

Regional Initiative in Support of Vulnerable Pastoralists and Agro-Pastoralists in the Horn of Africa

Assessment of Cross Border Informal Livestock Trade In Somali Region

Report

Solomon Desta, Wassie Berhanu, Ameha Sebsibe, E.GuerneBleich

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Executive Summary

Informal cross border trade (ICBT) is a very important economic activity in the Somali region. This trade involves in and out-flows of agricultural products including livestock, and manufactured goods and food supplies between the region and Somaliland. Little has been done so far to either facilitate the trade or to demonstrate its importance to influence policy making that could promote or mainstream the practice.

The FAO Regional initiative in support of vulnerable pastoralists and agro-pastoralists in the Horn of Africa OSRO/RAF/011/EC sponsored an assessment of the informal cross border livestock trade with initial focus on the Eastern Ethiopia–Somalia cross-border livestock trade route which supplies livestock to what is commonly called the Berbera corridor. Cross-border livestock trade in Somali regional state is conducted along three market corridors with a number of identified trade routes that ultimately converge on the ports of Djibouti, Berbera and Bosaso.

A desk review of previous studies and a field survey was conducted on markets and trade routes that supply the Berbera livestock market corridor. The field assessment used a participatory research tools to collect information from informants in selected

market and trade routes.

The most commonly used definition of informal cross-border trade is movement of goods in which all or part of the trading activity is unrecorded or unrecognized by the government and carried out outside or inside official check-points without adherence to procedural requirements of all formal institutions. Informal cross border trade often occur where business activities cross borders, mainly based on popular supply and demand or comparative advantages, registered or unregistered. Informal cross border trade could occur officially or unofficially. Several studies indicated that the large volume of informal cross border livestock trade occurs unofficially and unregistered. Officially registered informal cross border trade in the Somali region includes the small scale border trading that operates in a limited area along the common border; the cash against commodity which involves advance deposit of foreign currency to export its equivalent of defined commodity and the franco valuta which allows purchase of basic food items across the border to supply the region.

Livestock is the most important commodity that originates from the Somali region and its adjacent areas that is traded informally across the border from Ethiopia transit en-route through the Berbera corridor for export



to the Gulf States. The trading is facilitated by a number of market actors among which traders, brokers, middle-men are the main drivers of the business. Brokers serve as key links in the value chain. They are powerful to influence business deals.

The main markets that feed the Berbera corridor with different species of livestock are located in Somali region (Jijiga, Hartisheik, Chiaksen, Degahabour, etc.), and parts of Eastern and Western Hararge zones of Oromia (Babile, Gursum, Fedis, Komobolcha, Dawe, etc.) and Harari (Harar) regional states. The major routes on the Berbera trade corridors are East Oromia→Hargeisa→Berbera; Harisheikh→Hargeisa→Berbera; The Haud routes that serve Aware, Gashamo, Degahbur areas crossing to Burao town in Somaliland; Kebridahar→Burao and Gode→Burao

The Isaaq clan members are the major cross border traders along the Berbera corridor; The Ogaden & the other clans are the suppliers; there are some Gadabursi who are cross border traders. Otherwise direct access to the Border to Somaliland by the rest of the Somali clans including the Ogadeni is limited.

The cross-border pastoral livestock trading system in the region is characterized by a marketing channel with complete chains of different actors integrated by clan-based networks which facilitate transactions at various levels, ensure safe passage across vast geographic space, enhance trust and provide financial security to the business.

The Somali region is the main source of sheep and goats and almost all are traded in the unofficial informal channel while animal originating from east, west Oromia zones and Harari region which are mainly bulls and camels traded through both the official and the unofficial informal arrangements.

The informal cross-border livestock trade is conducted throughout the year. The demand and prices of traded livestock hit their peaks

during the Ramadan fasting period and up until Haji (Ed al Adha). Another seasonality element in live animal cross border trade from the region is associated with the June-August difficult period of strong winds in the Red sea and Indian Ocean which is a very low season.

Several studies have indicated that ICBLT is much more important than formal livestock export trade. The ICBLT in particular the unofficial one involves large number of livestock of different species and large number of traders. It is a fundamental source of livelihood and food security in the Somali region and beyond. It facilitates regional economic diversification, saving and capital accumulation and household food security.

Informal cross border livestock trade, in particular, the unofficial one is considered illicit by the government. The contributions of the trading to local employment and food security, local capital accumulation and potential long-run spill-over effects of this vibrant trading system to the national economy rarely received the critical attention of central planners. Rather, erratic border closures, army clampdowns, confiscations, harassments and restrictions of truck movements have been common in the region. These government interference and restrictions usually tend to accelerate food insecurity and more dependence on relief handouts in the regional state. In Somali region ICBT provides opportunities, including on- and – off-farm income generating activities (IGAs) for many households, particularly for the poor who are mostly stockless and women. Survey respondents asserted that neither the CAC nor the small scale border trading directives or any other official trading arrangement can be considered as a viable alternative to the unofficial ICBLT system.

There are several challenges that affect the cross border livestock trading along the Berbera corridor including, export ban, drought, lack of government protection in

CAC arrangement, lack of alternative outlets, unrest in the terminal markets, border control, etc. Export ban was indicated to be the most devastating human made constraint that severely affects the trading and livelihood of all actors in the value chain including herders, middlemen, brokers, trekkers, traders, etc. It affects the local and the regional economy. Drought is considered to be a serious problem which affects the volume and quality of livestock traded. CAC arrangement does provide no government guarantee once the traded stock crossed the national frontier.

The cross border livestock trade which is conducted on the Berbera market corridor is informal and largely unofficial. The volume of livestock traded through the officially recognized informal, for example, cash against commodity arrangement constitutes a tiny fraction of the total livestock that cross the border for informal trading. Any negative intervention or in-appropriate regulations by the government which interfere with the normal operations of the informal trading system will have a debilitating effect on the livelihood and food security of millions of people.

Government should give more protection and attention to the inhabitants in the region and provide alternative markets for both livestock and other supplies. Some respondents complained that nothing is coming for them from the center. "Livestock buyers and consumables from the center are not coming here. What we are receiving from the center is regulations that try to block all the livestock market outlets and inlets of consumables from the other side of the border".

The CAC arrangement should not be just to thin out the unofficial informal cross border trade and collect tax and foreign currency. The system should not overemphasize the need to obtain hard currency only. It should also protect its citizens. The system should be

redesign to protect the traders even after the animal crossed the border.

There is a need for bilateral trade agreement that harmonize conditions for common benefit: It is important to harmonize cross-border livestock trade activities and animal health requirements. Animal disease transmission is a significant risk factor in cross-border livestock trade in the Horn of Africa. It requires imposition of strict safety precautions which in most cases difficult to achieve as animals can cross unofficially at many points along the long common border.

The pastoral livestock trading arrangement needs to have a household-based policy focus. It should allow and encourage households to trade and benefit. Policy should target households, not only big traders with big money. Policy should respect the right of the herders and other citizens who live in the region to sell their products (livestock) and to buy their basic needs. Policy should be developed in such a way that it encourages household to sell and purchase at reasonable prices.

There is a need for an emergency cross-border trade strategy designed for drought times which relaxes existing government controls and encourage cross border trade. This should be part of the regional food security strategy.

Ease the procedures and requirements of the CAC permits. It is important to issue more CAC permits for those who are eligible.

Expand the area coverage of the newly implemented small scale cross-border trade. The 10 km radius border trade permit will not help much of the wider community.

Render Link between the Franco valuate trade with the CAC cross-border livestock trading arrangement; which means give the Cross Border Livestock Traders the privilege of Franco valuate.

