ethiopia. Under the Civil Code introduced in 1960 the right to claim land title could only exist if it could be proven that land taxes had been paid for 15 consecutive years. As the Afar paid no land tax the state could claim the land was abandoned. Harbeson argues that without a preserved oral tradition, legal support to Afar claims over lands in the lower Awash valley became impossible.⁶ This difficulty in establishing title to land is a recurrent theme in pastoral-state relations in the Horn of Africa and reflects the different concepts of land ownership held by sedentary agricultural and pastoral systems of production.

⁵ Cohen 1975:40

⁶ Harbeson, 1975, 77; 1978.

Between 1950 and 1974, the central government implemented a series of five-year development plans, which prioritised development of infrastructure and agro-industrial enterprises over the needs of pastoral and peasant communities. The intractability of the land tenure issue also played a part in orienting policy towards commercial farming. However, the extent of commercial agricultural projects between 1950 and 1974 should not be over-emphasised, as by 1974, commercial farming only accounted for 1% of Ethiopia's total cropped land, mostly in the south⁷.

Table 2: Outline of Four Five Year Plans

Date	Plan	Emphasis
1957-1962	1	Development of Infrastructure
1963-1968	2	Productive investment in manufacturing, roads, telecommunications, mining and electricity. It also aimed to increase food production per capita through stimulating agricultural exports and eliminating imports.
1968-1973	3	Aimed to create an agricultural growth of 3.1% per year. Whilst commercial agricultural enterprises were the real beneficiary of this plan, even this sector only received 10% of the budget.
1973-1978	4	Made invalid by revolution.

Adapted from information in Cohen 1975:10

Acquisition and control of land by the central state coupled with inappropriate land and agricultural policies were to have drastic implications for extensive poverty and widespread famine in Ethiopia. Land had thus become an issue which deepened social divisions and provided a focus for political discontent; factors which were to culminate in the overthrow of imperial rule by the Dergue.

Political and economic trends: 1974-1991

Poverty, policies and conflict risks under the Dergue

Supporters of the 1974 revolution, which brought the Dergue to power, initially hoped that new government would modernise the state and address the root causes of poverty, famine and conflict which had become features of imperial rule. To this end, the Dergue implemented a series of rural reforms. As the semi-feudal land-tenure systems that characterised Ethiopia prior to 1974 were viewed as the root causes of overwhelming poverty, uneven development and ultimately, conflict, these structures were dismantled. The Dergue invested in state farms and communal farming ventures and made considerable attempts to alter demographic patterns through villagisation and resettlement.⁸ Villagisation policies had first been introduced as a strategic response to Somali invasion in 1977, but policies which embodied an emphasis on collective farming were later introduced in a number of mainly surplus producing regions.

⁷ Keller 1991:124.

⁸ Resettlement, not to be confused with villagisation, accelerated under the Dergue, especially in response to famine in the mid-1980s.

Although the reform programmes were aimed at increasing food security, in reality they had very little impact, as by 1984, Ethiopia was in the grip of a famine more widespread and intense than any experienced under the Selassie rule. This can be explained by several factors.

First, investment occurred primarily in surplus-producing regions at the expense of deficit regions. Furthermore, the Dergue was able to effectively extract resources from these areas to feed a growing army and bureaucracy. This was undertaken at the expense of national food security. A large majority of the rural population found thereby themselves in deteriorating economic circumstances.

Second, the Land Reform Act could not tackle the issue of rural poverty because it did not address the root causes. This was not due simply to land tenure and insecurity, but also to the lack of means of production. Important rural capital such as oxen and farming implements were never widely accessible, and so rural society remained stratified.

Third, Producer Co-operatives (PCs) and State Farms were overwhelmingly inefficient and despite receiving the majority of investment, they were never more productive than individual peasant farms. The nationalisation of state farms in the Awash Valley also indicated the state's unwillingness to address the issue of pastoralist development and pastoralist access to grazing land.

Fourth, resettlement never had any meaningful impact on food security and, in the absence of careful planning, it helped to extend the environmental degradation of the north to the south of the country.

Fifth, and probably most important, was the level of military spending in this period. Nearly half of the country's budget went to finance a war. The Dergue had thus sowed the seeds of dissent in the peripheral regions and ultimately this led to a prolonged period of civil war.

In effect, the Dergue achieved what Haile Selassie had not; efficient extraction of resources from peripheral regions for reallocation to the centre and to the military instruments of the state. The historical precedent of using state power to sanction resource acquisition and control continued under the Dergue regime.

Table 3: Characteristics of land reform

Development action	Characteristics
Land Reform Act 1975	Nationalised all land. Whilst the state became the owner of all land, the proclamation guaranteed usufructuary rights to those who depended on land for their livelihood. Peasant Associations (PAs) were established to incorporate peasants into the process, and as an instrument to redistribute land. Similar administrative structures were created for pastoralists.
State Farms	The Dergue heavily invested in state farms and communal farming ventures. State farms comprised mostly former foreign commercial enterprises, especially in the Awash Valley, which were nationalized under the 1975 Act.
Producer Co-operatives (PCs)	State led communal farming venture. This was mostly achieved through enforced collectivization, or offer of lucrative incentives, especially in surplus producing areas of the country.
Villagisation	Villagisation first took place as a strategic response to Somali invasion in 1977. At this time the rationale for bringing scattered populations together in new grid patterned villages was justified on the basis that the government could provide better protection. However, in later years, villagisation was also introduced in a number of mainly surplus producing regions and contained an emphasis on collective farming, even though the official justification was that it afforded the government increased opportunity to deliver goods and services.
Resettlement	Resettlement was not a new approach to development under the Dergue, but had its roots in the natural movement of people from north to south from the nineteenth century, and in the state sponsored resettlement schemes under Haile Selassie. This process accelerated under the Dergue, especially in response to famine in the northern highlands. The relocation of large numbers of people from north to south reflected the widely held assumption that the northern highlands had exceeded their 'natural' carrying capacity.

Fall of the Dergue and establishment of transitional government

Despite attempts by the Dergue to maintain their hold on political power, a coalition of revolutionary forces the Ethiopian People's Revolutionary Democratic Front (EPRDF) led by the Tigrayan People's Liberation Front (TPLF) took control of the country in 1991. Within two months and after democratic elections, the TPLF secured control of the state assembly and headed the newly formed transitional government.

The Dergue failed due to a number of social, political and economic factors. The policy of centralisation, often brutally enacted by the Dergue, was both unwanted by and detrimental to the majority of Ethiopians. The integration of various ethnic groups into a central system increased existing tensions between the centre and the periphery. With centralisation ensuring state authority over resources, the Dergue became the target of anger and discontent in times of famine and economic trouble. This was exacerbated by widespread belief that resources were unequally distributed. Throughout the various regions, opinion was uniformly against the nationalisation of land in 1975. With the establishment of collective farms ensuring widespread eviction of peasants from land only recently acquired from the break up of feudal holdings, land became a focus for political unrest.

Although it would be erroneous to categorise the conflict which removed the Dergue as ethnically driven, opposition, aimed at securing regional secession, strongly manifested itself along ethnic lines. The Eritrean struggle for liberation, for instance, coincided with similar armed movements including the TPLF and the Oromo Liberation Front. Organised opposition to the central government existed as both a military and social force and although opposition forces did not necessarily work together against the central government, the strain of fighting a war on a multitude of fronts proved impossible for the Dergue to maintain.

The 1991 Transitional Government received most of its support because of its commitment to land reform. It offered an alternative to the autocratic rule of the previous leaders. For the first time in the country's history, elections were promised and the right to form political parties was seemingly encouraged.

Political and economic reforms: post 1991

Dominated by the TPLF, the transitional government constituted a coalition incorporating several of the victorious resistance movements. On 7 May 1995, national and regional elections were held to produce a successor to the transitional government.⁹ Subsequently, the parties associated with EPRDF won approximately 90% of the vote.¹⁰

In contrast to previous regimes' commitment to state ownership, the EPRDF government has engaged in a process of market liberalization to attract foreign investment and trade and secure loans needed from the IMF and the World Bank (WB). With the exception of land, which remains state property, former state assets have been or are in the process of being privatised. Ethiopia has also implemented structural adjustment policies and market

⁹ Since August 1995, a new government of the Federal Democratic Republic of Ethiopia (FDRE) has been in place, formally bringing to an end the Transitional Period.

¹⁰ The elections took place without a number of opposition groups, who refused to take part in the elections due to constraints placed by the transitional government.

liberalization policies.¹¹ Key features include reductions in trade tariffs, foreign exchange liberalisation and the reduction in price controls on commodities. The current conflict between Ethiopia and Eritrea is however undermining the progress made by key economic policy reforms, and government military expenditure is however gradually increasing. In consequence, external support for Ethiopia in the above areas has been in decline.

The Ministry of Economic Development and Co-operation (MEDAC) is responsible for the establishment of external development assistance and controls all processes of aid and development, acting as a conduit for external development assistance including EC/EU National Indicative Programmes (NIPs). MEDAC is one of the most powerful institutions in Ethiopia, effectively acting as an intermediary between the regions, the state and international donors. However, despite its ability to manage external donor relations, MEDAC is less effective in mediating between central and regional levels where Planning Bureaus act as the Ministry's regional counterparts.

Decentralisation policies and implementation

Since assuming power, the EPRDF has decentralised power and decision-making to ten major regions. This has been undertaken along broadly ethnic lines and is used as a means to address the conflict created by centralisation and ethnic tensions in the pre-1991 period. It is hoped that decentralisation will stimulate local and regional participation in decision-making and thereby improve accountability and legitimacy of government and, ultimately, reduce the underlying tensions which have led to war¹². In principle, decentralisation has been instituted as a means to increase political stability and to widen access to resources within regions. The extent to which this is perceived to occur will have a direct impact on central government's legitimacy in the regions.

Central government continues to take responsibility for defence and foreign policy, whilst the regions are granted a measure of self-rule and the right to self-determination under the 1991 Constitution. The structure of the regional government roughly reflects that of federal government through the election of a president of council and the appointment of an executive committee. Ultimate control of the distribution of resources rests largely with the central state which awards a budget to each region, determined according to need.

There are specific political and economic risks associated with decentralisation, although these are not unique to Ethiopia. The potential problems of decentralisation have received recent attention in the 1997 OECD-DAC Guidelines on Conflict, Peace and Development. Although decentralisation can be a very positive process that stimulates local and regional participation in decision making and improves central government accountability, it can also have negative consequences. It may affect the allocation of resources at the expense of certain ethnic or religious groups, and thereby lead to the politicisation and mobilisation of identity traits. Furthermore, central authorities, whose commitment to decentralisation is needed for reform, may see diffusion as a threat to their power. In this sense, strengthening local government requires an understanding of the structure of incentives facing political leaders at both central and local government levels.¹³

¹¹ The government signed an Economic Recovery and Reconstruction Programme (ERRP) as a prelude to a full structural adjustment programme shortly after assuming office.

¹² The Regional Council appoints the heads of bureaus. These are political appointments, hence in the case of the Afar region; they are likely to be Afar, although their advisers may come from elsewhere in Ethiopia. Zonal and woreda (district) counterparts are appointed at their respective levels.

¹³ DAC Guidelines, 1997, 39.

A possible negative consequence of the Ethiopian model of decentralisation is that ethnic majorities in a region may neglect the concerns of ethnic minorities. Whilst actual territorial delineation of regions has been established on the basis of ethnic majorities, there are minorities which have had to be given special status, such as Oromos in Amhara Region and Argoba in Afar region. In the absence of an effective woreda-level government, however, this special status has little meaning.

Decentralisation to regions which may ultimately desire secession may well present long-term difficulties for central government. Although the 1991 Constitution enshrines the right to secession, legal and political obstacles make this option unlikely in practice. The recent experience of Eritrea makes explicit the dangers associated with processes of secession which have been insufficiently recognised and addressed at either national or local levels.

Land and conflict risks

The lack of a viable land reform policy is emerging as a key issue for the current government. The growing pressure on land is a real threat to food security and exacerbates the problem of a burgeoning population. Although the 1991 Constitution reaffirms the principle of land reform and provides rights to family inheritance, the pressure on land, particularly in highland areas, may lead to the adoption of national land redistribution policies. Insecurity of tenure is now a major concern for landless, vulnerable and poor rural populations. Uncertainty and lack of political consensus characterise the debate around land reform. However, the people who are most likely to be affected by changes in policy are not currently part of that debate.¹⁴

The particular sensitivity around land and resource management (as highlighted in section 1.1) needs to be understood in terms of past governments' policies with respect to power, resource acquisition and equity. Under both Haile Selassie and the Dergue, maintenance of power and authority was equated with the appropriation of resources for the centre and conversely, with denial of access to peripheral communities. In pastoral areas such as the Afar state, state capture and exploitation of land adjoining the Awash has left a legacy of resentment which directly impacts on resource management in the region. One of the principle effects is the enduring insecurity in and around irrigation schemes caused by Afar livestock encroachment and often violent responses by the government.

Food security

The EPRDF is instituting a national food security strategy, which contains elements evident in the previous policies of Haile Selassie and the Dergue. The strategy focuses on increasing production of surpluses in high productivity regions, shifting surpluses to deficit regions, and creating alternative income generation activities in deficit regions. Although new reforms have led to private sector imports of fertiliser, improved seeds and other inputs, poor infrastructure development has resulted in high costs of transferring food between regions and marked regional difference in food prices. This is a particular concern for populations in peripheral pastoral regions who are not targeted in the national food security strategy and who, in the absence of poor infrastructure, cannot benefit from food surplus transfers. Additionally, the policy has not thus far been able to address the outstanding priority needs of destitute and vulnerable populations.

¹⁴ Ethiopia: Analysis of the political situation and recommended areas for EU action. CPN, 1999

The continuation of war between Eritrea and Ethiopia increases fear that the resources needed for an effective national food security strategy may be redirected towards the war effort. A similar diversion of resources was responsible, in part, for the devastating intensity of famine in the 1980s.

The Awash Valley of the Afar Autonomous Region

Significant issues linked to resource management, decentralisation and decision making at national level, find expression at local level, and the Awash Valley provides a context in which to explore these interrelated processes. The Valley has been the scene of frequent conflict, mainly between pastoralist communities over land and water resources. Grazing disputes have been recorded as far back as the 19th century when the grazing plains of the Afar were being 'whittled away' by the Issa.¹⁵

Land, resources and the risks of violent conflict

The roots of conflict are linked to patterns of migration in the Valley and to state development initiatives that involved both the capture and enclosure of key resources (hitherto part of Afar production systems) and associated disruption to migration patterns. The Afar pattern of transhumance involves movement from wet-season to dry-season grazing areas. However, in the Afar case, the movement is increasingly constrained by two processes, both of which have implications for inter-societal conflict. The first is the highland-lowland interface on the eastern escarpment, along which there has been a steady encroachment of settled farming as a result of shortages in available land in this part of the highlands. The second is the displacement caused by establishment of large-scale irrigation schemes in dry season grazing areas. This has forced Afar clans to adopt alternative strategies and make greater use of wet season grazing areas, thus exacerbating conflict with neighbouring groups and to environmental pressure on land.

Since the 1950s, the focus of conflict between Issa and Afar in the Middle Awash has been the wet-season grazing lands of the Alledighi plain to the east of Amibara woreda. The dispute has extended further north to the Djibouti road above Gewane, where the Issa are now trying to establish themselves in new settlements, which some fear is a possible precursor to their staking a claim on adjacent lands. This has caused a number of clashes with Afar local government, as the Issa fail to acknowledge its jurisdiction. The violence has led to insecurity and to low-level violent conflict along the Addis-Djibouti railway and Addis-Asseb road. Territorial negotiation has started with the mediation of the Prime Minister's Office. Pending a territorial solution, the federal government directly administers the most contested areas on the Addis Ababa-Assab road. In sum, the Afar wish to regain the territories which the Issa have steadily encroached upon over the last fifty years, while the Issa argue that they really have nowhere else to go and that the resources of the Awash could support both communities.

The Afar State

The Afar are the largest pastoral group in the Awash Valley and inhabit the entire basin from Awash station to Djibouti's border. In 1997, the total population of the Afar region (all groups) was estimated to be 1.1 million. However, the Somali Issa have been expanding westwards towards the Awash valley over the last 50 years. Other pastoralist groups include the Kerreyyu, Jille and

¹⁵ Thompson and Adorff, 1968.

Arsi, although most of these groups were displaced by commercial developments in and around the Valley or have since been reorganised under the Oromia regional state in the 1990s.

The Awash River traverses different climatic zones and thus supports a range of livelihood systems. In the lower and middle Awash, pastoralism is the dominant livelihood system as precipitation is both low and erratic, and cultivation is not a possibility without irrigation. There are irrigated areas, which support private agribusiness and former state farms, and therefore some livelihoods in the area include wage labour as the main income-generation activity.

Under the constitution of the People's Democratic Republic of Ethiopia all major Afar territories, except the important salt mine area of Birahile, were placed within an Afar Autonomous Region in 1989. This did not resolve territorial disputes with the Afar, who continued to fight central government. After the overthrow of the Dergue in 1991, the Afar territory was again repartitioned when the Red Sea coast from south of Massawa to the frontiers of Djibouti was incorporated into the new boundaries of Eritrea. The Afar territory within the remaining Ethiopia, which then incorporated Birahile, was given self-rule status under the Charter of Transition of July 1991 and the constitution of the Federal Democratic Republic of Ethiopia (FDRE).

The significance of the Afar region as a whole can be understood in terms of its strategic location as a vital trade route and its potential to provide irrigated land. The lack of international contention over the Awash, as well as the possibilities for its development, were critical in attracting the foreign capital needed for agricultural development. This is in contrast to the Nile, for example, where the WB has traditionally led the response of external donors by requiring that all riparian countries agree on any new development before a project can be funded¹⁶.