Things that could be done quickly as part of the planned second phase of assessment:

- To have a comprehensive understanding of the ICBLT and its contributions to the national as well as the regional economy, there is a need to do more assessment in the remaining cross border trade corridors, such as Bussaso, Issa, Borana-Kenya, Matamma, Humera, etc. corridors. The focus of the assessment should include attempts to come up with measurable and verifiable empirical evidence about the economic contribution of the trade at all levels. The target would be to generate empirical evidence to initiate a useful policy dialogue. Figures reported in several case studies about the contribution of ICBLT are quite incomplete and at times inconsistent and confusing. People often use estimates inherited from old sources that are not specific to a specific corridor.
- There are government regulations which are put in place to control cross border trading. Some of the regulations are not yet functional at full scale. Some are functional but not widely practiced. There is a need for more stakeholder consultation and discussion to look into the pros and cons of the regulations to facilitate the ICBLT trading.
- There is also a need to look into the advantages and disadvantages of the clan based livestock trading system. It was which is beneficial for facilitating transaction under environment which is full of uncertainties and its drawbacks in terms of blocking new comers to enter into the business which leads to market imperfections and its rigidity in terms of changing routes.

Background

The FAO Regional initiative in support of vulnerable pastoralists and agro-pastoralists in the Horn of Africa OSRO/RAF/011/EC wants to assess the informal cross border livestock trade in the horn. It is planned to conduct the first assessment in Ethiopia, Somali region where livestock informal cross border trade dominates the livestock marketing industry. This will be followed by similar studies in the other regions in Ethiopia and in the horn at large.

The objective of the assessment is to better understand the informal cross-border livestock trade as practiced currently and to develop policy options that will facilitate and enhance livestock trade without jeopardizing pastoral and agro-pastoral livelihoods. The study considers cattle, camels and small ruminants only. These are the most important animals traded in the Somali region.

Cross border livestock trade (CBLT) is a very important economic activity in the Somali region and unquestionably high in volume. Studies indicate that the number of livestock traded across the border in the region exceeds the official trade recorded in government statistics massively (Little 2007; Umar 2007). Nevertheless little has been done to either facilitate the trade as in most of the cases the trading is characterized as unofficial or informal in its nature which is carried outside the seen of the government. Moreover hard evidence to demonstrate its importance is scanty to influence policy that could facilitate or mainstream what is conventionally called informal trading.

This assessment considers cattle, camels and small ruminants only. These are the most important animals traded in the Somali region.

The specific objectives of the assessment are:

- Review Contribution of livestock informal cross-border trade to:
 - Local and national economies in relation to pastoral and agro-pastoral food security and resilience
 - Livelihood diversification, employment in Cross-border Livestock Trade (CBLT) service sector
 - Compare the contribution of livestock informal cross-border trade with the formal livestock trade
- Identify the potential effect of informal trade on disease transmission, if any, of selected TAD and in particular on disease impacting trade,
- Establish estimates of animal figures for region 5 based on review of secondary sources.
- Sociological aspects of CBLT (social-connection, importance of ethnicity and clan based trust, and also the mistreatments and harassment caused to traders, confiscation, over taxing, etc.)
- Identify key actors of CBLT and there mode of transactions (for both Formal and Informal cross border trade) and how each of the transaction affects pastoral and agro-pastoral livelihoods and future livestock holdings, assuming that pastoral livestock are not for commercial production, while identify key mechanism of operations , (ii) look at recent developments (innovations and ongoing change) including seasonally changing routes & movement, and (iii) document volumes of transaction levels in informal cross border trade
- Document the purposes of regulation of CBLT by governments – government

strategies on CBLT and potential effects of overregulation on informal trade and on the livelihood of pastoral and agro pastoral people and other service providers associated with CBLT.

- Establish perceived Vs actual measures taken by governments to regulate CBLT,
- Document opportunities and threats of government's CBLT regulations on pastoral food security and resilience,

Description of Methodologies

Study area:

Geographically, the focus of the assessment area was the Somali region. The selected trade route for this field study was Eastern Ethiopia–Somalia cross-border livestock trade route which supplies livestock to what is commonly called the Berbera corridor, which is an active and major cross border livestock trader route. The Berbera corridor involves the Togwachale and Harishiekh exit ports to Hargessa.

The assessment was conducted using desk review of previous studies and a field survey on the Berbera market corridor. Available and accessible literature on CBLT in general and ICBLT on the Berbera trade corridor in particular were reviewed. The review focused on the literature referring to overview of the current status, the nature of operation and contributions of informal cross-border livestock trade to local and national economies, and its role in employment creation and livelihood diversification, food security and capital accumulation. It also includes challenges associated with ICBLT and how it functions under different scenarios including government regulations and policies. Attempts were made to identify key marketing actors that drive the cross border livestock business in the selected route.

The field survey used a participatory research tools to collect information from

informants in the selected trade routes. Key informant interview was applied as appropriate to generate information. In order to ensure that all relevant and important information are collected, the study team developed key questions in accordance with identified core informants of the survey (see annex 2). Cross border livestock trade involves long distance and several different types of actors as the marketed animals move across vast areas and long distance to reach their destination. Herders, trekkers, loaders and off loaders, brokers, middlemen, hired herders, sales markers, truck drivers, lorry boys, militia group, clan leaders, formal and informal financiers, etc. are involved in the transaction. The study, however, focused on the main drivers of the business which were traders, brokers, middle men. Officials in the regional Bureau of Agriculture, Custom and Revenue Authority, regional research institute, administrators and selected NGOs were interviewed to get more insight about the trade. Key informant interview was carried for a total of 45 key informants out of which more than 25 were active market actors (traders, middlemen/women, brokers (Dilalas) and herders) who have direct interest in the livestock the trading. Twenty were market facilitators and regulators. These include custom and revenues, Regional Bureau of Agriculture, town council administration (Gursum, Togowachale and Babile), NGOs (SC/UK, ACDI-VOCA, MC), regional research, and FAO. In addition, the team interviewed several dozen brokers (dilalas) and women

business owners opportunistically inside and outside the market places.

Five selected livestock markets were visited from 3 regional states, Harari, Oromia, and Somali. The biggest of all the markets visited in terms of volume of supplies, number and diversity of market actors was the livestock market in Babile wereda. The other markets visited include Jijiga, Harar, Gursum, Hartishek and Togowachale. The livestock market in Togowachale from the Ethiopian side was not functioning at the time of the visit. It has the basic livestock market infrastructure but livestock buyers, sellers and other market actors prefer using the market across the border in Somaliland.

Most of our key informants were cooperative to participate in the interview. However, some respondents were suspicious of the mission and remained hesitant to participate. Traders were more hesitant than the brokers and middle men. Herders and women did not have any problem to answer questions. Revenue collectors at the market place were also willing to participate and share information except one in Hratishkek who decided to remain silent to our questions.

Authorities in governmental and non governmental organizations were more transparent and open to share their views, opinions and concerns about cross border trade in Somali region and its implications on economy and food security of people in Somali, Oromia, and Harai regional states.

1. Introduction

The Somali regional state in Ethiopia, inhabited by one of the largest pastoral societies in the Horn, has the longest national frontier bordering the neighboring countries of Somalia, Djibbouti and Kenya. One of Ethiopia's currently most vibrant informal cross-border trade chains is found in this region along one of the oldest trade routes in the Horn of Africa. This resilient cross-border trading system has managed to survive under hostile conditions of political rivalry, armed conflicts, regional insecurity, unpredictable border closures and other restrictive interferences.

The region is endowed with huge livestock population that includes 3,746,000 cattle, 2,032,000 camels, 9,053,000 sheep and 8,547,000 goats (CSA 1999A). It has enormous livestock resources that ascertain continuity and sustainability of livestock trade. Informal cross-border trade is a movement of goods in which all or part of the trading activity is unrecorded or unrecognized by the government and carried out outside or inside official checkpoints without adherence to procedural requirements of all formal institutions. The fulfillment of all procedures and required modes of conduct of officially recognized trade operations across national borders clearly entails the existence of a large number of fully operating border posts and custom services, banks with foreign exchange services, etc. It is the absence of these civilian service facilities along the extensive national frontiers of countries in the Horn that apparently stands as a fundamental reason for the conduct of about 90% (Little, 2009) of unregistered and unauthorized cross-border livestock trade operations in this region to follow what is commonly called the informal channel. Informal cross border trade occurs where business activities cross borders, mainly based on popular supply and demand or comparative advantages,

registered or unregistered (ARIA IV). The large volume of informal cross border trade, including livestock occurs unofficially and unregistered. Officially registered informal cross border trade is sometimes determined bilaterally or unilaterally by neighboring countries agreements. ICBT between Sudan and Ethiopia, for instance is defined by bilateral agreements, while Ethiopia has made unilateral decisions to liberalize ICBT with Djibouti, Kenya, and Somal (i. There are certain situations that influence entering into bilateral or multilateral agreement or unilateral decision on ICBT such as:

- The goods are not readily obtained from the central national markets/ domestic sources, but have acceptable qualities and standards and can be easily and cheaply obtained across the border in a timely and regular fashion.
- Exchange of such goods is permissible only within a certain radius of border trading points
- There is a capital limit or monetary value on goods for trade only within the defined radius/distance from the border trading points.

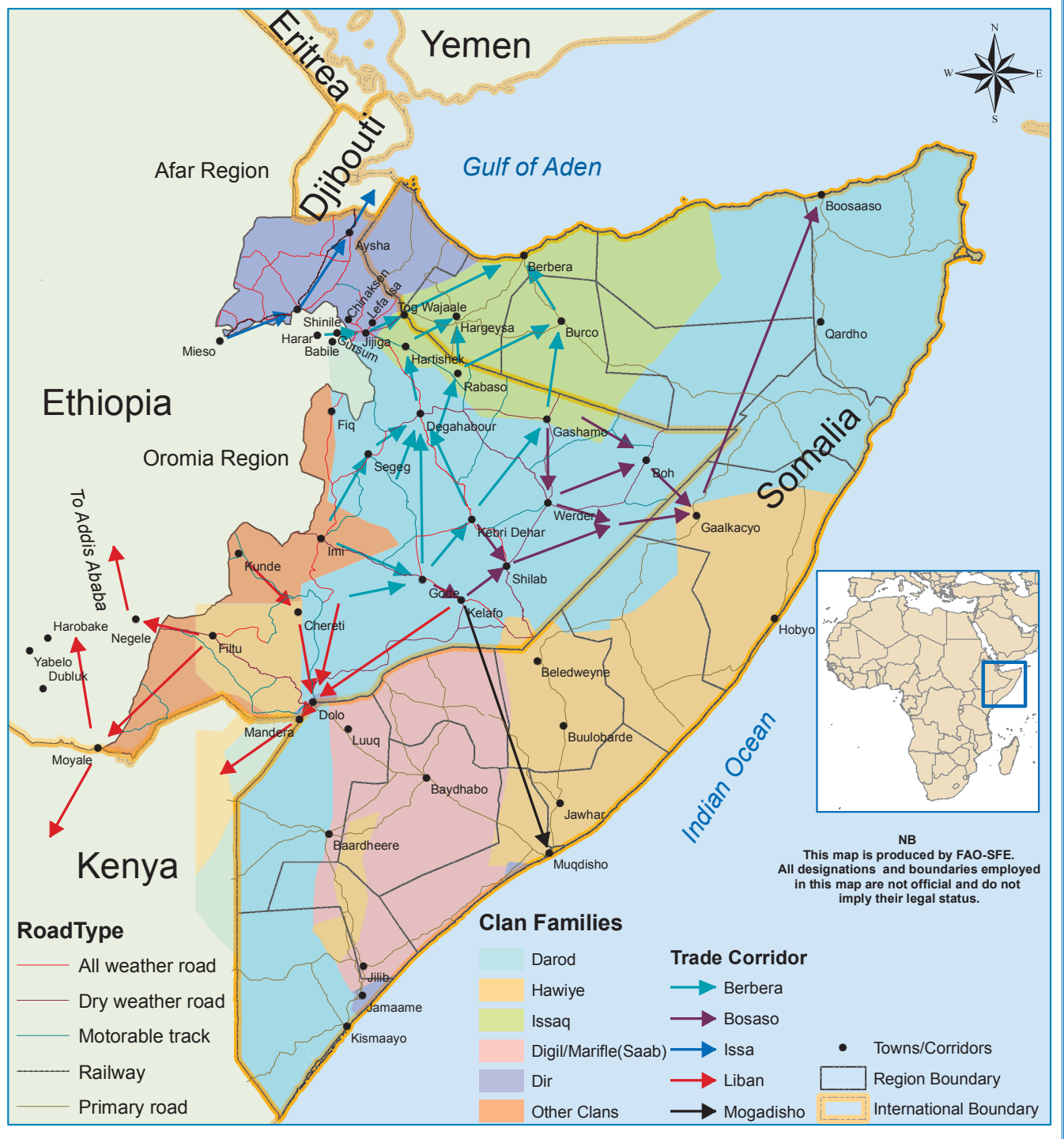
Cross-border trade in livestock was recorded in the eastern Horn (between Ethiopia-Somalia; Ethiopia-Kenya; Ethiopia-Sudan and Somalia-Kenya borders). About 34 percent of this trade was through Togwajale, an important market through which livestock from Ethiopia transit en-route for export to the Gulf States (Food Security and Nutrition Working Group 2011).

From this vantage point, one can argue that neither do cross-border transactions outside the official channel necessarily indicate that the exchanged products are unclean (illegal) nor is it the conduct of cross-border trade operations entirely informal in the sense that the traded products cannot be thought to have never passed in the hands of licensed traders (see Little, 2007)

This report presents results of a preliminary assessment of informal cross-border livestock trade, both registered and unregistered in Somali regional state in Ethiopia. It is divided into two parts. The first part is a synthesized short review of the nature of the cross-border livestock trading system based on previous studies. It includes mechanisms

of operations, seasonality, contributions, issues of animal health trade bans, periodic restrictive government interference with the system and major constraints and issues. The second part presents results of a preliminary field assessment of current conditions on the Berbera trade corridor.

Livestock Trade Corridors Among Ethiopia, Somalia and Kenya



2. Results of Desk Review

2.1. Characteristics and mechanisms

Cross-border livestock trade flows in the Horn of Africa region follow multiple formal and informal trade routes that converge on three identified market corridors linking Ethiopia, Djibouti, Somaliland and Puntland territories for export markets in Middle East countries. Livestock trade along these market corridors through the ports of Berbera, Bosaso and Djibouti across the Gulf of Aden, with an estimated value of about \$200 million per annum, is considered to be one of the largest cross-border live animal trade movements in the world (Majid, 2010). The major source of this cross-border live animal outflow from Ethiopia is the Somali regional state. Livestock species originating from this region, and parts of Eastern and Western Hararge zones of Oromia and Harari regional states, account for a larger proportion of cross-border informal outflows that converge on Berbera and Bosaso ports for export destinations in Arab countries.

The Somali region is the source of sheep and goats virtually traded in the unofficial informal channel while animal originating from east Oromia zones are bulls exported partly through official but informal arrangements. The volume of informal cross-border outflows from Ethiopia through the eastern national frontier is typically incomparable with the size exported through the formal official channel. According to Umar (2007), the estimated number of animals exported in 2004 from two markets (Harisheikh and Togwachale) on the Berbera corridor alone was up to 6.5 times the official live animal exports of Ethiopia through the formal channel in the same year. Wakjira (2006) cited Little (2001) estimates that 50-60% of the 1.4 million shoats exported out of Berbera port originated from Eastern Ethiopia mainly through the unofficial cross

border trade. Using the same Little 2001 citation Wakjira indicated that kerosene, pasta, wheat, flour and sugar are imported to Ethiopia which a trade benefit 12.6-15 million to eastern Ethiopia.

Aklilu et al. (2010) reported that the Somali Region of Ethiopia is one of the most active livestock trading areas in the Horn of Africa and he cited works done in the region by Teka et al. (1999) and Nin Pratt et al. (2004) who estimated that 60-80% of Somalia's livestock exports originate from this region of Ethiopia through a largely informal cross-border trade. The kinship ties and homogeneity of the Somali clans across the border made the cross border trading easier. Ethiopia is a significant livestock informal exporter to Somalia, Kenya, Sudan, and Djibouti, although the formal export sector has gained ground in the last few years. Formally, Ethiopia exports mainly goat meat and close to 200,000 live-animals of all species.