The conflicts illustrate the dilemmas of ethnic regionalism. In theory, Issa Somalis should come under the Somali region. As pastoralists and traders, however, they spend much of their time moving across regional boundaries and, in the case of the Alledighi plain and areas to the east of the Awash river, they dispute Afar 'ownership' of the land. The ethnicisation of territorial boundaries has therefore become an added complicating factor between Afar and Issa.

Disputes over access to water and land resources in the Valley have contributed to conflict and, while the problem is only partly one of limited natural resources, the reasons for scarcity also need to be understood in terms of the joint processes of central resource management and uneven development in the region. These issues relate to lack of access to and control of resources locally, as well as to local level inequalities and power relationships. There is a risk that policies which seek to address the centre-periphery balance may fail to take account of significant local inequities and vulnerability.

Commercial agricultural development in the Valley has led not only to increased resource competition between pastoralists, but also ultimately, to violent conflict with the central state, which increased in intensity when the Dergue came to power. The Land Reform of 1975, which nationalised all land including commercial developments and grazing lands in the Awash, led to outbreaks of violence in the area. Central government reacted to these outbreaks with military force. The 1970s witnessed a proliferation of armed

¹⁶ World Bank Operating Directive 7.50 prevents it from lending to one riparian state if any of the other riparians object to the proposed project.

Afar groups, which included the Afar Liberation Front (ALF), the Afar National Liberation Movement (ANLM) and *Uguguma*, a pro-government group (at that time) which participated in military action against both the Afar and Issa under the Dergue. The proliferation of these armed groups increased the intensity of conflict between pastoralists themselves and the state. It further weakened pastoralist unity. The use of military force in the Valley to protect state assets, especially the cotton crop, continued into the 1990s.

International and regional factors have also impacted on conflict. Prior to the outbreak of violence in the Awash in the mid-1970s, the government had been petitioned, on several occasions, to check Issa movement towards the Valley. However, the government was not able to risk damaging its fragile relationship with the Issa dominated Djibouti government. So it responded by requesting the Afar to share the limited resources of the Awash with the Issa.

Politics and administration: continuity and change

Until the mid 1970s, the Awash basin was administered by the Awash Valley Authority (AVA) under central government as a means to manage development in the area. Large-scale commercial agricultural and irrigation projects became the central focus of development, with expertise and capital provided by a number of European companies, including Dutch and British. In the mid 1970s, the EC gave financial support to the Amibara Irrigation Project (AIP). Thus, in addition to European strategic interests in the area, European companies and consultants became involved in developing the Valley's resources. (This area of engagement is explored in part two.)¹⁷

Although the AVA was mandated to involve local communities in development programmes, and to ensure that the benefits of development schemes were shared with pastoralists, this did not take place and development took a top-down approach, bypassing indigenous communities. Furthermore, rather than accommodating pastoralist livelihood systems, pastoral development programmes favoured processes of sedentarisation and resettlement whilst commercial agricultural development benefits accrued to foreign investors and to the central state. In this way, the interests of the state and external investors converged while simultaneously excluding pastoral priorities. This occurred despite numerous studies which pointed to the potential social and economic impact of such large-scale irrigation projects.

The 1970s witnessed expansion of a series of developments designed to address the dilemmas facing pastoralists. Following a range-lands development model, the government established major projects which covered most of the pastoralist areas of Ethiopia. These projects were externally funded and managed through mostly foreign consultants, and were rarely integrated into wider land and water resource management strategies. For example, the North East Rangelands Development Unit (NERDU), which encompassed part of the Awash Valley, was never incorporated into wider river basin developments. At one point, the project even constructed a dam across the Awash without consultation with the state-owned irrigation schemes affected by its development. Management of the basin was thus to prove complex in the absence of effective national legal and policy frameworks concerning water resource development and use.

The AVA failed to establish an effective presence in the Valley and was largely ineffectual in mediating between the political power of the Afar leadership and the economic strength of major companies. Thus, under the Dergue, the pattern of resource extraction from the valley became

¹⁷ These included major French consulting companies and British headquartered multinationals.

government-led. During this period the government tried to influence Afar politics and at times saw it as politically expedient to support the idea of a 'Greater Afar' region. This was a particularly attractive option when the Dergue was facing the military challenge of Eritrean secessionists, since 'greater Afar' would incorporate parts of Eritrea.¹⁸

The Awash Basin Board, set up in 1998, is now responsible for water development initiatives in the Awash Valley and like its predecessor, AVA, it will have to address the prospect of increased privatisation, environmental degradation and conflict. The Board will face the challenge of expediting relations in the Valley through attempting to balance the competing priorities of the multitude of stakeholders in the region.

After the 1994 Federal and Regional Constitutions, the Afar Liberation Front (ALF) and the traditional house of Awsa were replaced by the Afar Democratic People's Organisation, an ally of EPDRF. This party controls the majority of seats on the Regional Council and most of the executive committee. Thus, in the Afar region at least, and in spite of some devolution of decision-making, authority remains in the hands of political elements closely allied to central government. This has been a source of resentment and even political violence.

Within Afar communities, decision-making and conflict resolution rest largely with elders and religious leaders. Social organisation within pastoral communities remains strong, although women have little say in decision-making processes. While communication between regional administration and civil society remains weak, the evolving clan-based pastoral associations, developed along clan lines as opposed to the earlier government-structured bodies, may if successful provide an important opportunity to develop representative channels for raising issues of concern to pastoralist communities with both local and regional government, and ultimately, at a federal level.¹⁹

Current constraints on development in the region

As a region, the Afar state is reliant on central transfers for more than 80% of its total budget, reflecting a high level of central government influence in the region.²⁰ Regional revenue generation is low and profits from irrigation do not accrue to the Afar in general. Thus, one of the key issues that remain outstanding from the 1970s developments in the valley is how to balance the rights of the Afar people to 'priority development' within their region, against the rights of other Ethiopians to share in the development of the area for the benefit of the country as a whole. Much of the infrastructure of the region has been developed to service the large-scale irrigation schemes and access to the port facilities at Assab and Djibouti rather than to improve the livelihoods of the indigenous population.

Although decentralisation should ensure that priority development is led from the regions, not all regions have an equal capacity to administer development initiatives or to exert political influence, and some are therefore still reliant on

¹⁸ The Afar National Liberation Movement was established by the Dergue as a counterpoise to the Afar Liberation Front and was used to mobilise the Afar around the idea of an Afar state which would encompass part of Eritrea (thereby complicating Eritrean claims to autonomy). After 1991 Sultan Ali Mirah was temporarily reinstated and the ALF given 3 seats in the transitional council. After the 1994 Federal and Regional Constitutions the Afar People's Democratic Organization, an ally of the EPDRF, became the dominant party.

¹⁹ See also 'Conflict management initiatives in the Awash' in this Case Study.

²⁰ Refusing to provide assistance could in theory be challenged on constitutional grounds: Article 89 (paragraph 4) requires the Federal Government (and other states) to "...provide special assistance to nations, nationalities and peoples least advantaged in economic and social development". Regions such as Afar and Somali have qualitatively different economies dominated by a pastoral mode of production, as opposed to Amhara and Tigray which are classified as 'oxplough' sedentary agriculture.

expertise at federal, and sometimes international level. For example, the regions of Amhara, Oromia and Tigray are relatively well endowed in terms of their human capital and skills base. These regions thus operate more effective regional development programmes and have a greater capacity to influence, design and implement policies. This is in contrast to the Afar region, which has a limited human resource base and the poorest human development indicators in the country.²¹ This is an issue that affects many of the peripheral regions and may add to levels of political antagonism. Furthermore, although the central government envisages a bottom up development process initiated at woreda level, local government often lacks the capacity to develop and implement projects. This can add to the constraints on the development process.

With the Afar as major stakeholders in the region, there is increasing need to bring Afar civil society into the management and decision-making processes for further development of the valley's resources, particularly given the potential environmental damage which mismanagement can cause. Management of returned land by the newly evolving pastoral associations may provide an important basis for development of more inclusive and community-based structures for management of local resources.

Current resource management and conflict issues in the Valley

Since the change of government in 1991, and the introduction of market liberalisation, the state has embarked on the sale of its assets. Privatisation has led to the sale of large irrigation schemes in the Awash valley, prior to resolution of the land ownership question.²² In addition, the government has supported the return of land within these schemes to selected clans, and this has fuelled conflict among the Afar. The significance of conflict over resources and territory in the Awash Valley/Afar Region is borne out by a survey²³ which revealed that more than half of the research sample cited 'resource-use conflicts' as the major cause of conflict with other groups, and almost a fifth cited 'disputed territories'. In one zone in particular, almost a quarter of all deaths were attributed to 'tribal/ethnic conflict'.

The sale of schemes to the Afar in the lower Awash is now in abeyance following the forced withdrawal of a private investor from a former state farm scheme near Asayta. Ownership disputes with local Arapta clan leaders obliged the investor to flee after one year and have served to discourage others.

Sale of land remains at the heart of Afar attitudes to resources in the valley, and in particular, to the issue of rights to land currently under large-scale irrigation. Whilst the government plans on the basis of laws and proclamations which are devised centrally, for instance over the question of land tenure and sovereignty over resources, at a local level *de facto* resource sovereignty is exercised by those with a local monopoly on the use of force.

Although the Afar have undoubtedly borne the brunt of major developments in the Valley, they have not always been passive victims. The implicit threat of invasion of irrigated land, as well as the use and threat of violence against scheme managers and staff, has resulted in influential Afar members being provided with a monthly salary or employed as guards to protect schemes.²⁴ In this way, the

²¹ Though it must be noted that under the old Aussa Sultanate, there was a quite sophisticated form of government with a bureaucracy geared to both livestock and cotton production.

²² In the case of the Middle Awash Agricultural Development Enterprise, this caused a parcel of some 630 ha, that had been returned to the Debne, to be left fallow. In late 1998 it was rapidly being degraded by the plant *Prosopis Juliflora*.

²³ Conducted in 1997 by the UNDP and the Economic Commission for Africa (UNDP/ECA), 1997.

²⁴ This refers principally to the issue of scheme invasion by Afar cattle during the wet season when grazing land has been utilised and cotton is ready for picking. Damage to cotton crops is extensive and expensive. As late as 1996, MADE resorted to the EPRDF to protect cotton crops from Afar cattle.

Afar have managed to maintain a degree of control over resources through forcing state and external investors into a form of contractual relationship with local influential Afar. However, whilst those Afar with influence and power have gained some benefits, the impact on those without such recourse has been to further undermine their livelihoods. This issue needs to be particularly considered in the light of vulnerability of women and disadvantaged groups in the Valley.

Conflict management initiatives in the Awash

Traditional institutions for managing conflict exist within pastoralist groups. In the Afar community they are known as *xeraa*. The Issa have similar institutions for managing conflict. These are permanent institutions with flexible membership of the most elderly and wise. They are generally very effective in the mediation function in intra-group conflicts. They also take on the role of appealing to the government in the event of large-scale conflicts between their respective groups and negotiate on behalf of their respective parties at peace conferences often organised by the government. Their support through recognition of their importance to conflict prevention and resolution is essential, especially given the relative strength of civil society vis-à-vis government at the zonal and woreda level in the Awash valley.

The federal government is actively engaged in seeking a solution to the Afar-Issa conflict, especially to pre-empt any possible connection of the conflict with the Ethiopian-Eritrean war. The government has thus established Joint Peace Committees (JPC) at the inter-regional, zonal, woreda and grassroots levels. Government officials and community leaders are enlisted as active members of the JPC. Since October 1998 JPC meetings are held once a month at inter-regional level and twice every month at zonal, woreda and grassroots levels.

These committees claim some success in reducing military engagement and inter-group killing; significantly reducing cattle theft, and establishing a degree of tolerance between belligerent groups in Gadamayyitu, Adayyitu and Gewane. The JPC members also claim to have made some headway in collecting looted livestock, identifying persons killed by each side, establishing compensation mechanisms and restricting blood money payments. The JPC is assisted by the existing traditional structures of *xeraa* in both communities. But all these achievements should be seen as a first step in a sustainable peace settlement. The real issues at the heart of the conflict have yet to be addressed.

The federal government, in conjunction with regional governments, has also commissioned a research group to explore basic issues of inter-group conflict and to provide a proposal for resolving it. The federal government has expressed its intention to draw on the experience of the Afar-Issa conflict resolution for application in the numerous intergroup conflicts in the Awash Valley itself and in other places throughout the country. Whilst the government is engaged in conflict resolution between Issa and the Afar, it has not fully acknowledged the conflict between pastoralist groups and the state. Although the government has returned some land along the Awash River to the Afar, the sale of former state farms in the Valley to outside private investors is becoming a factor in increasing tensions between the Afar and the state. Furthermore, it may ultimately play a role in increasing conflict between pastoralists. The Afar traditionally exercise a form of common property regime, which helps to ensure minimal conflict between clans over grazing areas. Communal ownership of land, however, is not codified and, hence, in Ethiopian law, is not strictly recognised. The high potential returns on irrigation make ownership particularly attractive and discourage clans from practising reciprocity. The low levels of development in the region accentuate this.

2. European Union policies and impact

This part of the report, which considers how EU support to Ethiopia has impacted on the risks of violent conflict in the Awash Valley, is divided into three sections. The first provides a general overview of EU policies and resolutions regarding conflict prevention and peace building. The second provides an overview of EU engagement in Ethiopia, with specific reference to the risks of violent conflict at national and regional levels. The third and final section critically assesses past and current engagement in the Awash Valley.

EU policies and resolutions with respect to conflict prevention and peace-building

Since the mid-1990s, the EU has explicitly recognised that violent conflict in developing countries undermines efforts to foster sustainable development. This has resulted in increasing attention to conflict prevention as an objective of EU engagement, as evidenced in the number of policy documents and resolutions on the subject. Critical issues raised have included: recognition of the potential role of development co-operation if directed at the root causes of conflict; the need for co-ordination between different actors; the importance of coherence between different policy instruments; and the importance of ownership and support to capacity building for regional and national peace building initiatives.

Table 4: Selected EU conflict prevention policy documents and resolutions.²⁵

- | |
|---|
| <ul style="list-style-type: none">• Conclusions on "Preventive Diplomacy, Conflict Resolution and Peace-keeping in Africa". (Adopted by General Affairs Council on 4 December 1995)• Communication from the Commission to the Council on "The European Union and the Issue of Conflicts in Africa: Peace-Building Conflict Prevention and beyond". (6 March 1996)• Resolution on Coherence of the EC's Development Co-operation (Included within the Council Conclusions to the Dutch Presidency in June 1997)• Common position and Council Conclusions on "Conflict Prevention and Resolution in Africa". (Adopted by General Affairs Council in June 1997)• EU Approach to Peace-Building Conflict Prevention and Resolution (Included in the Development Council Conclusions of December 1998)• Communication from the Commission to the Council and European Parliament on "Assessment and Future of Community Humanitarian Activities" (1999) |
|---|

The rethinking of EU policy and engagement has also been informed by a deeper analysis of the links between aid and conflict, especially with respect to the unintended negative consequences of development co-operation and aid assistance. This reassessment is partly led by an increased awareness that emergency aid can cement divisions between conflicting groups, is

²⁵ Adapted from "Conflict Impact Assessment of EU Development Co-operation with ACP Countries" by Manuela Leonhardt. A Safer world and International Alert Publication, January 2000

unable to adequately prevent diversions to warring parties and may contribute to entrenchment of war economies and ultimately to the prolonging of war. Similarly, in the context of development co-operation, inadequately planned or inappropriate programmes may entrench inequalities, marginalise vulnerable groups, overlook underlying root causes of poverty and contribute to the risks of violent conflicts. Consequently, the EU and its MSs have revised their approach in favour of a policy framework that emphasises structural stability, under which support for good governance, human rights and representative civil society is enhanced.²⁶

The EU position on conflict prevention has also been given expression in the recently negotiated successor to the Lomé Convention, in which 'broadly based policies to promote peace and to prevent, manage and resolve violent conflicts' within future EU-ACP dialogue have been included in the final agreement.²⁷ The Convention also envisages a role for an active, broad-based civil society in strengthening the legitimacy and effectiveness of governments and for building bridges between different social segments. The challenge will be for the EU and its MSs to fully integrate peace-building and conflict prevention into a framework of partnership and to implement the priority areas of co-operation which explicitly consider promotion of democratic governance and support to civil society.

At the MS level, some countries have taken steps to integrate conflict prevention within planning and programming work.²⁸ Some MSs have established departments or bodies specifically charged with addressing conflict prevention issues and interest is growing in the concept and implementation of peace and conflict assessment.²⁹ In addition, initiatives such as Franco-British Co-operation for Africa could increase both co-ordination and transparency of bilateral partnerships to prevent violent conflict.

The EU and MSs have also recognised that effective conflict prevention and peace building requires improved coherence between the full range of EU external policy instruments, not just those of development co-operation. They have thus sought to enhance coherence between policies such as aid assistance, trade, investment and diplomacy. The shift towards coherence has also raised awareness of the need for greater co-ordination during the development and implementation of policies between the EU and its MSs, and between the EU as a whole and the wider international community. One consequence of this is the introduction of a pilot programme in 6 countries, including Ethiopia, for increased co-ordination between the EU and its MSs.

Besides the range of policy documents and resolutions which have been accepted, current institutional developments may also strengthen the EU's capacity to prevent violent conflict. For example, the development of a strengthened Common Foreign and Security Policy (CFSP) could emerge from the recent appointment of a CFSP High Representative. Moreover, the establishment of a Policy Planning and Early Warning Unit (PPU) could also lead to better institutional awareness of the roots of violent conflict and of strategies for prevention.

²⁶ Structural Stability is a situation involving sustainable economic development, democracy and respect for human rights, viable political structures, healthy social and environmental conditions, with the capacity to manage change without resorting to violent conflict; EC 1996.

²⁷ Included within Part I: General Provisions of the Agreement, Title II: The political dimension, paragraph 4, as agreed at the July ACP-EU Ministerial Meeting.