2.1.1. Trade routes and key actors

Cross-border livestock trade in Somali regional state is conducted along three market corridors with a number of identified trade routes that ultimately converge on the ports of Djibouti, Berbera and Bosaso (Umar 2007). One of them, the Issa corridor, is identified with trading routes that are eventually connected with the port of Djibouti. However, by far the most important networks in the informal cross-border livestock trading system in the Horn rather lie on the Berbera and Bosaso market corridors. The most visible trade route on the Berbera corridor is the eastern Oromia-Jijjiga-Hargeisa line. A number of trade routes that connect Jijjiga and Degahbur zones of Somali regional state in Ethiopia with Burao town in Somaliland particularly form a critical part of established networks for informal cross-border livestock movement on the Berbera corridor. The

operation of the livestock trading system on this corridor is centrally associated with major markets (Jijjiga, Harisheikh and Togwachale) located in Jijjiga zone of the Somali regional state and East Hararge zone of Oromia (e.g. Babbile, Gursum and Chinaksan).

Abdi Umar's study (Umar, 2007) details the roles and features of key actors involved in the cross-border trade business on the Beraba and Bosaso market corridors. These key actors include large scale companies (called shirkad), large scale traders living in Jijjiga town and its environs, who use the advanced foreign deposit arrangement to officially export livestock through Togwachale, medium traders, middlemen, brokers, small itinerant traders who move stock between nearby markets or buy and sell for small profit on the same market day, and trekkers who move the animals over long distances. Trekkers are responsible for safe passage of traded animals in different clan territories for which they forge good connections with clan leaders.

In addition to known operators (such as middlemen, traders, brokers and trekkers), there are a number of actors in the livestock market place. These include workers who brand sold animals for identification, hay sellers, animal controllers in sales yard, those who treat animals for ticks and other parasites, loaders in market centres where trucks are used, petty traders and food sellers around the market place and owners of enclosures.

A key feature of the cross-border livestock trading system lies in its crucial interconnections with food and other basic commodity imports. The cross-border livestock trading operation is an integral part of a system which Umar (2007) describes as "a set of parallel conveyor belts that take out livestock exports and bring in consumer goods." It is this nature of the trading system that denotes the essence of the inescapable reality of recognizing cross-border trade as a

vital source of livelihoods and food security in pastoral areas of the country. Livelihood diversification in the region is essentially a natural outcome of interconnections between animal off-takes, livestock trade, food imports and general mercantile trading.

In livestock value chain analysis done for Afar and North Somlai regions of Ethiopia, Saperstein et al, (2006) reported that the northern Somali value chain constitutes four main market channels: Live shoat export into Somaliland, Live cattle export into Somaliland, Shoats purchased by export abattoirs and Domestic market within N. Somali Region. The Live shoat and cattle export to Somaliland channel are found to be the most important channel in terms of volume as well as reliability, continuity and prices offered. It has the highest volume of any spices traded in Somali region, as shoats are the dominant livestock held in the region and there is a strong demand for them in the Gulf States. The majority of shoats exported to Somaliland are raised by pastoralists in north-central Somali region: Kebri Beyah woreda, Harshen district, and Degahabur and Fik zones. They are generally sold to small traders either in bush markets, primary or secondary markets but they all end up in Somaliland either on hoof or truck and re-exported to the Gulf countries. In areas close to the border, such as Harshen district, small traders—acting independently or in cooperatives—or even pastoralists themselves, trek or truck the animals unofficially across the border and sell them in Hargeisa. From Hargeisa, they are taken to Berbera, where they are loaded onto ships, most of which are Yemeni-owned, for export to Yemen or Dubai. Saperstein et al., (2006) further reported that the live cattle export into Somaliland channel is composed of two sub-channels, representing official and unofficial export. The great majority of them exported through unofficial channels. Cattle from the highlands of Asaba Tafari, Kulube, Gursum, Sogoro and Harar are sold in large

cattle markets in Harar and Babile. From there, they are trekked to Chinaksen and sold there in the large cattle market to unofficial export traders. These traders hire trekkers (at a rate of Birr 30-50) to trek a maximum of 4 or 5 animals from Chinaksen to Togwajale, just across the Somaliland border, which takes five days. Some cattle from these markets are also trekked to Lefaisa, where they are sold in the market and then sent to Togwajale. Along the way, the trekkers graze the animals on open rangeland (occasionally purchasing crop residues during the dry season) and purchase water from privately-owned birkas. Cattle raised in the north-central part of Somali region are sold in Hartisheik market and then trekked north to Togwachale, but the volume from these areas is lower. It was reported that thousands of cattle are sold in Togowachale market every day and about 70% of them are coming from Ethiopia, with the rest coming from Somaliland. From Togwajale, the cattle are exported via the port of Berbera to Yemen and Dubai. Saperstein et al., (2006) found out that during the time of their survey (February-March 2006), the so called official or cash against document, cattle export into Somaliland via Togowachale, Ethiopia (which is also a registered informal cross border trade) was as small as 80 head of cattle per day and it was becoming even smaller due to the increase of the deposit per head of cattle exported from 120 USD to 240 USD, (currently it is 420 USD) as well as the increase of initial capital requirements to Birr 265,000. This was a very small fraction of the hundreds and thousands of cattle from Ethiopia crossing the border daily unofficially for sale at Togowachle market in Somaliland.

2.1.2. Clan-based trade networks

The cross-border pastoral livestock trading system is characterized by a marketing channel with complete chains of different actors integrated by clan-based networks which facilitate transactions at various levels, ensure safe passage across vast geographic space, enhance trust and provide financial security to the business (Umar, 2007; Little, 2007; Mahmoud, 2010; Majid, 2010). The absence of formal mechanisms of assistance for the crucial but the often sensitive activity of cross-border trade business across the Ethio-Somalia border has implied the perenniality of indigenous institutional alternatives to facilitate the ever flourishing trade operations in this part of the world. Business trust and smooth operations of the informal cross-border pastoral trading system are highly dependent on clan-based networks which ensure security of individual operators in a significantly complex and uncertain environment characterized by risks of violent attacks, confiscation and harassment.

The major routes and dominant clans on the Berbera and Bosaso trade corridors are shown in Table 1. Trade supplies from different clan areas in the region are locally arranged for safe passage through dominant clan territories on the national frontier. The clans in the interior parts such as the Ogaden are then required to form solidarity with other clans along the Berbera and Bosaso trade corridors across the border. The people in eastern Warder and Bokh in the eastern part of the Somali regional state, on the other hand, may easily forge relations with the same Majerten clan in Puntland state of Somalia and Bosaso (Umar, 2007).

Table 1: Major trade routes and clan networks

No	Market Corridor	Major trade routes	The dominant clan	Major suppliers
1	The Issa Corridor	Ethio-Djibouti Networks	The Issa clan	Ethiopia's official export trade
2	The Berbera Corridor	<ul style="list-style-type: none"> • East Oromia→Hargeisa→Berbera • Harisheikh→Hargeisa • The Haud routes that serve Aware, Gashamo, Degahbur areas crossing to Burao town in Somaliland • Kebridahar→Burao • Gode→Burao 	The Isaaq clan	The Ogaden & other clans
3	The Bosaso Corridor	<ul style="list-style-type: none"> • The Warder route- as a transit route for animals collected from southern districts • The Kebridahar→Bosaso route 	The Majerten clan	clan from different districts <ul style="list-style-type: none"> • The Ogaden clan • The Marehan clan

Source: Adopted from Umar (2007)

Trade corridors facilitated by clan-based networks exhibit perennality unless forced by shocks or uncertain pressures that may compel traders to redirect their routes or centres of trade interactions. While the clan-based networks appear to have clear advantages of minimizing the risks of moving animals in the highly uncertain environment, this rigidity of sticking to specific routes, according to Umar (2007), may affect the volume of animals traded due to the limited flexibility of immediate shifts in trading routes.