²⁸ In Britain, for example, the Conflict and Humanitarian Affairs Department (CHAD) has been established within DfID and there is a Conflict Prevention Desk within the United Nations Department of the Foreign and Commonwealth Office, while in the Netherlands a Directorate for crisis management and humanitarian aid (DCH), currently under revision, was set up within the Ministry of Foreign Affairs. The DCH is to be restructured to incorporate human rights and good governance and will be split between peace building and good governance, and human rights and humanitarian affairs.

²⁹ "Conflict Impact Assessment of EU Development Co-operation with ACP Countries" by Manuela Leonhardt. A Safer world and International Alert Publication, April 2000.

Despite the increased attention given to conflict prevention in European Union and Member State policy and planning frameworks, there is still a significant gap between policies and their effective implementation. Past and present experience in Ethiopia suggests that when development, trade, aid and investment projects fail to adequately address root causes of conflict and vulnerability, inequality become increasingly entrenched and the potential for violence escalates. This perception is explored further in section 2.3 of this report.

EU engagement in Ethiopia

Overview

The EU has sustained its development co-operation with Ethiopia despite periods of violent intra-state and inter-state conflict, famine and political instability. Throughout the course of its relationship, EU aid to Ethiopia has covered most sectors of the national economy, including the provision of agricultural assistance, infrastructure development, financial programme aid, and emergency aid.

Since the early nineties, the EU and its MSs have acknowledged that “peace and stability are pre-conditions to the success of any development efforts in Ethiopia” and that long-term support to Ethiopia is an important prerequisite for building stability in the Horn of Africa sub-region. It could be argued that the EU has promoted structural stability through some limited support to processes of federal decentralisation and economic reform and diversified its assistance, through an increase in aid instruments and aid programming, to include democracy, peace building and support to market liberalisation. At present, for instance, the EU is supporting the development of structures which could prove important for democratic reform, such as the Human Rights Ombudsman, but has yet to develop an ongoing dialogue with, and channels for, effective support of representative civil society groups.

In general, however, the EU has done little to explicitly address the risks of violent conflict in the planning and implementation of development, trade, aid and investment projects. The shifts in EU peace-building and conflict prevention policies have not yet been manifested in significant shifts of donor funds and resources into programmes such as democratisation, human rights, and projects which aim to reduce inequality.³⁰ Nor have peace-building objectives been integrated into new projects and programmes. Rather, there has been an increasing trend to support large-scale infrastructure projects that do not generally consider the specific needs of poor and vulnerable communities, or explicitly support peace building in areas at risk of violent conflict. Indeed, as explored below, EU engagement in the Awash Valley has actually exacerbated the risks of violent conflict.

While the EU and its MSs have a long history of engagement in Ethiopia, it should be noted that the future level of engagement may be reduced significantly because of the ongoing conflict between Ethiopia and Eritrea. Prospective EU investors and businesses are reluctant to risk undertaking new ventures in unstable environments and, while the EU and its MSs will honour financial commitments to ongoing projects, they are generally not seeking out new areas for co-operation. Both Ethiopia and Eritrea are hence coming under increased scrutiny from bilateral and multilateral donors. This raises questions as to how donor governments engage with partner governments whom they perceive do not meet the terms of partnership. The

³⁰ This is partly the result of a lack of capacity at delegation level, rather than a reflection of policy. Recent projects and programmes, especially large infrastructural projects, require less intensive management than community development projects, for example.

predominant approach would seem to be freezing of assistance without necessarily exploring other potential channels for engagement. The Netherlands, Germany and Britain are, for example, among those governments that have frozen development co-operation with Ethiopia pending the resolution of the conflict. Freezing of aid by donors is a blunt and inadequate response to the current interstate conflict, particularly while existing engagement impacts on the structural causes of conflict.³¹

Support for regional security

Since 1991, the EU and its MSs have declared the aim of increasing stability in Ethiopia and in the Horn of Africa as a whole, for which stability in Ethiopia remains pivotal. However, there is variance among MSs as to how best to support peace-building initiatives in the region and which instruments may be needed to respond appropriately. So while the EU has given its support to the OAU framework for resolution of the Ethiopian-Eritrean conflict, there do not yet appear to have been many concrete pledges of peace-building support, although the Netherlands government has committed 1 m guilders for a demarcation fund which, on resolution of the conflict, is intended to clarify ownership of areas under dispute. Furthermore, while the EU and some MSs have, up until the outbreak of the inter-state conflict, supported the promotion of increased regional economic integration, the French government, for example, now appears keen to support the evolving Djibouti-Ethiopia alliance.³²

The European Commission has provided technical assistance to the sub-regional body, the Inter-Governmental Authority for Development (IGAD), and supports both the secretariat and specific projects. The Netherlands and Italy have provided capacity building support, and following the enlargement of IGAD's mandate to encompass conflict prevention, management and resolution, some MSs, including Germany, Sweden and Belgium, have provided support for the functions under that mandate, as well as for the peace processes for Sudan and Somalia. Most EU MSs also belong to the IGAD Partners Forum, which supports IGAD's activities.³³ However, the recent conflict between Ethiopia and Eritrea has exposed fundamental constraints on the sub-regional organisation's role in addressing conflicts amongst its member states.

Review of economic, trade and investment policies

Ethiopia is reliant on the primary commodities of coffee, hides and skins for export. Reliance on a few commodities for export creates vulnerability to international fluctuations in price which can impact negatively on macro economic stability. In order to reduce this vulnerability, the EU has, in the past, supported economic stability through the Stabilisation of Export Earnings Scheme (STABEX), an instrument of the Lomé Convention. STABEX resulted in transfers of ECU 179.49m (13% of EU aid) under the 7th EDF. Such transfers are at present subject to Frameworks of Mutual Obligations (FMOs), which attaches the condition of economic reform within transfers. There is an ongoing debate as to the impact of past and current STABEX transfers on economic diversification in the Ethiopian economy. Evidence suggests that STABEX did not bring economic benefit to the producers and was therefore not the most appropriate means of providing support.

³¹ See for example, Human Rights Watch/Africa, 'Ethiopia: the curtailment of rights', 1997.

³² In response to the outbreak of conflict, the EU and its MSs have made a number of declarations and undertaken demarches in support of the OAU-led efforts to resolve the conflict. The EU has expressed strong support for UN Security Council Resolution 1227 of 11 February 1999, and supported its call for all States to end immediately all sales of arms and munitions to the parties to the conflict.

³³ The IGAD Partner's Forum (IPF) includes Canada, the United States, Egypt, EU MSs including UK, Germany, Italy and Norway.

Ethiopia has never attracted serious foreign private capital because of its lack of infrastructure, insecurity and state policy during the latter half of the twentieth century and past investment policies have not always led to overall net positive impact. In the Awash Valley, for example, the Amibara Project, conceived to support development of the cotton industry, deprived local communities of access to critical land. This had long-term negative implications for their livelihoods and ultimately contributed to conflict between pastoralist groups over grazing land in the middle part of the Valley.³⁴

While EU engagement to promote trade has sought to promote economic growth and increased regional economic integration, it may also have played a role in increasing the risks of conflict. For example, since the initiation of violent conflict between Eritrea and Ethiopia in 1998, the route through the Afar region to Djibouti has seen a threefold increase in the volume of trade. Maintenance of this trade route remains vital to EU business interests and EU food aid deliveries. Here, France is heavily involved in supporting the development of compatible commercial codes for Djibouti and Ethiopia, as well as providing funds for training in commercial trade. While EU aid seeks to be impartial, support to road and railway development, which improves the transport between Djibouti and Ethiopia, may not be so viewed by Eritrea, particularly given that, prior to the conflict, in 1998, 65% of Eritrea's exports were going to Ethiopia.³⁵

Furthermore, in response to the ongoing conflict, the volume of EU MS trade (and investment) has been in decline since 1999. Trade between the UK and Ethiopia fell from £50m in the period 1994-98 to £12m in 1999. Similarly, promotion of Ethiopia as a trading partner and potential area for investment has declined significantly. This could prove especially significant in the long term, as the process of rebuilding investor confidence takes a great deal of time.³⁶

Classified as a Heavily Indebted Poor Country (HIPC), Ethiopia qualified for relief under the HIPC Debt initiative in 1998.³⁷ However, any initiative is now threatened as the war between Ethiopia and Eritrea escalates. It is now estimated that the initiative will be delayed for up to 2 years, but this is based on the ending of hostilities. It is therefore probable that HIPC negotiations will have to restart and that no additional debt relief will be agreed upon in the medium term. The IMF and WB will not release any new funds to Ethiopia or Eritrea until a cease-fire is in place. It is still too early to assess the impact on the national economy, but macroeconomic instability has the potential to undermine donor and investor confidence and creates an environment which is not conducive to planning for sustainable long-term development. Evidence suggests that the risks of violent conflict and insurrection increase in response to macro-economic shocks, especially if governments are unable to support vital social services in the absence of other providers. Although current information suggests that Ethiopia is maintaining its social spending commitments, sustaining current levels may be unfeasible in the long term.

It is beyond the scope of this report to assess whether current EU trade and investment policies, aimed at addressing national inequalities, are leading to actual improvements in people's lives and reducing the risks of conflict. However, it needs to be borne in mind that past policies and projects are not generally perceived to have adequately balanced developments in support of

³⁴ See Section 2.3 for more information.

³⁵ This is according to French embassy sources in Ethiopia.

³⁶ Hockley, Tom, Impact of EU assistance on the potential for violent conflict over access, use and management of Nile waters, unpublished background paper for Saferworld, October 1999.

³⁷ In 1995, the WB reported Ethiopia's debts at \$5,221 million, equivalent to 30.3% of the country's GDP. Furthermore, during the same year, debt repayments absorbed 13.6% of export earnings. As a consequence, creditor nations agreed to reduce Ethiopia's debt by 67% in January 1997.

national economic interests with the needs of those whose livelihoods are dependent on national resources.

Overview of development co-operation³⁸

Between 1976, the year in which the European Community commenced its official aid relationship with Ethiopia, and 1994, the EU committed approximately ECU 2 billion to Ethiopia, constituting 15% of all development and emergency assistance to the country in that period.³⁹ The EC was one of the few donors to provide development assistance to Ethiopia outside of the UN framework during the 1970s. EC aid flows in this period were disbursed from both European Development Fund (EDF) resources- provided within the contractual Lomé Agreement- and the non-contractual EC budget, comprising mainly food aid. The contractual provisions of the Lomé Convention bound the EC to provide aid to Ethiopia as an ACP signatory to Lomé. However, almost half of EC aid to Ethiopia came from the non-contractual EC budget. It is therefore not possible to justify the allocation of resources during the Selassie and Mengistu regimes purely in terms of the Lomé Agreement. Despite the fact that EU MSs had withdrawn development aid to Ethiopia during this period, EC programmes were encouraged to continue and this occurred with the support of MSs.⁴⁰

EU development co-operation shifted its focus from infrastructure support under Lomé I and II (1976-1985) to a sectoral concentration of programmes, including rural development, following the 1984/5 famine. Indeed, the EU played an important role along with other donors and professionals within the Dergue, in shifting policy to pro-peasant farmer agricultural reforms. In particular, the EU was able to support the Peasant Agricultural Development Programme (PADEP) which in effect, subverted the Dergue's collectivisation campaign.⁴¹

Under Lomé I and II, the EU was not mandated to engage in policy dialogue with recipient countries. Greater provision was made for dialogue and ultimately to political conditionality in later Lomé agreements. This was to later impact on the nature of the EU-Ethiopia relationship and on resource disbursement to Ethiopia.

Despite the shifts in policy during the 1990s, infrastructure development again dominates EU co-operation with Ethiopia. Under the National Indicative Programme (NIP) for the 8th EDF, (Lomé IV: 1991-2000), large road projects account for 68% of all funds allocated. Human resources development programmes, recognised to be essential for democracy and human rights and civil society support, account for 12% of allocations. In addition, the EC currently funds only fifty NGO projects a year.⁴²

An emphasis on large-scale projects also reflects institutional weaknesses within EU development co-operation. Lack of capacity within delegations to manage smaller isolated community and urban development projects - coupled with a bias toward increased disbursement levels impairs efforts to shift the focus of engagement accordingly.⁴³ The 8th EDF Programming Strategy Paper recognised that previous aid to Ethiopia had been spread

³⁸ This section has drawn heavily on the IDS Evaluation of Development Co-operation between the European Union and Ethiopia, 1976-1994, Final report, June 1996.

³⁹ Between 1991-1995, the EU development assistance constituted 28% of all aid flows to Ethiopia.

⁴⁰ Para 278, Summary Evaluation

⁴¹ IDS, a evaluation of Development Co-operation between the European Union and Ethiopia, 1976-1994, Sectoral Report, Rural Development P8.

⁴² 'Only one percent of total expenditure during 1976-1994 went to NGO co-financing, and that was solely with international NGOs', p58. CPN Ethiopia Briefing, November 1999.

⁴³ Disbursements lagged behind commitments by ECU 204m at the end of 1997, The Changing Face of Ethiopia, Arthur van Diensen with Karen Waker, Christian Aid, 1999.

over too large a number of sectors and domains with an excessive emphasis on small-scale operations that is out of proportion to the management requirements involved and the impact achieved'.⁴⁴ In response, it appears that rather than assessing future projects linked to priorities that recognise the need to enhance its own capacity, the EU has opted for fewer numbers of less management intensive projects.

In supporting the government's Road Sector Development Programme, which aims to reduce the proportion of farmers more than a half day's walk from the nearest all-weather road, the EU has recognised the link between better transport, food aid delivery and improved food security. The balances of disbursements however, need to be more thoroughly considered in terms of overall impact and with respect to EU policy priorities on good governance and conflict prevention.

Over the past few years, a number of EU MSs, including the UK, have shifted emphasis towards increased sectoral and budget support, a shift which matches the Ethiopian government's development of sectoral programmes. Yet this move, which reflects a commitment to increased partnership on the part of the donor governments, is dependent upon the recipient government's commitment to meet the required qualificatory criteria, including practice of good governance and respect for human rights, and restraint from war. Even before the escalation of the Ethiopia-Eritrea conflict and the concern that resources may be diverted to the war effort, some MSs had been reluctant to provide sector funding, arguing that Ethiopia had not made the sufficient progress required.

This raises critical issues as to how donor governments should engage with countries in crises, or at risk of conflict. While policies for linking humanitarian aid to human rights appear to be leading to the development of more structured and coherent strategies for engagement in situations of ongoing crisis, e.g. with regard to EU and EU MS engagement in Sudan, the predominant response to long-term development co-operation where beneficiary governments fail to meet donor government criteria remains the freezing of assistance without necessarily exploring other alternative channels for engagement.

Democratisation, decentralisation and judicial reform

Growing EU and international donor concern for strengthening respect for democratisation, human rights and the rule of law has been reflected in the development of EU policy, EU-funded research and channels for development co-operation funding to this sector.⁴⁵ Nevertheless, actual EU project support in this important area remains extremely small. Democratisation was, for example, allotted only 3 percent of the ECU 294 million provided for Ethiopia within the most recent NIP covering the period 1997-2001.⁴⁶

In supporting regional decentralisation, the EU and its MSs along with other donors and international bodies are involved in supporting the capacity of regional governments. The EU, Germany, Sweden and Austria contribute to various aspects of decentralisation and the EU is helping to establish a financial information system that aims to enhance the capacity of all regional governments to manage funds more transparently and efficiently. Among other areas of co-operation, the German government funds equipment required by the Ethiopian Parliament, as well as supporting training in

⁴⁴ CEC DG VIII, 8th EDF Programming Strategy Paper Ethiopia (revised draft), VIII/E/I, Brussels, March 1996

⁴⁵ Including, most recently, the Commission Communication on Democratisation, the rule of law, respect for human rights and good governance: the challenges of the partnership between the European Union and the ACP states, COM(98)146, 24 February 1998.

⁴⁶ CPN Briefing, Ethiopia: Analysis of the Political Situation and Recommended Areas for EU Action, November 1999.

parliamentary administration and capacity building of regional governments, with the Afar regional government being a beneficiary of this programme.

Table 5: Seven key issues for improving EU development co-operation with Ethiopia⁴⁷

Priorities for reform ⁴⁸	Progress made
1. Simplifying and focusing the range of aid instruments.	Within the development of a new partnership agreement between the EU and ACP, there are efforts to reduce the number and range of instruments. The Commission has instituted a process for developing country strategies for consultation with EU MSs, prior to opening discussions with individual ACP states.
2. Strengthening strategic planning at the country level, especially with respect to integration of instruments.	The Commission has raised with country delegations the need to ensure that engagement is politically informed ⁴⁹ . The new EU-ACP partnership agreement also addresses the need for increased political dialogue, including extending the participants in the partnership to include a wide range of non-governmental actors. It remains unclear how this development is to be put into practice.
3. Improving macro-economic and sectoral policy analysis and policy dialogue (with government and other partners).	Improvements in the macro-economic and sectoral policy analysis of development co-operation are not yet apparent, although there is an increased tendency for donor support to national and sectoral budgets.
4. Reinforcing the project cycle, leading to better project preparation and supervision	It would appear at present that issues 4-7 are largely outstanding, particularly as regards the integration of conflict prevention issues within the project cycle, and inclusion within country delegations of expertise to enable the EU to effectively address issues of prime local, national and regional concern.
5. Decentralising and simplifying aid administration.	
6. Improving standards of reporting.	
7. Better deployment of human resources, especially support for professional staff.	

In addition to supporting decentralisation, some EU member states have provided assistance to Ethiopia's programme of judicial reform,⁵⁰ but the majority of EU funds for democratisation have been allocated to implementation of civil service reform.⁵¹ The EU also currently supports the establishment of the Human Rights Commission and the Office of Ombudsman, although there is a question as to whether those offices will be

⁴⁷ 'Evaluation of Development Co-operation between the European Union and Ethiopia, 1976-1994'.

⁴⁸ IDS Evaluation, p. xi x, Executive Summary, Main report.

⁴⁹ Op cit footnote 10.

⁵⁰ For example, Sweden has provided significant resources to Ethiopia's justice system whilst France and Austria have provided assistance to Ethiopia's programme of judicial reform.

⁵¹ CPN Ethiopia Briefing, Stiftung Wissenschaft und Politik, December 1999, p.70.

able to retain the fundamental requirement of independence.⁵² With this in mind, there is an urgent need to encourage development of non-state human rights bodies and to develop programmes specifically designed to promote awareness of civic and human rights.

The EU is conducting a study, concentrating on Ethiopia, looking at opportunities to assist civil society, following which it is anticipated that the EU will engage with capacity building in this area. As already mentioned above, however, EU support to NGOs operating in Ethiopia is currently extremely limited and restricted to support of international organisations.

Security and defence sector assistance

Some EU MSs are turning their attention to the role of development assistance in promoting reform of the security sector. This reflects a growing conviction among MSs that sustainable development is dependent on a secure environment in which civilians are protected by responsible and accountable police forces and an independent judiciary. Security sector reform is also being seen as particularly important to enhance the prospect of post conflict reconciliation and rehabilitation. In cases like Ethiopia, where former fighters are being recalled to the front, the EU and MSs will be increasingly called upon to look at reintegration programmes in light of analyses of the risks of future violent conflict. It will also be incumbent on the EU and MSs to review processes of demobilisation and reintegration within agreed frameworks of peace-building and conflict prevention. Sections of the donor community are, however, still reluctant to integrate security reform into the mandate of development co-operation.

The EU financed 25% of Ethiopia's Demobilisation and Reintegration programme at a total cost of US\$195.5m following the end of hostilities in 1991.⁵³ Prior to the Ethiopia-Eritrea war and the introduction of the EU embargo and non-binding UN embargo on arms sales to both countries, both Britain and Italy provided arms to Ethiopia. Through its British Military Assistance Training Team, Britain had also provided training for Ethiopia's national police force,⁵⁴ while members of the Ethiopian security forces also benefited from the French government's RECOMP programme.⁵⁵ However, an agreement between the Ministries of Defence of Ethiopia, Eritrea and Italy to enable the development of a peace enforcement brigade, which could have acted in third countries, has been suspended on account of the current inter-state conflict.

The British government also supports training, and provides equipment for, the Ethiopian police force. The former includes training in community policing and human rights, as well as rehabilitation of regional police training centres. However, the use of equipment provided within Britain's support to the national police force, which is alleged to have been used in the repression of dissent, caused a temporary suspension of the British aid programme in 1997.

Although the immediate future of security sector reform in Ethiopia is constrained by the ongoing Ethiopian-Eritrean war, the aftermath of conflict

⁵² CPN Briefing, p73

⁵³ The German Ministry for Development Assistance (GTZ) being the first agency to respond to the Transitional Government's request for support to this programme.

⁵⁴ In May 1997, Britain, France and the US presented to the UN a joint initiative to support African armies peace-keeping capacities. Within the US Africa Crisis Response Initiative (ACRI), US Special Forces have carried out recent training in Ethiopia.

⁵⁵ In co-ordination with British and US initiatives the RECOMP programme seeks to support the peacekeeping capacity of African armies, which operate under the aegis of the UN Chapter VI, mandated operations. The programme has three principal pillars: instruction, sub-regional peacekeeping training exercises and pre-positioning of equipment in designated locations in Africa.

will be dominated by the need to find meaningful alternatives for demobilised soldiers and for reintegration projects which look critically at sustainable livelihoods and long term stability.

Food security

The government of Ethiopia has prioritised food security as a means to reduce chronic poverty. In the past, especially as a direct result of Dergue policies, smallholder producers of grain were given lower priority than large scale state farms. "War and political decisions deliberately oriented against free market development".⁵⁶ Donors, led by the WB and USAID have shifted their focus to increasing small-holder production based on a policy of entitlement, which in turn implies an emphasis on the creation of grain surpluses. The key themes being addressed by the EU and its MSs are linked to increased supply through enhanced agricultural production, improving access and managing crisis. The EU is also active in helping to draft Ethiopia's national food aid strategy and in late 1998, the EU chaired the donor group food security/agriculture committee that meets to co-ordinate donor responses. At present the European Commission's Food Security Unit in Addis has a budget of ECU 100m.⁵⁷ The EU, as a major provider of aid, is in an important position to engage in food security policy formulation. To date, however, 'EU's political influence lies far below its financial weight'.⁵⁸

Between 1976-1994, EC/EU food aid to Ethiopia represented 40% of its total programme. Despite this volume, there was only one logistics specialist, with little policy role or local administrative support to monitor a programme absorbing over 30% of total EU commitment to Ethiopia in 1994. This situation has since improved.

That said, the focus of food security strategies in Ethiopia, largely based on production and not demand, do not always sufficiently consider vulnerability and destitution. Ethiopia currently does not have sufficient capacity to shift surpluses nor can poor people necessarily afford to them should they be available. Evidence seems to suggest that more and more people are falling into chronic vulnerability with few opportunities for increasing their asset base. This is borne out, in part, by the failure of the *belg* rains in 1999. One short rain failure should not lead to famine, as is occurring in 1999-2000, but it should also be recognised that many of the highly vulnerable have now been destitute since the 1984 famine.

There is increasing need to look at food security through vulnerability analysis. As structural and chronic food insecurity is a critical obstacle to poverty reduction and stability, it is evident that coherent and co-ordinated strategies need to be in place which do not just look at food deficit regions, which are prioritised under the current food security framework, but also at vulnerability in less chronic regions. With each crisis of drought or conflict, pastoralists in the Afar region and elsewhere become more vulnerable to the risks of famine and conflict. Recovery from dramatic livestock loss, such as occurred in the 1970s, takes years and each subsequent loss represents a drop in long term food security. For pastoralists, it is estimated that 4.2 head per capita are necessary for the maintenance of livelihood. Below that threshold, vulnerability and destitution are distinct possibilities. In developing food security strategies, the EU should consider supporting programmes which increase asset bases, address long term vulnerability and build on local coping mechanisms (which do not add to environmental stress).

It is indeed becoming increasingly accepted that food aid in chronically deficit

⁵⁶ Quoted in European strategy to support food security in Ethiopia, February 1996.

⁵⁷ Of which, ECU 35m goes to NGOs, ECU 35m to the WFP, and ECU 30m to direct-funded programmes

⁵⁸ European strategy to support food security in Ethiopia, February 1996.

areas such as Ethiopia should not just attempt to alleviate the short term impact of drought or famine; policies should be considered within the framework of developments in long term food security. The EU is leading development in this area and has produced a document outlining some basic concepts that can improve the response of food aid programmes.

Resource management

Within the field of water resource management, the EU has finalised Guidelines for Water Resources Development Co-operation (1998). These guidelines prioritise equality, efficiency, and sustainability, and also contain a focus on institutional development and capacity building, and community and private sector involvement⁵⁹. The Guidelines' strategic approach could build greater capacity for addressing the risks of violent conflict within co-operation for water resource development. They do not, however, refer to existing policies and tools within the European Commission and EU MSs on conflict prevention. Awareness of the guidelines does not appear to be widespread; furthermore, while the checklist approach adopted within the Guidelines might encourage a superficial 'tick box' programming process, there is, as yet, no process in place for review and development.

Consideration of EU support to water resources development in Ethiopia will provide an important opportunity to consider the practical applicability of the Guidelines. Having acknowledged the negative impact of some past forms of engagement in water resource development, EU engagement in this sector will be particularly important with the increased interest in developing Nile basin resources.

However, responding to the need to increase disbursement through channelling resources into large-scale schemes will not necessarily fulfil the EU's own policy commitments to supporting sustainable peace and development.

Development of coherent co-ordination

Ethiopia is one of six countries included in a Pilot Project launched in 1994 to increase co-ordination between the EC and EU MSs at the operational level, as well as in the specific areas of education, health, food security and poverty alleviation. It has been useful in some sectors (e.g. in the preparation of EU interventions in the donor Consultative Group meetings for food security, health and education), but less so in others. One particular weakness noted was the limited role of the Ethiopian government in the co-ordination process. Further guidelines on operational co-ordination were developed in March 1998.⁶⁰

This said, however, there is still room for improved co-ordination and policy coherence, not least in the area of sharing analysis and strategy development. So, for example, while the European Commission has introduced country strategy papers to aid planning of EC development aid and does consult with MSs prior to negotiation with ACP countries on developing NIPs, individual EU MSs develop their own country strategies and are often reluctant to share papers with the Commission.⁶¹ There have also been differences in the response of EU institutions and EU member states to the Ethiopia-Eritrea conflict. For example, while the European Commission,

⁵⁹ The Guidelines, developed by HR Wallingford in association with Office International de l'Eau, require that non technical or 'software' issues are recognised as being at the same level of importance as 'the hardware' or technological issues.

⁶⁰ In principle, the local delegation is responsible for monitoring this co-ordination, although a member state can take responsibility in certain situations. The guidelines assume a broad exchange of information between the Commission and its member states on both policies and activities.

⁶¹ One of the recommendations of the Evaluation of Development Co-operation between the EU and Ethiopia

UK and Germany will not seek out new areas of development co-operation, or provide new sector funding for the government in response to the conflict, Italy is exploring new areas of co-operation.

Ethiopia is also one of the three African pilot countries for increased co-ordination between the EU and the WB. At present, the two organisations work relatively closely together; for example, both played a major role in preparation of Ethiopia's Food Security sector programme and on the Annual Public Expenditure Review, (although the WB leads overall on this process).⁶² The WB and EU also meet on an ad hoc basis in areas of mutual concern, particularly private sector development, for which the EU chairs an informal committee comprising the WB, EU and GTZ.⁶³ The EU-Bank relationship within Ethiopia is thus seen to be overcoming past constraints and improving after a period of less intimate relations.⁶⁴ Given they are two of the biggest donors to Ethiopia, their ability to develop successful co-operation here will provide important models for promotion of greater collaboration in other countries and regions.

EU engagement in the Awash Valley

This final section of part two examines the impact of EU engagement in Ethiopia and assesses the relevance of policies and programmes to communities affected by conflict in the Awash Valley.

European economic engagement in the Valley has been evident since the early 1950s. European strategic interest in the greater area of the Afar region can, however, be traced back to the nineteenth century. The strategic nature of the Red Sea and, in particular, the Bab al-Mandab straits between Yemen and the Horn of Africa coast, significantly influenced international interests. This international sea-lane became particularly important to European powers after the completion of the Suez Canal.⁶⁵

The present conflict between Ethiopia and Eritrea increases attention to the Valley, and the Afar region in general, due to the strategic importance of the area and the fact that Ethiopia is now routing the majority of its trade through Djibouti, resulting in a 333% increase in handling of Ethiopian goods. The conflict also raises concerns linked to political identity and national borders between Djibouti's and Ethiopia's Issa population. Djibouti's Issa population is numerically and politically dominant with the Afar forming a large minority. In contrast, in the Valley, the Afar are dominant, with the Issa perceived as posing a threat to local livelihoods. Ethiopia may have to subjugate the claims of Afar pastoralists to their interests in increased control of water and land resources, in order to maintain beneficial relations with Djibouti, with both Ethiopian and European governments having to balance loyalty to the Afar with wider economic interests in the region.

⁶² The WB and EU worked jointly on the Annual Public Expenditure Review last year and will do so again in 2000.

⁶³ The informal committee on private sector development will soon also include USAID, DFID, and a number of government and private sector invitees.

⁶⁴ Among the constraints on EU-WB co-operation in former years, the following issues have been raised: structural constraints; reluctance at EU Desk Officer level; resentment over WB taking a greater lead in development of the Food Security Programme; WB neglect of their relationship with the EU.

⁶⁵ In the early 1990s the French still maintained a 3,500-strong garrison in the former colony which was due to be cut to 2,600 by the year 2000. The French force was allegedly involved in providing a buffer against some Afar forces based in the north of the country during the civil war in the early 1990s.

Overview of EU engagement prior to 1991

Unregulated and large-scale irrigation projects in the Valley became features of early European involvement. The net effect of such developments was to curtail the dry and wet season grazing patterns of the Afar, limit access to water points and restrict mobility, all essential aspects of pastoral livelihood systems. Ventures which impacted in this way included the Dutch rice concession in the lower Awash at Asayta and the more minor Dutch Wonji Sugar Plantation in the Upper Awash. These projects went ahead despite recognition that they would undermine pastoralist, especially Afar, livelihood systems. It was hoped that restrictive measures would be applied to investors to ensure appropriate development, but this was not to be.⁶⁶

A significant proportion of pastoralist communities in the Awash were affected. For example, the introduction of the Dutch HVA Sugar Cane Estates and the construction of the Koka Dam, amongst other factors, led to a mass eviction of the Jille pastoralists of the Awash. This occurred without compensation and without resettlement plans (see Table 6).⁶⁷ Similar events occurred in the 1950s, during the development of sugar cane estates on the Abadir and Matahara flood plains, and the establishment of the Awash National Park (1966) which led to the displacement of the Kerreyu pastoralists who were alienated from 80,000 ha of wet and dry season grazing land, without compensation or relocation.

⁶⁶ Caponera, 1956.

⁶⁷ Kloos, 1982, p 25.

Table 6: The displacement of pastoralists in and around Awash Valley

Groups evicted	The reason for eviction and displacement	Year	Compensation
Jille	The Dutch HVA Worji and Shoa sugar cane estates. Construction of Koka dam and creation of Galila Lake. Assignment of land for other urban and rural development projects.	1950s 1960s	None.
Arsi	Nura Era Irrigation Scheme.	1950s- 1960s	None. However, they continue to practise pastoralism in hilly Tibila area. None.
Kerreyu	Sugar cane development between Kess em and Awash Rivers Awash National Park which resulted in loss of 80,000 ha of dry and wet season grazing land.	1950s 1966	
Afar	Commercial agricultural development along river beds. Construction of Koka dam Awash National Park	1950s- 1960s	Resettlement. Wage labour, although this was rarely taken up.

Government policies in the 1960s paved the way for commercial development. Foreign concessions were awarded to the UK Mitchell Cotts Tenda ho Plantation, which utilised approximately 5,800 ha of land in the Valley, mainly along the riverside. Whilst this arguably had some benefits for the Afar located within the catchment area, it negatively and significantly impacted on those who came from outside to graze their cattle. They lost both vital land and water resources and were unable to share in the benefits of development. The Afar located within the vicinity, however, participated, to a certain extent, in the creation of rural capitalism and gained some economic benefits. Many Malokti (those who controlled access to land and water resources in Afar society) became capitalist farmers whilst also maintaining their traditional role. This occurred through a process by which clan ownership groups leased land through the Malokti to private investors, who then became liable to pay almost half of their gross profits to the clan. In effect, this reversed some of the semi-feudal structures of land tenure systems in that period. In the long term, however, the relationship between the Afar and the Mitchell Cotts Group became competitive. Such trends sowed the seeds of further conflict within Afar political structures as a growing Afar capitalist class undermined traditional clan elders. This was a factor in the violent conflict that followed in the Dergue period.

By 1972, 15 years after commercial agriculture had begun in the valley, 50,000 ha of land had been developed. Most of this development had occurred on the narrow strip of land close to the river. Not only did this affect dry and wet season grazing of the Afar generally, it also limited access to cattle watering points, blocked the traditional migration routes so essential to pastoral livelihood systems, and ultimately contributed to famine. The 1973-4 famine resulted in the death of approximately a quarter of the Afar population, whilst simultaneously decimating livestock herds.

Collective European engagement in the Awash Valley began in the 1970s with EC financial support for large-scale irrigation projects. The intervention continued during the dramatic period of social and political upheaval which accompanied Dergue rule. Under the Dergue, international commercial companies, many of which were European-based, were nationalised, leading to a series of claims for compensation. The EC subsequently made aid conditional on the resolution of

claims resulting from confiscation of European owned property. In consequence, EC engagement in the Awash was criticised for putting needs of European commercial interests before those of pastoral communities who had suffered the consequences of earlier large-scale European funded irrigation projects. Adding to the ill-feeling in the Awash, was realisation that despite violent central government repression in the Afar region in the mid 1970s, Europe was still prepared to invest in national irrigation ventures.

During the mid 1970s, the EC supported the establishment of the Amibara Irrigation Project (AIP) in the Middle Awash. The AIP was part of a state-led cotton production venture to provide raw material for the Ethiopian textile industry. Production was located on land formerly used by the Afar for dry season grazing.⁶⁸ From the outset, the project was limited in scope by increased project costs created by the mid-1970s oil price hike. Implementation of the project, which took seven years, was initiated in 1978, and included plans to set aside 2,000 ha for Afar resettlement. In the final implementation, however, resettlement sites were significantly smaller.

The EC provided \$30 million towards financing AIP under Lomé I and II. As shown in the table below, this was over one third of the total investment. EC investment was directed towards off-take from the river and primary canal installation, both of which have been the main cause of water supply problems on the scheme. Afar displacement and the consequent need to provide alternative livelihoods were to be managed by the state.

Table 7: Shares of capital investment in the Amibara Irrigation Project⁶⁹

Source of investment	Expenditure in \$US	% of total investment
World Bank (IDA)	24.3	37
EEC (EDF)	22.1	34
Government of Ethiopia	14.3	22
African Development Bank	5.1	8
Total	65.9	100

The immediate effect of the Amibara Project, completed in 1984, was to deny Afar communities access to critical dry season grazing, which has had long-term negative implications for Afar livelihoods. This increased pressure on grazing areas outside Amibara, especially on wet season grazing in the Alledighi plain, ultimately contributing to conflict between pastoralist groups over grazing land in the middle part of the Valley.

The almost total exclusion of Afar pastoralists from planning and implementation increased conflict between pastoralists themselves and between pastoralists and the state. Such schemes came to be viewed as intrusive and extractive by the Afar, who gained little from their development, apart from the employment generated for Afar as guards⁷⁰. Even the resettlement schemes, undertaken with the support of outside donors, failed to provide alternative livelihoods for the displaced. In many cases, wage labourers settled sites, while the Afar remained outside the schemes with their cattle. In cases where the Afar did settle around irrigated pasture, delineation of land between clans became a critical issue, as did failure to resolve inheritance problems.