2.2. Seasonality

The informal cross-border livestock export trade is conducted throughout the year. However, the volume of trade is normally influenced by seasonal factors which affect demand and supply. The supply side is largely influenced by seasonality and drought events in the catchment areas of origins of animals traded. The supply of export-quality livestock is significantly determined by the length of dry periods and intensity of droughts which affect forage and water availability in the

region. The wet seasons in lowland pastoral areas and bull supplying neighboring highland regions are favourable periods for animal fattening and reconditioning for attractive cross-border livestock trading as well as the period of reproduction and coming new generation

The demand and prices of exported livestock hit their peaks during the approximately 2½ months period between the end of Ramadan and the start of Haji (Ed al Adha) in Saudi Arabia. The ritual slaughter and consumption demands of the Haji pilgrimage is reported to have significantly increased in recent years in line with the observed rise in the number of pilgrims (Majid, 2010). The monthly peak for small stock at the ports of Berbera and Bosaso shot up from an estimated size of less than ½ a million in Haji 2005 to over a million in 2009. Despite supply competition from Australia, there is a preference for Somali sheep and goats not only because of their quality attributes such as smell, colour and size but also possibly due to their origin from a Muslim region (Majid, 2010).

Another seasonality element in live animal export trade from the Horn is associated with the June-August difficult period of strong winds in the Red sea and Indian Ocean. It is especially impossible for boats of small loading capacity to stipulate safe voyage across the Gulf of Aden during this period.

2.3. Contributions of the informal cross-border livestock trade

Several studies were made on cross border livestock trade in Ethiopia and in the Horn (Hussen, Little 2007, Oumar 2007, Pavanello 2010, Mulugeta et al. 2007). The work of all revealed the fact that the ICBLT is much more important than formal CBLT. The ICBLT involves large number of livestock of different species and large number of traders. Little (2007) pointed out that all regional trade in livestock (>95%) in eastern Africa is carried out via unofficial channel or through informal route.

Despite lack of clear policy support and the official negative stance to the contrary, the informal cross-border livestock trade is a fundamental source of livelihood and food security in peripheral regions. It is a vibrant economic activity which is significantly interconnected with other commercial activities in the region. This makes it one of the drivers of regional economic diversification, saving and capital accumulation even with potentially significant long-term contribution to the national economy. The regional food security and local investment contributions of cross-border trading activities are not in fundamental conflict with national economic development objectives though this latter is often narrowly stressed by authorities in terms of potential loss of foreign exchange and government revenues.

2.3.1. Food security and local welfare

People living in peripheral pastoral areas are one of the most marginalized segments of Ethiopia's rural poor. They are often subject to catastrophic shocks of natural and human-made origins. Cross-border livestock trade in these areas contributes to regional food security in several ways. First, it is a key source of demand for pastoral livestock at attractive market prices (Wakjira, 2006). The trading system clearly improves the purchasing power of livestock producers in the region through higher income generated from favorable export demand that offers higher price. Secondly, the system is connected with financing of cheaper food imports which are distributed throughout the region at reasonable local market prices. Thirdly, household incomes generated from a wide area of cross-border livestock trading and related activities can be used by participants for direct food purchases. Finally, the welfare contributions of the informal cross-border livestock trading system can be observed not only through regional food security and improved level of consumption. But it is also a vibrant source of saving and capital accumulation for regional economic growth. Therefore, disruptions in the cross-border operations, especially through inappropriate interferences, entail a clear dilemma of the trade-off between regional self-reliance and heavy dependence on external food aid provisions. According to the official record of the custom office in Jijiga several products including livestock and livestock products (camel milk), beans, vegetables and spices, etc. with a monetary value of millions of dollars cross into Somalia from Ethiopia annually. It is also known much larger products cross unofficially. In return manufactured goods and food items are imported (unofficially) into Ethiopia (see Annex 1).

As it stands now the Somali Region economy is much oriented outwards towards the Middle East rather than inwards towards Addis Ababa. Devereux (2006) reported that livestock marketing, mainly across the border with Somalia and into the Gulf states, generates enormous revenues for livestock owners, traders and marketing agents in Somali Region. Any natural or manmade interventions that disrupt the cross border trade raise the vulnerability of pastoralists to unsustainable level. In the same study Devereux reported the devastating impact of livestock import ban by Saudi Arabia from the Horn of Africa, conflict, and attempts made by the Government of Ethiopia to control cross-border trade. All these events blocked exports of livestock to the most lucrative market – Saudi Arabia – sometimes for weeks, at other times for years. Such situation threatened the economic viability and food security of the livestock-based livelihoods in Somali Region.

2.3.2. Employment and livelihood diversification

Cross-border livestock trade is a critical source of livelihood to millions of inhabitants in the Somali regional state including herders, traders, middlemen and other actors that benefit from the system. The trading system is an important driver of non-pastoral income growth and employment in the region. Its contribution can be seen in terms of direct job creation in the livestock marketing channel and in the form of indirect multiplier effects of linkages with other income generating activities such as merchandize trade, foods and drinks selling, transportation, hay making and animal pen rentals. The direct contribution of the informal cross-border livestock trade to employment and household income can be judged from the 10-15 set of actors involved in the channel from herders' gate to terminal markets (see Umar, 2007; Majid, 2010).

Cross border livestock traders are involved

in multiple activities. Wakjira (2006) reported that almost all the surveyed traders in Somali region were engaged in supplementary income generating activities in addition to livestock trading. He argued that it the seasonality nature of cross border livestock trading and the risks associated with drop in demand, disease, theft and drought which cause irregularities in the flow of income that forced traders to diversify their sources of earnings.

2.4. Animal health issues and trade bans

Animal disease transmission is a significant risk factor in cross-border livestock trade in the Horn of Africa. The Middle East importing countries, in addition to the Haji religious pilgrimage to Saudi Arabia, have increasingly opened their economies to transnational business undertakings and rising inflow of foreigners from rich Western countries in this era of globalization and international mobility. This clearly might have induced the imposition of strict safety precautions which in some instances are set to mimic the prohibitive health and hygienic standards of Western nations. Standard recommendations have often stressed the importance of regional cooperation in animal disease control and strict health regulations by exporting countries in the Horn. Traditional hostilities and political problems that followed the disintegration of Somalia in 1991 have presented serious obstacles.

Cross-border livestock trade along the Berbera and Bosaso market corridors, though extremely important for pastoral livelihoods and regional food security, has been susceptible to risk of fluctuations resulting from import bans and arbitrary rejection of live animal shipments arriving in importing countries. According to Majid, "the emergence of Djibouti as a major export hub [on the Issa corridor] is in large part due to the

stamp of credibility that a sovereign country can bring to the sensitive issue of livestock health regulations” (Majid, 2010, p. 3). Live animal exports from East African countries have suffered two major import bans since the late 1990s. The first 14-months ban was imposed by Saudi Arabia from February 1998 to April 1999 following the outbreak of Rift Valley Fever (RVF) in East Africa, which affected both human and livestock health in the region. The spread of RVF to Yemen and Saudi Arabia in 2000, which reportedly killed 30 people, resulted in the second ban in the same year by Saudi Arabia, Yemen, Oman, Qatar, UAE and Bahrain (FEWS NET, 2010). The Gulf countries, except for Saudi Arabia, lifted the ban in 2002. The Saudi Arabia imposition lasted for a decade until September 2009.

As the biggest source (more than 90%) of final demand for East African live animal exports, Saudi Arabia’s measure brought about substantial effects on regional livelihoods and the pastoral livestock trading system in the Horn. Several studies indicate that the first immediate effect was widespread significant declines in livestock prices as a consequence of limited export demand and rising costs of the then emerged alternative routes in the export trade. The drop in livestock prices clearly affected the purchasing power of pastoral households, which in some instances were forced to resort to alternative source of income such as charcoal making and increasing dependence on food aid (FEWS NET, 2010). The second considerable effect of the shock was changes in livestock export routes and the emergence of Djibouti port as an official export access to Saudi Arabia due to its recognized regional quarantine facility and animal health certification beginning from 2006. This led to dramatic increases in the flow of sheep and goats exports though the port of Djibouti “from just a few thousands before 2006 to around 1.5 million in 2007 and 2008” (Majid, 2010).

This dramatic development signified

an aspect of shifting export routes, with consequent cost escalation, and high risk premiums. Traders managed to find unofficial indirect routes to the Saudi Arabia market through Oman and Yemen though this was quite risky and less profitable. The alternative long official route was to turn to the port of Djibouti through Bosaso and Berbera ports. However, the completion of modern quarantine facilities later in 2009 at Berbera and Bosaso ports and the lifting of the import ban have reduced livestock export activities on the port of Djibouti. Since the lifting of the import ban in 2009, livelihoods and welfare conditions in the cross-border livestock marketing chain on the Berbera and Bosaso market corridors reportedly appear to have experienced a considerable level of recovery as a result of improved demand for export-quality livestock and consequent higher prices (FEWS NET, 2010; Majid, 2010).