⁶⁸ This has been described as particularly significant for the Afar, and is an area where between encroachment by Issa and Oromo the Afar still had some degree of 'confidence' (interview with former AIP manager).

⁶⁹ IDS Sectoral Report.

⁷⁰ Some schemes in MADE employ as many as 1,400 guards and pay Afar leaders a monthly stipend.

Overview of EU engagement: post 1991

By the late 1980s the irrigated area in the Valley had increased to some 70,000 ha.⁷¹ Problems between Afar and the Middle Awash Agricultural Development Enterprise (MAADE) increased from this time, leading to sporadic outbreaks of conflict. Both MAADE (in Middle Awash) and the Tendaho Agricultural Development Enterprise around Dubti in Lower Awash were established by ministerial proclamation in November 1993, and took over from the old state farms (although remaining under government control). Their sale to the private sector has subsequently become government policy.

The Afar Pastoral Development Project

In a specific attempt to address the negative impact of all the aforementioned European-financed irrigation schemes in the Awash, the EU approved ECU 1.9m for the Afar Pastoral Development Project (APDP) in 1994.⁷² In contrast to the previous emphasis on large-scale ventures, this project actively sought small-scale solutions to the development dilemmas in the Middle Awash. It aimed to tackle some of the negative effects of the large-scale schemes along the Awash and address some of the root causes of conflict between the Issa and the Afar. The financing of this project by the EU demonstrated the willingness of European backers to acknowledge their role in addressing local priorities and to engage in projects which tried to redress past mistakes. The focus and direct community engagement of the Afar Pastoral Development Project (APDP) was unique within the context of recent European Commission cooperation with Ethiopia. Furthermore, the APDP was the only single donor project carried out under direct responsibility of the regional government.

In sum, the pilot project aimed to improve pastoralist livelihoods through participation of pastoralist communities and zonal and woreda level administration. Overall, this was successfully achieved despite initial teething problems associated with the disruption of the national elections and a high staff turn over at zonal and woreda level. In part, the pilot project also sought to establish Afar clans in certain areas through provision of strategic water points and thereby support their access to pasture for longer periods. However, higher livestock and human concentration, for longer periods of time, led to over-grazing and further environmental degradation in the project areas, which in turn exacerbated the risks of conflict.

The major success of the project was in the development of trust between Afar communities and project staff. Furthermore, although not directly involved in land management reform, the APDP has been indirectly effective in changing some of the settlement patterns around MAADE.

In recognition of this impact, the EU subsequently developed a follow up project for the Afar. However, the central Ethiopian government made the decision not to endorse it for a number of reasons. These included concern over direct EU direct involvement at a local level; the Ethiopian government preferred large donors such as the EU to provide funds to specific sectors and for local government and/or NGOs to implement the type of project that the APDP sought to address.⁷³ Two further factors that may offer a partial explanation, are the process of ethnic regionalisation that took place during the decision-making period, and the ongoing privatisation process in MAADE in the Awash.

⁷¹ ECDSA/Halcrow, 1989.

⁷² Formerly known as the Afar Relief Association.

⁷³ This approach to aid is known in Ethiopia as Channel 1 funding in which donors directly support sectors of the Ethiopian economy through propping up the Ethiopian budget. However, this approach is presently under review in the donor community because of ongoing conflict between Ethiopia and Eritrea. The rationale for this review is based on the premise that, under such a system, Ethiopia is able to direct resources away from development and in to the war effort.

However, even if government had supported continuation of the project, EU direct commitment to the project might have been limited. As mentioned in the first part of this section, during the 1990s the EU had begun channelling aid towards larger, less management-intensive, projects. In this period, a lack of technical expertise was evident, as the Commission Delegation to Ethiopia had only one pastoralist advisor, who later transferred to West Africa. EU involvement in the project was thus curtailed even though regional government, project management and the Afar petitioned the government for its continuation, and independent evaluations carried out in 1997 supported its validity.⁷⁴ (See Table 8)

⁷⁴ 'Afar Pastoral Development Project', Evaluation Report (Draft), International Agricultural Centre, March 1998.

Table 8 (part 1): Afar Pastoral Development Project, draft evaluation report of the pilot project, 1994-1998', March 1998⁷⁵

Specific objectives

The specific objectives are

- to improve collaboration between communities and administration
- to improve service infrastructure (micro projects)
- to improve food security (micro projects)
- to improve economic returns from livestock
- to strengthen the health care delivery system for Afar communities

Assumptions and risks

The willingness at community and service level to collaborate and be trained is there but on both sides the capacity is still too weak to continue without the co-ordinating, facilitating and moderating contribution by the project. The risk is real that without continuation of the project the investments in service supply will no longer be effective. This has already been experienced with the Human Health component.

Implementation

The number of staff and their qualifications have been more or less satisfactory under the given circumstances for the main period of implementation. Except for the Technical Advisor, all staff in the Human Health program were male, none of them Afar as the qualifications of Afar staff were found inadequate for the programme.

Factors ensuring sustainability

The 'nomad's land' lying between Afar and Issa territory is no longer fully utilised by Afar for fear of Issa raids. The creation of bore holes for Afar communities has been one of the measures by the project to strengthen the position of Afar in a peaceful way in order to anticipate on this external stress. However, what the impact of these boreholes can be on settlement, grazing practices and the environment has not yet been assessed.

Monitoring and evaluation

In October 1996 regional authorities conducted an evaluation. The report was positive with constructive comments for improvement. In addition the Afar National Regional State sent a letter to the Prime Minister's Office asking to discuss with the EU a continuation and extension of the project.

In 1997, the project was selected for the evaluation of gender aspects in EU projects. Results revealed that the project so far had paid little specific attention to gender, while many project activities have a gender component. It was recommended to pay more attention to gender aspects as the position of women in Afar society differs much from that of men in many aspects.

The external evaluation was planned to take place at 3/4 of the project period. Finally it took place nearly at the end. Consequently, the situation encountered during this evaluation no longer reflects the situation as planned but that of adaptations to scarce resources and uncertainties about a continuation, or not, of the project.

Problems to be addressed

- gender aspects (all sectors)
- trade and livestock marketing (food security and economic development)
- natural resource management and weed control (sustainability of livestock production, environmental protection)
- crop-livestock integration (mixed farming and integration of livestock production in large scale irrigated crop cultivation).

(cont...)

⁷⁵ Ibid, excerpts from the summary of the evaluation.

Table 8 (part 2): Afar Pastoral Development Project, draft evaluation report of the pilot project, 1994-1998', March 1998⁷⁶

Community participation of pastoral communities

At first it was difficult for the pastoral community to understand the principles of a participatory approach. Their experience with earlier government and NGO interventions were that they could receive infrastructures, means and products without the communities being involved in planning, implementation, maintenance or providing an own contribution. Despite this background, the project insisted that it could only do something if the communities would participate. Once this was understood and accepted the community participation took off remarkably well as the social organisation in the pastoral society is still very strong.

Conclusions

1. The project has been successful in finding ways to strengthen the organisational capacity of local communities and the implementing capacity of government services.
 2. As facilitator the project still plays an important role in the communication between communities, services and the administration.
 3. To stop the project now would endanger the sustainability of various achievements. The project could have done more on issues of livestock marketing and natural resources management. Livestock still is, and has the potential to remain, the major economic resource base of the people for food security as well as for development. The delay of six months for the evaluation had direct and indirect impacts on the project.
- the project had to scale down its personnel and reallocate means to facilitate an extension of the project period till April 1998
 - the human health component was not given sufficient follow up and the delivery system stopped functioning
 - there is not sufficient time left to prepare a proposal for a second phase.

Recommendations

The principal recommendations are:

- to make more funds available to continue the present project
- to appoint a specialist in Community Based Primary Health Care to revive the Human Health program;
- to refocus project interventions on capacity building of community organisations and government services;
- to appoint a specialist in pastoral production systems and range land management
- to reorientate the project towards the principal target group of Afar pastoralists
- to prolong the project period with an interim phase and during this phase prepare proposals for a second phase following a participatory approach.

Overall results⁷⁷

Activities with a high degree of community participation (i.e. Community Animal Health Workers and water supply) are more appreciated by the communities than those without.

⁷⁶ Ibid, excerpts from the summary of the evaluation.

⁷⁷ Ibid.

Lessons have been learned from the successes and failures of the pilot project and in 1997, the UK NGO, Farm Africa, developed a similar pilot project for zones 1 and 5 of Afar state, continuing with the same approach as the APDP, and recruiting former APDP staff.⁷⁸ Funded by EU member states, the pilot project provides the basis for building a long term project in Region 2, to be replicated later in the Oromiya and Somali regions. Co-ordination with federal government policy makers, the Ministry of Agriculture's Pastoral Extension Team, at both the regional and woreda levels are also essential ingredients. In so doing, the pilot intends to provide effective support to pastoralists and influence the development of a positive policy environment.

The pilot includes a focus on the use of land suitable for irrigation along the Awash River for pastoralist food and livestock needs. However, the longer-term goals and direction of the project are to be decided through the participatory development of a Community Action Plan. Where Farm Africa is not able to address the priorities identified by the community, it is seeking to encourage other organisations to work alongside it. Thus, AMREF is presently being encouraged to develop the health component within the Afar project.

Conflict prevention issues are also being addressed in partnership with SOS Sahel in a project on Shared Management of Common Property Resources (SMCPR). This examines the issue of equitable and sustainable management of resources in the Sahel as a means to support pastoralist networks throughout the region.

Current EU support in the Valley

Despite the warnings of both earlier and more recent impact studies, the development of the 1998 European Commission Guidelines for Water Resources Development Co-operation and the needs recognised within EU support for the APDP, the EU has been involved in the development of further studies for the expansion of irrigation in other areas of the Middle Awash. Furthermore, within its Sectoral Import Programme, the EU has more recently been involved in a plan to increase the Koka dam's storage capacity by raising its height by 3 metres.⁷⁹

The Afar regional government currently benefits from the assistance provided by a number of EU member states in support of regional capacity development and support is also given to international and local NGOs operational in the Afar region.⁸⁰ However, direct EU and investment and aid flows to the Awash Valley is limited. This is because the EU now rarely engages in small-scale projects but rather supplies funds at central level for distribution at regional level.

⁷⁸ The former Technical Advisor of the EU ADPD is now the Director of Farm Africa Ethiopia while senior project staff of the EU ADPD now lead Farm Africa's work in the Afar region and are engaged in the development of the organisation's activities in other regions.

⁷⁹ Halcrow, 1989.

⁸⁰ The following NGOs currently work or have worked recently in the Afar region: Action International contre la Faim, CARE International, the Afar Pastoral Development Project (formerly known as the Afar Relief Association), Medecins du Monde (MDM), Save the Children (US) and Farm Africa. HealthNet implemented the health component of the APDP but is no longer operating in the Afar region. MDM is currently terminating its 3 year EU-funded health care work in zone 1 and proposes carrying out an evaluation of this work next year, while AMREF may develop a health component to Farm Africa's existing project. Oxfam and Action Aid, which have carried out activities in the region, currently have no programmes in this area. Most of the work in the Afar region to date has been small-scale community projects and basic education and health.

3. Recommendations for EU engagement

Introduction

This case study has identified a wide range of risks of violent conflict which will need to inform the EU in its engagement in Ethiopia and within the wider region, if it is to effectively prevent violent conflict and promote peace-building. These potential risks are summarised below as a prelude to identifying proposals for EU engagement that may best fulfil its existing conflict prevention commitments. In addition, Appendix 2 of this document provides a framework designed to enable country and regional desk officers and sector specialist - both within European Commission directorates and country delegations and EU member state line ministries and country representations –to design a comprehensive approach to water resource management.

The risks of violent conflict

Regional insecurity

The Ethiopian-Eritrean war, which has led to a realignment of allegiances within the Horn, will have long term implications for the development and stability of both protagonists, and also for the social, economic and political development of the wider region. There are fears that resources which could have prioritised social improvements may be channelled to fuel war efforts, and the interests of external investors and donors will be affected by the re-eruption of conflict in an area on which high hopes had been set.

Fragmentation of groups through state formation

The cross-boundary distribution of the Horn's populations, combined with the impact of increasing competition over resources and violence between groups traversing international borders, demands a regional approach to efforts which seek to resolve or prevent violent conflict. Although the case study clearly identifies the disputes between the Afar and Issa in the Awash valley and Afar region, the problem is also rooted in the Afar-Issa relationship in Djibouti. This factor makes it difficult for the Ethiopian federal government to fully address the localised conflict within the Valley, as, at present, Ethiopia is virtually wholly reliant on Djibouti's port for its trade and aid route, and therefore also on its Issa-dominated government.

Decentralisation and regional vulnerability

The Afar-Issa conflict raises significant issues regarding the regionalisation process in terms of both the causes of conflict and the steps taken by the federal government to solve them. Whilst the principle issue is one of access to and control of land and water resources, it also concerns the delineation of 'ethnic areas'. The process of federal regionalisation highlights the risks of marginalisation of those not belonging to the majority group, particularly where such minorities have recourse to strong political allegiances in neighbouring regions and states, as well as within the federal government. For example, the Issa are encroaching on areas that now make them accountable to the Afar regional government, whereas formerly they would have been accountable to central government, and their own traditional authority. However, Ethiopia's strategic concern over access to the sea has forced the federal government to intervene and directly administer certain woredas, a factor which may be contrary to the rationale of decentralisation and which does not address the structural causes of the Afar-Issa conflict.

Unrepresentative and weak regional government

Problems of political representation are apparent in the absence of widely recognised legitimate political figures. Furthermore, the Afar region's administrative capacity generally remains limited due to shortages of qualified Afar staff and expertise and many Amhara and Tigrayans hold key advisory positions in regional government. This may heighten perceptions of central government influence and weaken popular Afar confidence in the representative nature of their regional government, increasing the risk of intra-societal conflict developing between Afar clans/parties and the Afar regional government. Similar issues of political representation and capacity are repeated in other pastoralist areas of the country, and especially in the Somali region.

Loss of access to livelihood resources

National economic growth models which do not adequately consider pastoral modes of production, and which do not adequately compensate or provide options for diversification, create inequality in national or regional development. Loss of access to resources through this process increases the potential for conflict, both over competition for shared resources as well as with those who exercise authority over management of resources. Thus, Afar pastoralists who have insufficient access to land and water resources come into conflict both with other Afar and Issa pastoralists and with cultivators and federal state bodies. Unless well managed, competition over shared resources may lead to environmental degradation, increasing the likelihood of conflict over diminishing resources, and, in turn, to heightened vulnerability and risk of further conflict during periods of drought.

Centralisation of resource management and inequity in national growth

Conflicts within the Awash Valley have, in part, arisen due to a perceived failure by pastoralists, to balance developments that support national economic interests with the needs of those whose livelihoods are dependent on the same resources. While the ongoing process of regionalisation provides an opportunity to redress this balance, the limited capacity of some regional governments, such as Afar, prevents maximising of potential. Moreover, there is inequity in external engagement within Ethiopia, with certain regions receiving considerably greater support and resources, which, in some cases, will serve to heighten existing regional disparities.

Constraints to the development and implementation of natural resource management policies

Incoherence in the development and implementation of resource management policies exist within and between the federal line ministries engaged in this area (including among others, the Prime Minister's Office, MEDAC, the Ministry of Water, the Ministry of Agriculture), regional governments, pastoralists and civil society bodies, including local and external business concerns. Unchecked external investment operating in the existing incoherent policy environment may well heighten existing tensions.

The case study demonstrates the ineffectiveness of the Awash Valley Authority (AVA) to manage large-scale irrigation developments in the Valley and to mediate between local power structures and the economic interests of the major companies operating in the region. There are fears that, if unsupported, its successor, the Awash Basin Board, set up in 1998, may face similar constraints, particularly where important areas have been returned to the Afar clans. The importance of ensuring effective management is especially pressing given the immediate environmental problems that are impacting on the future viability of the schemes, and the ongoing process of privatisation.

Marginalisation of pastoralists

Although the right to continue a pastoralist life is enshrined in the constitution, and a Pastoral Extension Team has been established within the Ministry of Agriculture, the view that pastoralism is outdated and unviable is evident at regional and central government levels through their promotion of settlement policies. Unless pastoralists are actively involved in promoting the viability of the pastoral mode of production and in piloting new techniques for meeting resource requirements and alternative livelihoods, growing demand on existing limited resources will heighten tensions amongst pastoralist groups as well as cultivators, and be likely to lead to increased pastoralist marginalisation and underdevelopment.

Absence of effective channels of community representation

While the narrow decision-making base between federal and regional government generally excludes civil society, in the case of the Afar, as in other pastoral areas, civil society is significantly more powerful outside regional urban centres than government structures. Here, clans and lineage groups remain the legitimate authority. Whilst such structures may in some ways be regarded as a barrier to development, they remain the only current channel of political representation for the wider Afar community and yet have limited input into the development and implementation of policies which impact upon the groups which they represent. Existing and newly formed channels of representation, including the clan-based pastoral associations, may increasingly compete with regional and federal bodies which are unrepresentative of or fail to address local concerns and this may lead to violent confrontation. Issues of legitimate representation and political inclusion, especially over resource management and control will need to be addressed at this level.

Incoherence and lack of co-ordination in EU policies

The case study exemplifies how EU investment has undermined pastoral livelihoods and heightened conflict over resources. While some EU projects such as the Awash Pastoral Development Project have sought to redress some of the underlying risks of conflict for pastoralists within the Awash Valley, inconsistent EU development co-operation policy has failed to ensure sustained support to this community-based initiative.

At present, the European Commission and most EU MSs have frozen their development co-operation in light of the ongoing Ethiopian-Eritrean war. However, even frozen partnership agreements may impact on the current conflict, and may, therefore, be incoherent with the EU's existing conflict prevention and peace building commitments.

Developing EU support for peace and sustainable development

The EU has recently committed itself to ensuring that its development co-operation addresses the root causes of conflict and has recognised that effective support to building sustainable peace and development demands coherence across the range of the EU's external relations. This case study, which has sought to explore how the development and implementation of EU policy has impacted on both past and current risks of violent conflict in the Awash Valley, has demonstrated that, whilst EU engagement is significant, both in Ethiopia and in the Awash Valley, there is limited evidence of the integration of conflict prevention and peace building within EU programmes and projects. Indeed, evidence suggests that EU engagement has exacerbated conflict in the Awash Valley.

Several factors currently constrain the integration of conflict prevention policies across the range of EU external engagement within the Horn,

Ethiopia, and, in particular, the Awash Valley. Among such factors are individual MS's historical, strategic and trading relations with particular countries in the region. There are differences amongst EU member states and institutions in the depth of understanding and analysis of current developments within the Horn, leading to incoherence in the development of strategies for engagement which occur both within and between country delegations and EU Member State ministries and institutions. There also appears to be a lack of expertise and awareness within the EU country delegation as to how to use available instruments to prevent violent conflict, a situation which is aggravated by the existing desire to increase sectoral and budget support and to identify and fund large, less management-intensive infrastructural programmes. However, it is also clear that there is growing commitment and desire on the part of many donors, including the EU, to improve the peace building potential of their engagement.

The recommendations which follow indicate how the EU and its MSs can enhance their capacity to prevent conflict. These ideas seek to address the various risks of violent conflict identified above and include suggestions for integration of peace building within both the development and implementation of EU engagement. Whilst organised in this way, a critical issue highlighted by the case study is the need to integrate conflict prevention and peace building into all areas and levels of EU engagement.

Promoting stability and sustainable growth in the Horn of Africa

This case study highlights the necessity for engagement that is supportive of peace-building to acknowledge the regional dimensions of conflict. Given the ongoing Ethiopian-Eritrean conflict, the EU needs to be particularly mindful of the impact of the existing levels of its engagement on the current situation, as well as the likely long-term impacts of the conflict for external investment and co-operation in the Horn region. With this in mind, the EU is encouraged to:

Develop a shared regional analysis

A shared regional analysis between the EU and its MSs, and between the EU and the wider international community, which prioritises issues related to the prevention of violent conflict in the Horn, needs to form the basis of a co-ordinated strategy for engagement. Shared analysis within the EU could be developed through a number of existing channels including the EU's Policy Planning and Early Warning Unit (PPU), the Conflict Prevention Network (CPN), as well as the European Commission's Regional Desk Officer in Brussels and the Regional Conflict Prevention Officer, based in the Nairobi delegation. The development of a wider shared analysis could also be pursued through ongoing areas of EU-World Bank co-ordination, particularly given that Ethiopia is a pilot for this initiative. The development of such a shared regional analysis will need to be fully informed through close consultation and ongoing engagement with state and non-state actors working to promote regional integration and bridge divides between groups which span borders. Such an analysis will need to take into account the full range of issues of regional importance, including the need for regional resource management, control of arms flows, and movement of people and goods.

Undertake a comprehensive review and develop a common strategy

Once a shared analysis has been carried out, the PPU and the European Commission could undertake a comprehensive review of all forms of EU and EU member state engagement in Ethiopia and the Horn. This would enable the EU to assess the likely impact of existing engagement on the ongoing conflict and realignment of allegiances within and among IGAD MSs and the

greater Horn, and the potential for developing forms of engagement which may create an incentive for resolving existing issues of conflict and building peace within the region. Such a review could inform the development of a 'common strategy'⁸¹ for EU relations with Ethiopia and the Horn region. It could also assist in the identification of those programmes and channels through which the EU could best support peace-building at a regional level, including through the Regional Indicative Programme (RIP).

Develop an IGAD Regional Action Programme to tackle small arms proliferation

An IGAD Regional Action Programme to tackle the proliferation of small arms could draw on experience of the models adopted within Southern and West African countries⁸². Such a plan could focus on: strengthening legal controls on the accumulation and transfer of small arms; enhancing operational capacity to combat illicit arms trafficking; and removing and destroying surplus small arms and light weapons and developing education programmes. The EU could then provide assistance to address such issues as strengthening the operational capacity of police and border guards to tackle illicit trade, enhancing police-community relations, and encouraging the removal of weapons from society.

Support to the development of state and non-state networks that promote peace within the region

The EU could seek to strengthen the capacity of regional government bodies that have the potential to promote peace including the IGAD Secretariat, the IGAD Partners Forum secretariat and the EAC. At the same time, the EU should strengthen channels for non-state bodies to inform the development of these bodies and the policies and political processes that ultimately impact upon them. The success of the Lomé Convention has introduced an extension of actors into the partnership, to include non-state representatives. It will be important to ensure that this leads to the establishment of channels for effective dialogue with non-state bodies not only within ACP states, but also across regions and in association with regional bodies.

Establish an EU regional analyst post within the Horn

An EU regional analyst post, as counterpart to the regional desk officer in Brussels, could be charged with responsibility for monitoring ongoing developments within IGAD member states, establishing a wide network of contacts in government and non-state bodies and alerting the Commission and EU member state headquarters and country delegations within the region about important events, providing regular update reports and, proposing recommendations for effective areas of EU engagement, particularly with regard to the development of RIPs and EU support to sub-regional initiatives.⁸³

⁸¹ The new policy instrument of common strategies was introduced in the Treaty on European Union provisions on the development of a Common Foreign and Security Policy. Common strategies are intended to cover areas where the Member States have important interests in common and it is hoped that they will enable a framework to cover all areas of EU engagement over a sustained period of time.

⁸² As indicated within the Communiqué issued from the Preparatory Meeting Towards a Sub-Regional Action Programme to Combat Small Arms Proliferation in Eastern Africa and the Greater Horn, which was held in Kampala from 31 January-1 February 2000, Draft Proposals for elements of a sub-regional action programme were developed during this meeting. These are to be further discussed within a meeting for the Eastern Africa region being convened in March by the Kenyan Government.

⁸³ While a Regional conflict-prevention post has recently been established in the EU Delegation in Nairobi, it will be important to redise the potential for the post-holder to inform the development of EU country, regional and common strategies.

Promoting equitable regional growth by strengthening Regional Government capacity

The current disparities in development between Ethiopia's regions are due to a number of factors, not least the varying capacity of regional governments to formulate and implement development initiatives. Unless efforts are made to address issues of capacity, external engagement could well continue to reinforce existing inequalities between regions. The Afar regional government suffers from a lack of appropriately qualified technical staff, and its lack of effective capacity weakens its authority. This is reinforced by both Issa non-recognition of the regional authority, as well as federal government control in strategically important areas within Afar region linked to Djibouti. The EU has itself recognised the need for 'promoting regionally balanced growth'.⁸⁴ In seeking to support equitable economic and social development by engaging in areas where there is a need to bolster regional government capacity, the EU needs to:

Review the existing spread of EU and EU MS engagement amongst the regions of Ethiopia

In close co-operation with the Ethiopian Government, including MEDAC, the EU should explore criteria for assessing priority needs and vulnerability across Ethiopia's regions. This would permit joint consideration of the potential for developing more equitable EU engagement, which responds to a range of needs across regions and which seeks to redress existing disparities in regional development. To enable informed consideration, such a review will need to set EU engagement within the context of international donor relations with Ethiopia and could provide opportunities for increased co-ordination with other non-EU donors.

Promote processes which engage the EU, federal and regional government and civil society in dialogue to establish priority needs

The EU could seek to promote dialogue to establish priority needs and to identify areas of existing weakness or incoherence in processes of regional development and resource management. While such a dialogue could be initiated through informal meetings, these could provide a basis for the development of small workshops facilitated by those experienced in promoting dialogue among a wide-ranging group of actors.⁸⁵ Effective EU support to the initiation of such a dialogue will require prior development of institutional expertise within EU country delegations. Once established, however, the EU could usefully carry out an assessment of existing training institutions, including the Civil Service College, and university courses within both Ethiopia and the wider region, with a view to identifying the areas where appropriate training in the development of representative government remains underdeveloped.

Enhance the capacity of regional government to undertake conflict prevention tasks

The EU could seek to facilitate negotiation and dispute resolution through encouraging engagement in, and providing support for, projects that establish greater understanding between regional governments and communities, and populations in neighbouring regions. By working with regional government, the EU could, for example, support the development of livestock projects that involve co-operative efforts between Afar and Issa communities, and lead to increased capacity and recognition of regional government authority.

⁸⁴ Section 3.1, page 6, 8th EDF Programming Strategy Paper, Ethiopia, March 1996.

⁸⁵ See further below section 3.2.4 and the facilitating role played by some international NGOs, such as FEWER.

Supporting inclusive government

As the EU notes in its country strategy for the 8th EDF, peace and stability are the 'preconditions' for the success of development and 'the role given by the Constitution to the regional authorities and the Federal Council provides a system for peaceful solution of conflicts and for the promotion of internal stability provided all the players increasingly commit themselves to the rules of dialogue and democracy'.⁸⁶ While the EU has acknowledged the need to strengthen inclusive government and has, on occasions, been able to exert influence in supporting the development of policy which promoted the interests of peasant farmers and pastoralists, it has to date only minimal engagement in supporting development of structures and channels required to ensure that local and regional governments are able to respond to and address local concerns.⁸⁷ Although engagement will require prior development of the EU's own institutional expertise, the EU could seek to:

Build understanding of the constraints on decentralisation.

The WB Pilot Woreda Level Decentralizations Study being carried out in Amhara National Region, which aims to understand how the decentralisation strategy and the associated participatory process are evolving in practice, may provide an important model for developing donor understanding of the constraints and needs to developing effective and inclusive governance in Ethiopia. The EU could undertake a similar pilot within Afar Region, which could provide a further basis from which to inform discussion on areas for potential engagement.

Monitor the success of increased sectoral and budget support

While sectoral and budget support lends credence to EU commitment to increased partnership with the recipient government and may be justified for those sectors in which policy and implementation capacity are well developed, macro economic support may do little to encourage the building of channels and structures for inclusive government where these are weak, and for which increased resources are required. In addition to monitoring the effectiveness of sectoral support, the EU should, therefore, also ensure that resources are targeted at good governance projects, such as strengthening independent media channels and the opportunities for civil society to participate in and oversee decision making processes (as further discussed in section 3.).

Monitor progress in the development of inclusive government

The EU should monitor progress in the development of inclusive government using a range of indicators reflecting political, economic and social concerns in both urban and rural settings. These should indicate the engagement of regional and woreda level authorities, and whether a range of actors from within civil society, and particularly marginalised groups, are involved in the development of policies which impact upon them.

Invest in the development programmes and projects which build channels for local participation

Programmes which are to be effective in meeting local needs rely on the existence or creation of appropriate channels for service delivery. For instance, the meeting of educational needs amongst the pastoralist Afar may require development of non-formal and adult literacy programmes, especially for women,⁸⁸ and the promotion of human and animal health may be best served by providing appropriate training to those from within the community and through the establishment of mobile outreach clinics, again, with the strong participation of women. The EU should support such projects which

⁸⁶ Section 1.3, page 3, 8th EDF Programming Strategy Paper, Ethiopia, March 1996.

⁸⁷ IDS Evaluation, see sections 3.5 and 3.11.

⁸⁸ UNICEF is already supporting such programmes.

have the dual benefit of responding to local need and building local structures for organisation and decision making, which can, in turn, provide channels for participation with local and regional government among groups who may otherwise be excluded from development processes.

Strengthening democratic development

The EU has recognised the need to strengthen democratic channels of representation, including pluralistic systems of governance in which opposition parties and the media play a vital and constructive role, and for independent and effective legal institutions, which are fundamental to building sustainable peace and development. The EU has also made a commitment to increase civil society participation in decision making and development management and has included an extended range of actors within the new Lomé Framework.⁸⁹

The case study highlights the constraints on effective EU support to democratic development. The APDP, which was in its time the only donor project run with the Afar regional government, prioritised effective participation of Afar clans in development activities. Nevertheless, despite support for the extension of the project from regional government, Afar communities, project management and the pilot stage evaluation, the EU delegation withdrew support under pressure from central government. The initial EU involvement and subsequent withdrawal may have only strengthened local views that their effort and work has not been recognised. Furthermore, changes within the EU, which have led to a concentration on fewer, larger and more visible projects, are likely to make it increasingly difficult for the EU to engage in new community-based projects. To strengthen democratic development, the EU should:

Review the current focus of EU engagement on large-scale infrastructure

The EU should ensure that its development co-operation is fully compatible with its commitments to sustainable peace and democratic development. It may, for example, be necessary to limit the proportion of funds available to large-scale projects and to ensure that a conflict impact assessment is carried out before agreeing to support such initiatives.⁹⁰ While smaller scale projects, such as APDP, may require more technical support from the EU, ultimately they may be much more effective in building the channels for local and regional ownership of development processes.

Increase EU financial support for democratisation

The latest NIP for Ethiopia⁹¹ mentions the first priority of EU-Ethiopia co-operation as 'the development and consolidation of democracy, and the rule of law as well as respect for human rights and fundamental freedoms'. Despite this, democratisation was allotted only 3 percent of the total, most of which went to the implementation of civil service reform.⁹² The EU now urgently needs to realise its commitment to strengthening democratic channels of representation through building concrete political and financial support for an environment conducive to the development of such structures in Ethiopia, and, in particular, for those channels which are able to promote the engagement and protect the rights of rural constituencies, including the radio, independent human rights bodies and representative community-based associations. This will entail a review of both the proportion of development

⁸⁹ Op cit footnote 63.

⁹⁰ A number of governments and organisations are developing tools for Conflict Impact Assessment (CIAS) which are aimed to be used in project planning and establish a series of questions or indicators to gauge the impact of projects on the existing risks of violent conflict.

⁹¹ Signed on 27/1/97.

⁹² p70 CPN.

co-operation support allocated to NGOs in Ethiopia, and the extension of partnership to include both national and local NGOs, currently excluded from direct EU support.⁹³

Encourage regular consultations between EU Ethiopia Delegation and representative members of civil society for all regions of Ethiopia

Development of regular consultations will help ensure that Delegation staff are aware of the local, current concerns and the possibilities and constraints to those initiatives, including peace efforts, which seek to address existing concerns. Indeed, the development of such a regular form of consultation in Ethiopia could provide a best practice model for inclusion of the extended range of actors as defined within the EU's recently renegotiated partnership agreement with ACP countries. This study recognises that in order for the EU to engage with civil society in the Afar region, it will need to creatively explore means to involve elders, women and youth in dialogue. Civil society structures such as NGOs and associations are still uncommon in the region, but this should not deter efforts aimed at inclusive participation and dialogue. Indeed, experience from other countries has highlighted the important facilitating role that can be played by international NGOs.⁹⁴

Ensure sustained support to those programmes and projects which are found to be successful in promoting inclusive government and participatory policy making processes

Where initiatives are undertaken with those who have been marginalised or excluded, e.g., women and youth, there is a need to recognise that building confidence and trust fundamental to the achievement of such initiatives may take considerable time. With regard to the EU's withdrawal of support to the continuation of the APDP and the subsequent engagement of Farm Africa in the Afar region, it must be questioned whether the EU made sufficient efforts to identify and support an international or local counterpart to ensure the continuation of activities initiated within its pilot project.

Develop systems for increased accountability of EU development co-operation to those who receive the impact of this engagement

This will require the formal establishment of annual reviews of the EU's policies on conflict prevention and coherence, commitments already included within the existing policies. It could also involve the creation of a complaints procedure for state and civil society within the Horn. Currently, the EU Ombudsman can receive complaints from citizens of the EU, including on issues which concern EU engagement in non-EU countries. There is a need, however, to establish channels for review and complaint to which non-EU state and non-state actors have direct recourse. The procedure will require the capacity to assess the impact in the area of complaint and the authority to demand review and redevelopment, and where necessary disengagement and compensation.

Integrating conflict prevention within resource management

The case study demonstrates links between resource conflict and wider social, economic and political inequalities. This underlines the need for the development of comprehensive approaches to resource management which address the root causes and dynamics of conflict. The recently developed European Commission Guidelines for Water resources Development Co-operation, designed for use by decision-makers in government, the private sector, civil society and international organisations of all kinds, has

⁹³ The recent EU-commissioned study looking for opportunities for the EU to support civil societies may inform this process, although its findings have not yet been made available.

⁹⁴ As exemplified by the work of the Life and Peace Institute (LPI) in Somalia and that of FEWER in the Caucasus.

developed a strategic approach for managing water resources equitably, efficiently and sustainably.⁹⁵

This approach recognises the need for increased attention to developing the environment required to enable effective water resource management and, within its guiding principles for engagement, the Guidelines note the need for increased attention to such 'non technical' areas as: community and private sector involvement in the management of services, institutional development and capacity building, and water law. The Guidelines also identify a number of tools, including social impact assessment, gender analysis, stakeholder analysis, and participatory appraisal, which can be used within the phases of the Project Cycle Management in order to implement the Guidelines' strategic approach. However, the chapters make no reference to the importance of integrating conflict analysis throughout the planning process, nor of how water projects can be planned and implemented to maximise possibilities for peace-building. There is a need to:

Ensure that the development of resource management strategies for engagement are informed by conflict analysis

There is a danger that the Guidelines' checklist' approach may override the need to ensure integration of conflict prevention within each stage and instrument of the development process. Appendix 2 provides a framework which sets out key themes and questions for the promotion of dialogue with all relevant actors and which all those engaged in the development of sustainable water resource management, including technicians, need to address.

Integrate conflict prevention and peace-building within EU policies for water resource management

There is a need to raise awareness of the Water Resources Guidelines, and the conflict prevention potential of its strategic approach and tools, amongst policy makers in EU institutions and member state development and investment bodies, policy-makers, and investors and practitioners at the federal, regional and local levels in Ethiopia. While the Guidelines recognise the need to integrate awareness of the impact of development co-operation at local level, and cite instruments which enable assessment of impact, widespread awareness and implementation of the Guidelines' recommendations are limited. Equally, there is a need to ensure a system for regular review of the Guidelines to take into account EU and EU MS experience in supporting water resource development in order to ensure that policy is continuously informed by evolving best practice and the changing environments in which such initiatives are carried out.