2.5. Government intervention

Cross-border trade in pastoral areas in Ethiopia is generally considered as an illicit undertaking. The criminalization of the cross-border pastoral trading system is perhaps historically associated with security concerns of the central government over a freely roaming pastoral society in vast lowland territories bordered by a hostile neighboring state. This has recently become even more complicated in this era of global terrorism, threats of regional insurgency and the complex political dynamics of the failed neighboring state of Somalia. In addition to these concerns, again put in historical context, the political economy of cross-border livestock trade in peripheral pastoral areas in Ethiopia is further complicated by the deeply rooted conventional stance on potential losses of foreign exchange and central government revenues.

The need to explore alternative perspectives of local employment and food

security contributions, regional self-reliance, local capital accumulation and potential long-run spill-over effects of this vibrant trading system appears to have rarely received the critical attention of central planners. Rather, erratic border closures, army clampdowns, confiscations, harassments and restrictions of truck movements have been common in the region; and regrettably, some of these restrictions coincided with the difficult times of the Saudi Arabia import ban on pastoral livestock imports from the Horn of Africa. These government interference and restrictions usually tend to accelerate food insecurity and more dependence on relief handouts in the regional state.

In order to salvage some revenue from the cross border trade and to redirect the flow to the formal system the government has implemented several other measures in addition to border control. Some of these measures include:

- The small scale border trade directive which allows the border community to “legally” procure basic consumer items which are not supplied or inadequately supplied from the central market;
- The Cash against Commodity (CAC) arrangement which is called “Advance Payment” by some cross border traders while it is commonly, but wrongly, referred to as letter of credit (LC) arrangement;
- Franco valuta in which the Somali regional government has issued a license to 27 hand-picked traders to import and distribute basic food

items in all districts but outside the community entitled for the small scale border trading benefits. These arrangements are generally intended to facilitate the diversion of some cross-border livestock informal outflows to a government recognized trading channel using some of the formal institutions such as the Revenue and Custom Authority and Bureau of Agriculture, but they all remained to be informal.

- The government provides a limited animal health service to ensure the livestock traded through the CAC arrangement have acceptable qualities and standards. There is no as such a quarantine facility with international standard where the livestock have to pass through before crossing the border. The quarantine in Lafeissa has never been functional. A veterinarian or an animal health assistant is often posted at the Bureau of Agriculture to certify the health and weight range of animals crossing the border through Togowachale. Visual inspection of ear or nasal discharges, physical observation of the body condition of the livestock is checked. Information on TBD outbreaks from where the livestock are often originating from are gathered using the bureau network. The bureau provide certificates for animals meant for cross border through the CAC arrangement, However the certification is up to Togowachale-Ethiopia.

3. Results of Field Survey

3.1 General Characteristics the Informal Cross-border trade, Operation and Actors

The field survey report is based on direct observation of transactions in 6 livestock markets in 3 regional states, Harari, Oromia, and Somali and interviews conducted with selected key market actors who run the CBLT business such as traders, middle men, brokers, herders and others institutions and individuals who directly or indirectly facilitate or regulate CBLT such as customs and revenues, administrations and bureau of agriculture, and NGOs. Babile livestock market was found to be the biggest of all the markets visited in terms of volume of supplies, number and diversity of market actors, and other related businesses which are mainly ran by women. The other livestock markets visited include Jijiga, Harar, Gursum, Hartishek and Togowachale. However it is good to note that the Togowachale livestock market in Ethiopia is not a functioning market. Although it has the basic infrastructure it has not been operational as livestock buyers, sellers and other market actors preferred using the market just across the border in Somaliland. Togowachale town on the Somaliland side is vibrant and has a functioning livestock market place. The market place on the Ethiopia side is well built with basic infrastructure but is reportedly abandoned by traders. This market place was built by financial support from VOCA-Ethiopia. Traders preferred to bypass the fenced market place on the Ethiopian side in favour of the one across the border in Somaliland a one stop shopping market place where traders sell their livestock and buy other consumables from the same town. They also avoid the tax they are supposed to pay if they sell their livestock at the Togowachale-Ethiopia market. Buyers who are totally from Somaliland are not willing to come over

Togowachale-Ethiopia to purchase livestock as they try to avoid the risk of confiscation while crossing the border and the other harassment that entailed as confronted by the custom people at the exit point to Somaliland. The local officials and elders in Togowachale-Ethiopia argued that the market across the border is the appropriate one as it provides complete marketing services to buy and sell goods and services. One key informant in Togowachale commented that “we cannot have two livestock markets in the same place”. The market that provides good service is the one in Togowachale-Somaliland.

A total of 45 key informants were interviewed out of which more than 25 were active market actors (traders, middlemen/women, brokers (Dilalas) and herders). Twenty were market facilitators and regulators. These include custom and revenues, Regional Bureau of Agriculture, town council administration, NGOs regional research, and FAO. In addition, we randomly interviewed several dozen of brokers (dilalas) and women business owners inside and outside the market places.

In all the markets visited it was not difficult to identify livestock which are meant for cross border trade. The main marketing actors for this particular trade were also visible and easily identifiable. Cross border traders are very much competitive in price and selective in quality. They are always ready to pay a higher price than what the local traders could pay for domestic consumption.

Most of our key informants were cooperative to participate in the interview. However, some respondents were suspicious of the mission and remained hesitant to participate. Traders were more hesitant than the brokers and middle men. Herders and women did not have any problem to answer questions. Revenue collectors at the market place were also willing to participate and share information except one at Hratishkek who decided to remain silent to our questions.

Authorities in governmental and non governmental organizations were more transparent and open to share their views, opinions and concerns about cross border trade in Somali region and its implications on the economy and food security of people in Somali, Oromia, and Harai regional states.

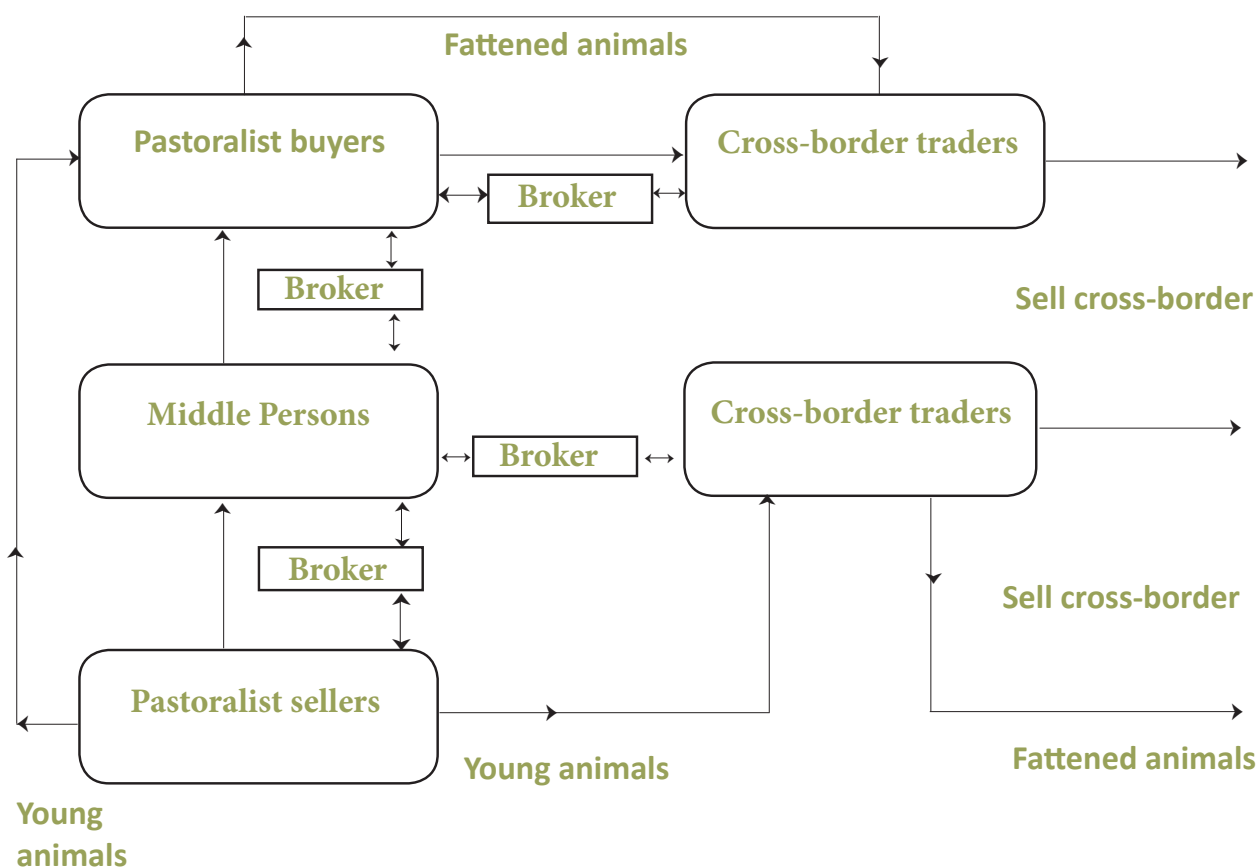
The following section presents the findings of the field survey in each visited market and the outcome of the discussions with the key informants. Finally a synthesized summary of the study presented with recommendation and the way forward.

The pattern of transactions and flows in the local livestock trade business in border areas along the Berbera corridor is more complex than the conventional schema of pastoralist/farmers → middlemen → trader chain. Figure 1 shows an alternative simplified version of the marketing chain and major participants in the officially arranged CAC and informal cross-border trade operation. The cross-border livestock trading system on the Berbera corridor is facilitated by a considerable number of brokers that serve as key links in

the value chain. They often guarantee trust and ensure the possibility of tracing the origins of animals marketed, which is often useful to guard the system against the evils of animal theft.

Livestock herders and farmers often sell one and buy one or two younger animals for fattening for later resale for cross border traders. In some cases cross-border traders themselves buy young animals from herders or farmers and hold them in the range or on the farm until they reach the right size for ultimate export sales in the cross border channel. Borkers and traders are the major actors who drive the system in all the markets which supply export-quality stock through the Berbera corridor.

This table would be useful to have it in the introduction of the doc to have a view of what is then elaborated in the filed study. Including the local names like dilala and shirkad, etc. would make it even more attractive, there is the issue of the ISSAQ to develop in the text as a special case as middle men



The cross border transaction along the Berbera corridor is served either through the advance foreign currency deposit system, here may be referred to as the Cash against Commodity (CAC) arrangement, using Togowachale as an exit point or through the informal route using convenient exit points along the Ethio-Somaliland stretch which is very long with too many crossing points.

The cash-against-commodity system is an arrangement in which traders deposit hard currency in order to get permission to sell out live animals of equivalent value at pre-determined US dollar rate per animal. Traders and feedlot operators who do not have the permit for CAC facility, but want to cross through Togowachale officially can partner or rent in the service to sell their livestock across the border. The permit helps to take

export-quality livestock across the border though, once they cross the national border, the animals are not considered as Ethiopian export products.

Both the CAC official channel and the unofficial informal cross border trading system use credit and cash sales. When demand is high in the gulf markets, for example during the Arafa season, traders in Somaliland compete with each other to pay high prices and in cash. When demand is low, and in time of severely dry environmental conditions in the region, the buyers dictate credit sales, in which case the likelihood of the Ethiopian traders losing the proceeds completely or delay in payment is very high.

Togowachale is only 60 km from Jijiga. Smaller size bulls which are supposed to be traded through the CAC arrangement are

often trekked from Jijiga to Togowachale and large size are trucked. The trekking from Jijiga to Togowachale takes only 24 hours. The trucks often return to Jijiga with other loads. In the worst case they carry back passengers including livestock trekkers who crossed the border using the informal route.

Livestock transporters take the animals only as far as Togowachale and then drive them across the border on hoof. The advance foreign currency deposit cash against commodity arrangement is not connected with commodity imports. Goods from Baraba port are transported by Somaliland operators to the other side of the border, and commodity imports through Togowachale are not necessarily transported by livestock transport operators.

Traders who use the unofficial informal channel use a network of trekkers and different routes to cross the border with their livestock. Trekkers are paid 150-200 birr/bull to take a bull from Babile market to Hargeisa.

Many respondents agreed that the unofficial informal cross border livestock trade is on the rise. One key informant indicated that “previously cross border trading used to be done in mass. Animals are assembled in large number in one area and cross the border in mass. It has changed recently. They now cross the border in small lots through different routes. This is because of the tightening of the border control”.

Although it is a risky business, most people are still in the unofficial informal trade because it does not involve bureaucratic hurdles, including the trouble of depositing hard currency and, of course, it also avoids taxes and other fees. Some believe that the CAC arrangement cannot be effective because it does not attract the average trader as the requirement to obtain the license is too cumbersome and searching for USD from the black market is risky; hence traders opt for the unofficial informal channel despite

the risk of confiscation it involves. Traders clearly understand that the unofficial informal cross-border trade is a risky business and it is even getting riskier than before as the border control is getting tougher.

Most respondents reported that the unofficial informal trade along the Berbera corridor is much larger in volume than the officially arranged CAC system. It is much larger in Harshin route than the Togowachale since carrying unofficial informal trade through Harshin is easier and less risky than Togowachale route.

The cross-border livestock trade has a seasonal character. The volume of traded livestock flows considerably differ across Jilaal, Gu, Hagaa and Deyr seasons. The long dry season, Jilaal, is the best period for big sales with good prices. Jilaal season usually coincides with the period of Ramadan and Arfa festivals and thus a time of peak demand for livestock in importing Arab countries. The Gu and Deyr seasons are wetter and these are the peak time for young animal purchases by herders and agro pastoralists for growth and weight gain. The dry windy season of Hagaa runs from June to September. It is a slack period for traded livestock demand across the border because of the drastic impact of strong ocean current on the operations of Berbera port.

3.2 Harar Livestock Market

The livestock market in Harar, which is the only livestock market in Harari Regional State, is one of the biggest markets that supplies well conditioned young bulls to the cross border trade through Togwachale market outlet to Somaliland. It is the biggest livestock destination for young bulls and sterile cows coming from east and west Hararghe and from the farming Oromo communities who reside in the outskirts of Harar town. Feedlot owners from Nazereth area were also used to come to buy young bulls from Harar market. However,

due to the stiff competition they encountered from the cross border Somali traders they are not coming anymore. The Somali traders were willing to pay significantly higher prices than what the feedlot operators afford to pay.

The major livestock species supplied in the market include un-castrated 3-4 years old young bulls, sterile cows and some goats. Few sheep are supplied and camels appear in the market rarely. Harar market is a cattle market in particular it is a market for bulls and sterile cows. Shoats, camels and most of the sterile cows are for domestic consumption. The butchers in Harar buy sterile cows and castrated cattle for their butchery. Almost all the bulls and some of the sterile cows are sold for cross border trade. The sterile cows are consumed in Somaliland. The bulls are re-exported to the Gulf countries through the Berbera port.

Inside the market place the young bulls which are meant for the cross border trade are kept separate from the others. According to the key informants the young 3-4 years old bulls constitute more than 50% of the total cattle supplied on Monday and Thursday which are the main livestock market days in Harar. There were about 150 cattle in the market during the visit and 75 of them were young bulls for the cross border trade. The bulls for the cross border trade fetch a significantly higher price than the castrated cattle of the same age groups. The price offered for 3-4 years old young bulls of different conditions and different size range from 4,500 birr to 14,000 birr. The domestic traders and the butchers prefer to buy young un-castrated bulls but could not compete against the cross border traders who are always ready to pay a higher price to out compete them. The young bulls and the sterile cows are trucked to Togowachale and trekked across the border to Somaliland to supply the Gulf States and consumers in Somaliland, respectively.