Strengthen in-country EU institutional expertise in key areas of water resource management

Given the extent of EU development co-operation in Ethiopia in sectors related to water and land resource management, it would greatly serve the delegation to improve expertise in national and international river basin development. This might then improve EU capacity to address the potential for conflict in support to such developments.

Promote awareness of conflict prevention amongst EU-registered companies and EU institutions engaged in water resource development

The case study clearly demonstrates the need to raise understanding of the risks of conflict related to land and water resource management among EU-registered companies and private investors, as well as amongst those EU bodies, including the European Investment Bank (EIB), considering prospective engagement in water resource development in Ethiopia and other

⁹⁵ The EC Water Guidelines, p11, 1998.

countries and regions vulnerable to conflict. This includes the need to integrate conflict prevention within existing Codes of Conduct and promote awareness of and develop mechanisms to ensure adherence to the EU Guidelines.

Strengthen Ethiopian investment codes

The EU could support the strengthening of Ethiopian investment codes through involving policy makers and implementers in the processes designed to raise awareness of conflict prevention amongst EU investing bodies. Such a collaborative approach could inform joint understanding of how to integrate conflict prevention within the criteria for assessment of external investment and enable monitoring of the risk of resource conflict in proposed and ongoing projects. Investment in sustainable development will also require the development of appropriate land policy, as further discussed in section 3 below.

Enhance the capacity of national and regional irrigation scheme management by drawing on wider EU experience in irrigation privatisation

If the Awash Basin Board is to be able to manage the sustainable development of the river's resources, the relationship of private investors employed by the Afar to the Board requires urgent address. This will, in turn, entail consideration of the respective roles and mechanisms for consultation and co-ordination between the Federal Ministry of Water, the Regional Governments and those regional and local bodies and organisations charged with overseeing management of water and land resources. EU capacity building support could be developed within all appropriate levels from central water resources ministry/Awash Basin Board to regional and local government and Afar communities engaged in cotton cultivation.

Recognising the value and needs of pastoralists

Ethiopia supports one of the largest livestock herds in Africa, yet this sector is inefficient due to poor infrastructure. This is especially true in relation to access to markets, and the provision of social services, which fail to meet human and animal health needs. In developing an engagement which seeks to address local concerns, the EU needs to recognise and raise awareness of the economic importance of pastoral modes of production, as well as the constraints to effective and sustainable development of pastoralist livelihoods. The development of such engagement will be more management and time intensive than is the case with support to large-scale infrastructural projects, and highlights the need to:

Strengthen EU expertise in pastoralism

Expertise could enhance the EU's capacity to assess the needs of pastoralists. Such expertise will also enable the assessment of the likely impact of EU engagement in sectors which impact on pastoralists as well as identifying pastoralist areas where there is a risk of conflict. One such example from within the case study is the need to assess the highland-lowland margin on the north-eastern escarpment in the Afar region, where cultivators are increasing areas under agriculture and heightening pressure on remaining pastoralist grazing areas.

Support federal and national policy that recognises the economic viability of pastoral modes of production in lowland areas

The EU should encourage the development of national policies that recognise the economic viability of pastoral modes of production, which move away from simple proposals of settlement and which actively support appropriate local income diversification alternatives where opportunities exist or where resource competition/pressure threatens environmental sustainability. The EU should also seek opportunities for supporting the development of

appropriate policy at federal level, within the Pastoral Extension Unit of the Ministry of Agriculture, as well as within specific regional governments. The EU could also support the work of those national and international non-governmental organisations which promote pastoralist livelihoods, including Hope for the Horn and Farm Africa, as well as encouraging their development of networks between Ethiopia's regions and within the Horn and East Africa. The EU should also monitor the progress of the newly emerging clan-based pastoral associations. If successful, and in the absence of other organisations, these bodies may provide a vital basis for promoting pastoral concerns, developing systems for community-based resource management and building a representative voice for Afar civil society within local, regional and ultimately federal government.

Support the development of livestock projects which involve co-operative efforts between clans and different ethnic groups

Given the cross-border movement of many pastoralists, projects which involve co-operation between clans and different ethnic groups, perhaps in conjunction with the building of pastoral associations, may strengthen relations between clans and with neighbouring states. Such projects may provide a basis for increased regional and international border stability and a basis for greater co-ordination in the development of local, regional, national and trans-boundary policies and structures for sustainable resource management.

Support the integration of conflict prevention within projects seeking to develop sustainable, community-based management of resources

Farm Africa has, for example, integrated conflict prevention initiatives within its work with Afar pastoralists and includes efforts to relieve over-stretched existing resources through developing land suitable for irrigation for pastoralist livestock food needs.

Supporting the diversification of livelihood systems

While there remains a need to recognise the economic importance of pastoralism, there is also a need to recognise the constraints of natural resources with regard to population levels and livestock needs. The development of alternative forms of employment and income diversification, if they are to be accepted, will require the close and continued involvement of that group among whom resource pressures are evident. The consideration of economic opportunities existing within the wider Horn, as well as nationally and internationally, may extend potential areas for diversification. In supporting diversification, the EU could:

Support federal, regional and woreda level government in exploring possibilities for adding value to those products already produced

This could be achieved by, for example, refining or developing primary commodities, such as hides and skins, ensuring that these products meet export quality requirements and promoting demand for them among major importers, including EU member states. Until now, STABEX⁹⁶, an instrument of the Lomé Convention, and a significant component of EU funding received by Ethiopia⁹⁷, has sought to support economic stability and reform through providing compensation for the loss of ACP countries' earnings from their principal agricultural exports. However, it has not proved particularly effective in promoting increased diversification, or, channelling direct support to producers vulnerable to fluctuations in international market prices and, indeed, is to be dropped within the new EU-ACP framework. The development of instruments to promote diversification within the new partnership framework will need to ensure that efforts to promote economic

⁹⁶ The Stabilisation of Export Earnings Scheme.

⁹⁷ Under the 7th EDF, Ethiopia received STABEX transfers totalling 179.49mECU.

development have an equitable impact both within and across Ethiopia's regions, as well as within the wider Horn.

Support regional government and civil society in the development of projects which seek to provide for pastoralist needs

The EU could promote the development of services which, while focusing on promotion of the pastoral economy, will also provide new areas of employment within under-developed regions, such as Afar. The improvement of access to markets, the development of trading infrastructure and expansion of human and animal health services, will provide an incentive for the growth of private business and a number of salaried posts, and create an incentive for trained staff within the region.

Consider the development of other available resources within the region

Opportunities to explore include salt mining or alternative development of land suitable for irrigation, which is both environmentally sustainable and mindful of impact on local livelihoods. The development of irrigated crops to meet demand within the region and neighbouring regions and states, as opposed to the production of export crops, may enable more sustainable growth, which is less vulnerable to the fluctuations of international market prices.⁹⁸

Enhancing food security and decreasing vulnerability

Pastoral livelihoods are dependent on a critical number of cattle being maintained. If animal numbers fall below that threshold then livelihoods are under threat and vulnerability to famine increases, together with the likelihood of conflict over diminishing resources. This situation, in turn, heightens the likelihood of long-term environmental degradation and the continuation of cyclical conflict over resources. Unless redressed, reduction in the asset base of pastoralists leads to ongoing vulnerability to famine which is exacerbated by each incidence of drought.

Cattle:human ratios are falling in the Awash valley, and the EU urgently needs to:

Ensure more inclusive food security policies and programmes which address vulnerability within different livelihood systems⁹⁹

Alongside addressing the needs of cultivators, through promoting agricultural development and channels for national redistribution in surplus producing areas and income generation in food deficit areas, food security policies need to increase and sustain the asset base of pastoralists as a means to reducing vulnerability to both famine and conflict.

Integrate peace-building within food security policies and programmes

Programmes to promote increased food security amongst pastoralists, such as restocking, zero grazing projects and income diversification, need to consider gender inequalities and roles as well as environmental impact. Programmes which add to the stress on already scarce resources will only serve to further undermine livelihoods and increase the risks of violent conflict.

⁹⁸ There is, for example, a high level of demand for fruit and vegetable within Djibouti ville, the route to which runs directly through the Awash Valley.

⁹⁹ This issue is more fully explored within the Nile case study, one of the four case studies being carried out within the current project.

Support the development of appropriate land policy.

Key to the sustenance of pastoralist livelihoods is land. The EU can encourage central and regional governments to adopt a systematic policy regarding the return of formerly irrigated land to Afar clans, including assistance in land management. More broadly, to encourage the establishment of a national land tenure policy which recognises established rights for pastoralists and which seeks to constructively engage pastoral groups in the national economy through dialogue and negotiation. Within land policy dialogue, the EU needs to consider the issues of security of tenure and to base policy discussions around best practice in the Horn of Africa region which recognises the links between land dispute and conflict. As an initial priority, the EU should engage in joint research between the Ethiopian government, the World Bank and other donors, to explore the links between land tenure, security and sustainable livelihoods. The need to develop equitable and sustainable land policy becomes ever more urgent as land is increasingly given over to commercial activity and security of tenure becomes more uncertain, particularly for pastoralists.

Enhancing policy coherence and co-ordination

Where the EU does not develop its development co-operation programme on the basis of a conflict analysis, there is a risk of inconsistency with its existing conflict prevention commitments. Likewise, where there is a lack of a coherent strategy for EU engagement, there is a risk of EU economic and political engagement undermining the aims of development co-operation, and the building of sustainable peace and development. Whilst Ethiopia is the site of pilots for increased donor co-ordination amongst the EU and its member states and the EU and the World Bank, the depth of and commitment to these co-ordination processes vary greatly. If it is to prove effective, EU support to peace-building in Ethiopia will need to:

Develop a shared regional analysis

The undertaking of joint regional analysis by both the EU and its Member States, which prioritises conflict prevention, will provide a framework on which to build a coherent strategy for EU engagement which is best able to support the building of sustainable peace and development in both Ethiopia and the wider Horn. The inclusion of non EU actors within this process will multiply the peace-building potential of this initiative.

Review the existing spread of EU and EU MS engagement amongst the regions of Ethiopia

This provides an opportunity for joint review of current engagement and, in close co-operation with the Ethiopian government, the development of shared criteria for assessing vulnerability across Ethiopia's regions. An informed review requires comprehensive coverage of all areas of ongoing international engagement and, together with the development of agreed criteria for prioritising need, provides an important opportunity for promoting increased awareness among both EU and non-EU donors of respective policies and programme development.

Establish regular reviews of the EU policy on coherence

While the undertaking of regular reviews is a commitment included within the Resolution on Coherence, this has not, to date, been fully realised.¹⁰⁰ The initiation of a regular review process could provide a vital opportunity for those adversely affected by EU policies, and the establishment of a complaints procedure, which could receive reports from non-EU state and non-state actors, could directly inform the review process.¹⁰¹

¹⁰⁰ Point 3, Section II, Resolution on Coherence, 8631/97, June 1997.

¹⁰¹ As discussed above.

Strengthen co-ordination between EU and EU member states

Ethiopia is a pilot for increased co-ordination between the EU and EU member states, yet reports of this process reveal that, while there have been areas of increased collaboration, the level of co-ordination remains at the level of implementation and EU member states have yet to include EU institutions in the development of their bilateral strategies or 'programming' for engagement.¹⁰² The three previous bullets provide opportunities for increased EU/EU member state co-ordination, including the development of mechanisms for co-ordination at a more structural level.

Enhance co-ordination between the EU and the World Bank

While Ethiopia is also a pilot for increased EU/World Bank co-ordination, informal discussion on this relationship indicates that the level of this co-ordination has not reached the level of shared development of policies and programme implementation. The undertaking of joint research and collaborative projects, for example on land policy and within pilot studies on woreda level decentralisation, can build confidence to extend the range and depth of co-ordination. The above recommendations also provide opportunities for the inclusive development of joint regional analysis and shared criteria for equitable engagement across Ethiopia's regions.

¹⁰² EU Development Co-operation Group, Operational Co-ordination, 8262/97, 21 May 1997, Section III, first conclusion, p8,

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Appendix 1

Historical roots of conflict in Ethiopia

Present day Ethiopia has its roots in the Kingdom of Axum, established in the highland northern plateaux of Tigray in the first century, and in the Abyssinian Kingdom¹⁰³ that emerged in the thirteenth century. From this point in time, the influence of Amhara people and culture expanded significantly. The greatest phase of expansion occurred between 1314 and 1344 when previously independent kingdoms in Tigray, Amhara, and western Ethiopia were subdued. Expansion and consolidation continued into the fifteenth century through a combination of force and ideology, whereby Amhara conquerors infused their culture, language, and religion (Christianity) into the subject population.

The Abyssinian kingdom began to disintegrate in the sixteenth century when it came under assault from the Muslim forces of the Ottoman Empire, Somalis and the Afar. This, combined with the invasion of Oromo¹⁰⁴ people, seriously weakened the Christian State. The Crown reached its weakest state between the mid-eighteenth to mid-nineteenth centuries - a period, characterised by warfare. Central authority was eradicated and the country dissolved into components of powerful provincial dynasties with the main exception of Shoa province. By contrast, it consolidated its power on the foundation of Christian unity and, under Menelik, expanded its authority into the south (Markakis 1974:18). By 1906, through conquest and diplomacy, Gurage, Arussi, Harar, the Ogaden, Bale, Sidamo, Wollamo, Keffa, and Illubabor had been added to the emerging empire. This gave Ethiopia control over the most significant southeastern trade route. Ethiopia's new borders were recognised by neighbouring colonial powers, with the exception of the Ethiopian and Italian Somaliland border which remained fluid and served as a pretext for Italian expansion in the 1930s.¹⁰⁵

Authority in conquered territories was consolidated by the allocation of tribute rights to northern settlers over southern peoples. In the north land rights continued to be ordered according to kinship, polity, and religion (Christianity) under the land tenure systems of *rist* (Amhara) and *risti* (Tigrayan).¹⁰⁶ In return for access to land, *ristegna* paid tribute and gave labour to those who had been granted such rights by the Crown (*gultegna*). In the north, these rights were mostly conferred on the nobility and the Church who extracted approximately one third of peasant production.

The expansion into the south overhauled indigenous social structures through the creation of new tribute rights. Soldiers and administrators of the conquered territories were granted the legal right to collect tribute from indigenous people. It is estimated that the peasants in the south relinquished between 50-70% of their production. Some uncultivated land in the south, most noticeably that to which nomadic pastoralists had traditionally laid claim, was appropriated outright and became part of a larger reserve of land which was held by the government (*mengist* land).

By 1974, the state held 46.6% of the total landmass of Ethiopia and 11.8% of cultivated land.¹⁰⁷ The northern conquerors also exercised their central authority through the manipulation of local power structures. A leading traditional authority was often named as both grantee of a private tenure and grantee of the *gult* (those that held the right to extract tribute). These people were also incorporated into the polity as low-level functionaries under the title of *balabats*.¹⁰⁸ In this sense, Ethiopian rule in the south tended to reinforce social stratification where it already existed and introduced it where it did not. This was especially the case in the Awash Valley.¹⁰⁹

Land, which was not granted, to the *balabats* was retained by the government and awarded to soldiers, administrators, the Church, and northern migrants. Initially most land rights in the conquered territories were dispensed as *gult*. However, as the colonisers became more entrenched, Menelik began to grant more hereditary land rights (*rist gult*), which laid the basis for the eventual privatisation of land in the south under Haile Selassie in the post 1931 period.

¹⁰³ Up until Abyssinian expansion into the southern territories in the late nineteenth century (albeit taking into account the periodic contraction and expansion of the Christian state) Abyssinia comprised the provinces of Tigray, Begemder, Gojjam, and parts of Shoa and Wdlo.

¹⁰⁴ Oromo people, of the Muslim faith, had begun their expansion into the Christian highlands by the eighth century. Bloody wars between Christians and Muslim communities ensued.

¹⁰⁵ Markakis 1974: 25.

¹⁰⁶ Cohen & Weintraub 1975: 31

¹⁰⁷ *ibid*

¹⁰⁸ *ibid*

¹⁰⁹ Markakis, *op cit*

Appendix 2

Enhancing EU capacity to build peace in the Horn of Africa:

Engagement in resource management

The attached draft¹¹⁰ framework is designed to enable country and regional desk officers and sector specialists - within both European Commission directorates and country delegations, and EU member state line ministries and country representations - to design a comprehensive approach to demobilisation and reintegration, which integrates conflict prevention and builds forms of engagement most supportive of sustainable peace and development. The framework identifies:

- the risks of conflict;
- the indicators by which to gauge conflict risks;
- strategic options for peace building; and
- indicators for assessing the success of peace building initiatives.

While recognising the inter-relationships of many risks of violent conflict, the framework focuses on four key issues of conflict: unrepresentative forms of governance; inequitable economic development; socio-cultural divisions; and the lack of a secure environment for development. The worked framework will highlight issues and areas of concern and, if used in conjunction with national and regional level conflict analyses and informed by an overall analysis of external engagement, should assist in prioritising appropriate areas for EU engagement, as well as indicators for assessing this engagement.

To be used most effectively, the framework should form part of a process of conflict analysis¹¹¹. It is intended to be informed by prior country and regional conflict analyses carried out to assess the wider conflict and peace-building environment within which sectoral engagement may take place. Assessment of the peace-building environment should also include a stakeholder analysis, to consider both local and external actors and their stakes in conflict and peace, as well as identifying their respective peace-building capacities and comparative advantages. This series of analyses will enable the defining of the overall objectives of EU engagement, as well as assisting in the prioritisation of focal areas and identifying a number of the risks inherent in engagement. The attached sectoral framework will then assist in the development of an EU engagement in the area of resource management which integrates conflict prevention policies and analysis within all stages of programme and project design and implementation.

¹¹⁰ The framework is intended to be developed and revised through use by practitioners and to respond to the evolving situation.

¹¹¹ As, for example, developed in *Seven steps for conflict impact and assessment: a methodology for planning in conflict*, by David Nyheim, Cynthia Gaigals and Manuela Leonhardt, International Alert, Saferworld and F EWER, July 2000.

The development of the four case studies¹¹² for Saferworld's project has highlighted a number of recurring issues upon which the enhancement of EU peace building potential relies. While relevant reference is made to them within the framework, these issues affect all forms of EU engagement and require more structural review and reform. Amongst these, the four principal issues include the need to:

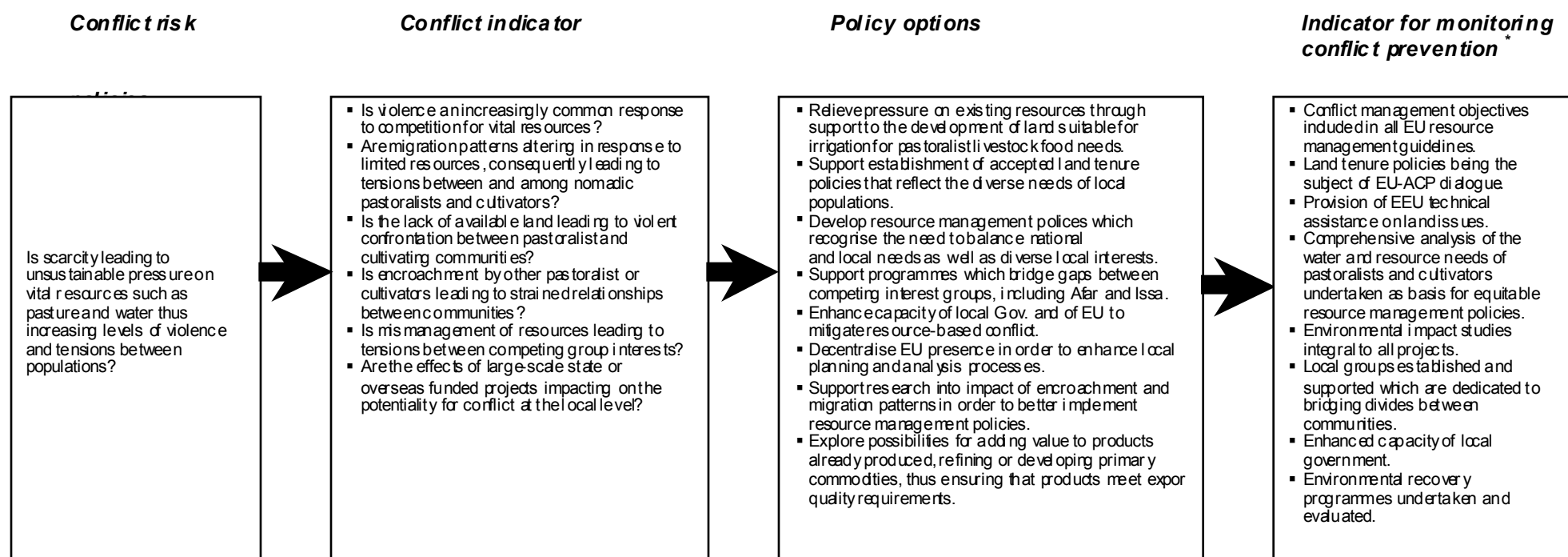
1. Enhance the capacity of European Commission staff, both in terms of numbers and conflict analysis skills, within both Commission directorates and country delegations.
2. Establish mechanisms to review the coherence of EU policies, including both regular review of existing policies, initiatives and programmes, and a complaints body accessible to both state and non-state actors from outside the EU.
3. Strengthen co-ordination, within the European Commission and EU institutions, between the EU and its member states, and between the EU and the wider international community.
4. Build direct channels of consultation with non-state actors. In line with existing policy commitments, including the recently signed Cotonou Agreement, channels for consultation with non-state actors will need to be developed at local, district, national, sub-regional and EU levels.

¹¹² The four cases studies undertaken within the current project include two on post-conflict demobilisation and reintegration programmes (in Djibouti and Uganda) and two on water resource management (in the Awash and Nile basins in Ethiopia).

Resource based conflict

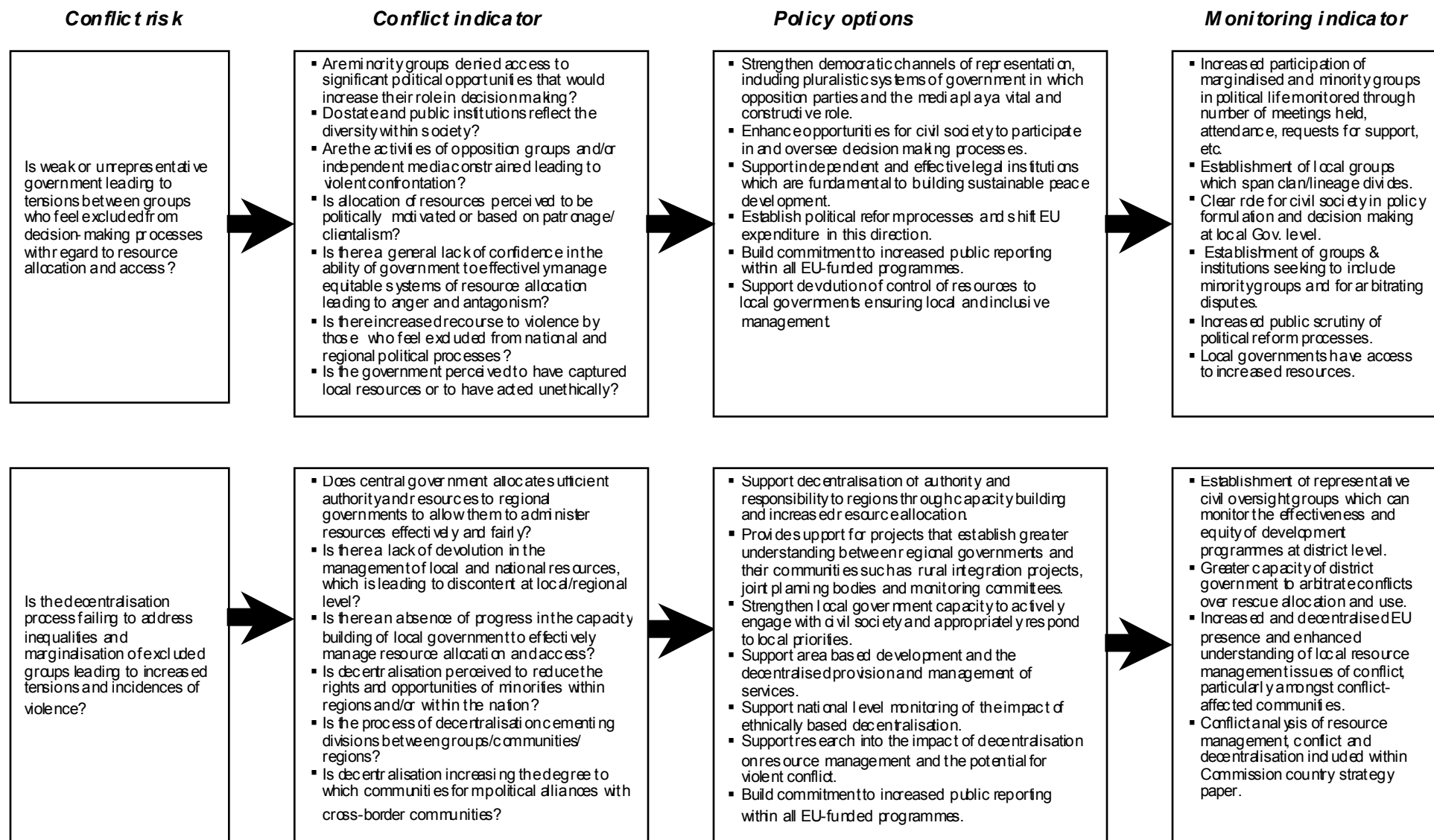
Aim: The development of comprehensive approaches to resource management which address the root causes and dynamics of conflict. Important elements for achieving this aim include: integrating conflict analysis throughout the planning process to maximise possibilities for peace-building; and ensuring that the development of resource management strategies for engagement are informed by detailed and comprehensive conflict analyses.

Root cause 1: **Scarcity, changing environmental patterns and inadequate management of resources can lead to increased levels of competition and or violence.**



* The indicators refer to in-country, as well as indicators for monitoring EU policy implementation

Root Cause 2: Unrepresentative governance exacerbating political marginalisation and precluding non-violent channels for change.



Root cause 3: Economic exclusion and lack of access to equitable economic opportunities and vital resources is leading to disaffection amongst the population

Conflict risk

Conflict indicator

Policy options

Monitoring indicator

Is the absence of livelihood opportunities leading to increased tensions, as groups compete for limited economic opportunities and access to vital resources?

- Are sufficient equitable economic opportunities available to reduce vulnerability to economic stress?
- Is economic exclusion perceived by poorer groups to be a deliberate manifestation of policy?
- Are effective safety nets which could reduce economic stresses on vulnerable and marginalised communities in place?
- Do marginalised and poor people benefit from economic development?
- Is unemployment particularly high among certain groups in society?
- Is economic marginalisation increasing among pastoralists?

- Support equitable economic and social development by engaging in areas where there are few opportunities for economic diversity.
- Provide appropriate support to basic social services which meet the needs of the population, in particular education and human & animal health.
- Promote processes of dialogue with governments, institutions and civil society to establish priority needs and to identify areas of existing weakness or incoherence in development and resource management.
- Facilitate access to credit for small and medium sized enterprises.
- Review existing regional training facilities and assess the viability for income diversification.

- Introduction of pilot programmes, such as the Afar Pastoral Development Programme, in poor and conflict prone areas, which integrate conflict analysis and prevention objectives.
- Introduction of mobile health (human and animal) and education outreach centres.
- Regular meetings between community representatives and local government officials to monitor development programmes and priorities.
- Training: credit and income generation, etc undertaken.

Are economic and political inequalities between regions across the country a source of discontent within regions?

- Is there a widespread perception that economic and social stratification is increasing between regions?
- Do the benefits of economic development accrue to a particular identity group, economic class or region?
- Are trade and investment policies and practices increasing economic and social inequalities across and within regions?
- Do all sections of the population have access to basic requirements for their livelihoods, such as food, water, fuel and security?
- Is economic marginalisation in pastoral areas perceived to be a deliberate manifestation of policy?

- Review existing spread of donor engagement across regions. Prioritise donor engagement which seeks to redress existing disparities in development, e.g. in Somali and Afar regions.
- Promote regionally balanced growth through assessing priority needs and vulnerability across Ethiopia's regions.
- Support equitable economic and social development by engaging in areas where there is a need to bolster regional government capacity.
- Support capacity building programmes which explicitly aim to reduce existing inequalities between regions.

- Programmes introduced which aim to reduce regional inequalities across the country.
- Resources shifted to marginalised communities across Ethiopia's regions.
- Capacity building programmes lead to proposals for programmes aimed at redressing inequality.
- Technical staff in place who are able to integrate conflict prevention objectives into project planning and implementation.

Is competition over resources leading to increases of tension and violence between or among cross-border communities?

- Is there competition over resources and violence between groups traversing international borders?
- Is violence between trans boundary groups, including marginalised pastoral communities, increasing in scale or intensity (e.g. cattle rustling)?
- Are movements of arms and/or armed personnel between states increasing tensions?
- Is there a lack of effective mechanisms whereby disputes can be addressed prior to the emergence of violent conflict?

- Develop conflict prevention and peace-building priorities, based on shared regional analysis. Explore opportunities for development of Regional Indicative Programmes (RIP).
- Consult/engage with state and non-state actors working to promote regional integration and bridge the divides between groups which span national borders.
- Strengthen facilitation and confidence building role of IGAD. Support IGAD role in conflict prevention and early warning.
- Support development of local, regional, national and trans-boundary policies and structures for sustainable resource management.

- Establishment of regional mechanisms for dialogue and information sharing at regional level.
- Establishment of regional mechanisms for analysis, which includes external and regional actors.
- The establishment of formal and informal bodies/institutions and peace building initiatives which address cross-border tensions between groups.
- RIP based on priority needs.

Conflict risk**Conflict indicator****Policy options****Monitoring indicator**

Is the mismanagement of resources by government, investors and/or local leaders leading to aggravation and division amongst communities?

- Are conflicting interests between local communities and investors (both national and external) leading to serious confrontations?
- Are local communities failing to benefit from resource development, and is this leading to mistrust?
- Are local communities and their leaders unable to influence the management of resources in ways that meet their priorities?
- Are certain groups of society benefiting from resource development at the expense of others?
- Are large-scale development projects depriving communities of access to vital land and water resources?

- Review the priorities of EU engagement, and assess whether EU commitments to sustainable peace and democratic development are best served by the current emphasis on large-scale projects.
- Shift concentration from a few, large and visible projects to regional - community defined projects that address critical needs.
- Strengthen in-country EU institutional expertise in key areas of water resource management
- Promote awareness of conflict prevention amongst EU-registered companies and EU institutions engaged in water resource development.
- Integrate conflict prevention within existing Codes of Conduct and promote awareness of and develop mechanisms to ensure adherence to the EU Guidelines.

- Integration of conflict prevention goals within Resource Management
- Enhanced capacity of national and regional irrigation scheme management
- Inclusion of conflict prevention within the criteria for assessing the socio-economic impact of reform processes under way.
- Training of regional /local staff in management of resources undertaken.
- Enhanced capacity and skills of EU at regional level.

Root cause 4:**Socio-cultural divisions or community rivalries preventing inclusive development and equitable access to resources**

Is scarcity and competition leading to deepening social divisions?

- Are pastoralists and other groups included within community leadership structures, and at what levels?
- Is there widespread intransigence to addressing the underlying issues of conflict?
- Are minority groups able to participate in resource management and development policy formulation?
- Is denial of access increasingly perceived to be a deliberate policy of neighbouring communities or of government/authorities?
- Is the government unwilling or unable to develop inclusive policies for equitable resource development?

- Support to projects, which promote political participation of minority groups and women.
- Invest in programmes and projects which build channels for local participation, appropriate training to those from within the community and through the establishment of mobile outreach clinics, again, with the strong participation of women.
- Ensure that efforts to promote economic development have an equitable impact within and across Ethiopia's regions, as well as within the wider Horn.
- Support programmes which specifically aim to bridge gaps between communities, especially resource development programmes involving competing groups, e.g. traditional and modern peace processes directed towards root causes.

- Clear mechanisms in place which allow for political dialogue between marginalised groups and decision-makers, including donors.
- Shift resources towards projects that bring direct benefits to marginalised and excluded groups, especially women.
- Clear EU policy guidelines in place, which recognise the need to build equitable development across regions and communities.
- Cross-community resource development programmes established.

Are traditional livelihoods being undermined leading to deepening poverty and increased marginalisation of pastoralist groups?

- Is insecurity of tenure an issue in raising tensions for pastoralists?
- Is loss of access to resources increasing the potential for conflict, among and between pastoralist communities?
- Is competition for shared resources (such as water and pasture), heightened during periods of drought?
- Do pastoralists perceive that their livelihoods are expendable in the eyes of policy makers?
- Have authorities undertaken unpopular programmes such as resettlement and/or sedentarisation?

- Explore possibilities for adding value to products already produced, refining or developing primary commodities, ensuring that products meet export quality requirements.
- Support the diversification of livelihoods systems and the enhancement of alternative forms of employment and income generation, especially in areas where pressures on resources are extreme.
- Improvement access to markets, the development of trading infrastructure and expansion of human and animal health services.
- Support informed policy and analysis and structures that recognise the viability of the pastoralist mode of production.

- Pastoral unit in place at local, regional and national level.
- Policies in place which recognise the value and viability of pastoralist livelihoods.
- Pilot programmes in place which support income diversification, restocking and environmental support.
- Studies conducted on the food economy and pastoral markets, with EU supported projects developed based on findings.

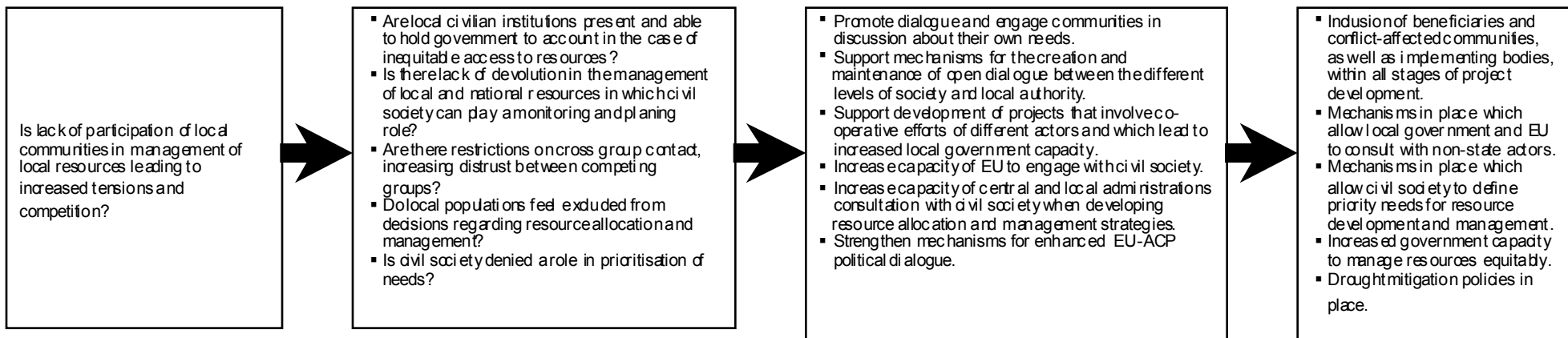
Root cause 5: Lack of participation of a broad and representative civil society prevents the development and implementation of policies ensuring equitable allocation and management of resources leading to heightened tensions and potential for violence.

Conflict risk

Conflict indicator

Policy options

Monitoring indicator



Saferworld is an independent foreign affairs think tank working to identify, develop and publicise more effective approaches to tackling and preventing armed conflicts.

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