The major actors in Harar market are farmers, domestic traders, cross border

traders or their agents, middle men, brokers. The brokers are the most powerful actors that influence the transaction. No transaction will be conducted without brokers. All livestock species, particularly cattle, which are brought to the market by the farmers, are handed over to the broker/dilala for sale. The buyers range from farmers who buy for commercial fattening for resale later, butchers and exporters. For each livestock sold the dilala receives fees. The owner of the livestock fixes the minimum prices in consultation with the dilala. Once the owner handed over the livestock to the dilala he stays away. He is given chat (a stimulant leaf) with a soft drink to relax until the livestock is sold or the market gets over. If a buyer comes it is the dilala who negotiate prices. A dilala in Harar market plays a key role in the whole transaction. It is difficult to sell or buy livestock in the market without the dilala. The dilala as institution is very important in the trading processes and operations of the livestock market. Most of the dilala in Harar market are males. But there are few female dilalas, though not as powerful as the male ones. They are all from Harari and Oromo ethnic groups. The male dilalas are from all walks of life, Harari, Oromo, Amara, Gurage, Somali, etc. All the dilalas who handle the livestock trade are male. To become a dilala in Harar market one need to have a space in the market. In most cases dilalas are tied to specific livestock supply locations. They are linked to and developed trust with a particular geographical and community areas. For example livestock coming from a place called Ijegina are directed to a space owned by the late Ameco. Ameco himself was from Ijegina and used to be the dilala to facilitate the transactions for livestock coming from Ijegina. Ameco's space is now inherited by Eskinder who used to work with Ameco. Space in the market place and linkages to supply sources are often hereditary.

Ijegina is found on the outskirts of Harar town. It is about 15 km from the town. Farmers

in Ijegina have specialized in the production of bulls that meet the specific requirement of the cross border trade through Togowachale that serves the end market at the Gulf countries. From September to March, it is the purchasing season of young bulls by the farmers for fattening to get them ready for resale from April to August. April, May, June is the period when demand and prices offered for well conditioned young bulls get to the peak. The dilala (Eskinder and his family) assists the farmers to buy younger bulls for fattening and he is also the one who facilitates the sales of the same bulls but fattened to cross border traders. This is a regular activity year after year. All the fattened bulls are sold to cross border traders who would track them to Togowachale. The dilalas assist the farmers in the selection of the young bulls that can be fattened in 3-4 months period and assist them in setting and bargaining better prices during the sales of the fattened bulls. Dilalas get a minimum of 100 birr and a maximum of 200 birr from each bull sold.

The livestock market in Harar functions for the whole week except on Sundays. Monday and Thursday are the two major market days. During these two days both supply and demand as well as sales are very high. The cross border traders or their agents attend Harar market on these two major market days. No trader, broker, middleman, business woman, like to miss these two market days. All the actors make a large portion of their income from the market during these two market days.

Not all animals crossing through Harar are expected to pass through this market place. There is a recent development where cross border traders or their agents tried to avoid Harar market to buy animals directly from markets in east and west Hararghe, Hirna, Garamulata, Dawae, Kulubi, Midegalola, Kombolcha, etc. that are traditionally feeder markets to Harar market. The cross border traders are trying to minimize costs by cutting

out the middlemen who go to these feeder markets and buy the bulls and assemble them at Harar market for sales to the cross border traders. Local traders, middlemen, brokers and even revenue people are not happy about it, because they are losing revenue.

There are middle men from Harar market who sometimes truck loads of young bulls to Togowachale to sell directly to the cross border traders. This is an attempt to avoid the dilalas and also to have more option of cross border traders who they can sell for. This did not work out well for most of them as the Somali cross border traders at Togowachale often collude to dictate and impose low prices. However, such efforts pay a lot during the Arafa festival when the demand shoots up and cross border traders compete among themselves for a large number and good quality bulls and become willing to pay exorbitant prices.

Cross border traders do not come to Harar or other market places in Hararghe. They have their commission agents in each market who purchase the bulls on their behalf. Somali merchants transfer money to their agents to effect animal purchases from Harar and Hararghe highlands. The cross-border trade in this case is facilitated by commercial banks in Togwacale. There are several commercial banks at this cross border tiny village town of only Kebele level administrative status. They also send their representatives who are always Somali to collect and bring the purchased bulls to Togowachale. The commission agents buy from the local middlemen or from the dilalas and handed over the bulls to representatives of cross border traders. The local agents are reportedly paid 50 birr per bull for their service, although they may earn as high as 250 birr per bull.

Women have a multifaceted role in the market. They mostly facilitate trading of small ruminant as dilalas. They also do cattle. When there is shortage of supply they go to villages and other smaller markets to buy and

collect shoats and cattle for resale at Harar market. This means at times the women act as middlepersons who buy livestock using their own money and sale for profit and other times as dilalas. Women also sell fodder for the livestock and food for the farmers and the other actors in the market. Dry sorghum stalk is an important source of fodder sold by women at the market. The bulls destined for the cross border trade are fed on it until they are trucked to Togowachale. Food, tea, soft drinks, and chat, are sold at the market and these are business run exclusively by women.

3.3 Jijiga Livestock Market

The livestock market in Jijiga is crucial market that supplies cattle, camel and shoats to the growing human population of Jijiga town which is the regional administrative capital. It also supplies young bulls and camel to the cross border trade via Togowahale. Traders from Hartishiek come over Jijiga market to buy sheep for resale at Hartishiek market to also supply the cross border trade via the convenient outlet from Hartishiek to Somaliland. Goats sold in Jijiga market are mainly for domestic consumption. The catchment areas of supply to Jijiga market

include Babile, Gursum, and weredas in Jijiga zone. For some local traders who are involved in cross trading of young bulls and camel, Jijiga market is the final stop before they dispose of the animals to the cross border traders that use Togowachale and the other outlets to Somaliland. Livestock originating from the highlands of Harerghe for trading in Somali region can be either trucked or trekked up to Jijiga without much harassment from the customs. Once they pass Jijiga neither trucking or trekking will be smoother without several stops by the custom at different check points. The livestock market in Jijiga is held every day except on Fridays.

Market actors and operations

Local traders, middlepersons and dilalas who operate in Jijiga market have their own specializations. Some are specialized in supplying the domestic market and others the cross border and few both. Some work on camels others in cattle or shoats. In general cattle and camel trading is meant to be for men and shoat for women. Those who are trying to get involved in both domestic and cross border trading often target the cross border demand. They divert their business to supply the domestic demand when there is a substantial drop in demand in the cross



border trade or a complete shut down of the trade due to border closure or export ban. Despite its risky nature many actors agreed that the informal cross border trading is a lucrative business and usually they are willing to take the risk.

Livestock trading business requires experience and good networks at both the supply and demand ends to prevail and to be successful. Most traders begin with small stock to build capital and connections before moving into cattle and camel which requires large financial capital and more skill and networks than what one needs for small stock trading. The cross border trading is more complex and requires substantial amount of capital than all. Traders in Jijiga are honest and transparent regarding their networks on the supply side but not for the demand side across the border.

The cross-border livestock trade has a seasonal character. The volume of traded livestock flows could considerably differ across Jilaal, Gu, Hagaa and Deyr seasons. The Jilal season, which is the dry season in the region, is when demand for livestock across the border gets at its peak and price offered become very lucrative. Arafa, Id and other religious festivities often occur during the Jilaal season which further boost up the demand. During the Haga season cross border demand for livestock drops substantially as ports for livestock outlet to the Gulf countries will be closed due to strong winds in the Red Sea and Indian Ocean. Deyr and Gu seasons are rainy periods in most parts of the Somali region. The major focus of key actors in the market place during this favorable period of water and forage availability in the rangelands is the purchase of young animals for growth and weight gain for later resale in export markets. The problem during the wet seasons is the supply side. Herders and agro-pastoralists are rather more willing to buy small and young animals, than to sell export-quality stock, for fattening and later resale in the lucrative

Jilaal season. Since the cross border livestock trading business is not consistently lucrative all year round, traders are often interested to invest in other activities, besides livestock trading, in order to ensure a stream of income for their family during the slack periods of the livestock trading business. Livestock traders are normally likely to have other small business undertakings, such as shops and restaurants, in Jijiga town. Nevertheless, the livestock trading system still remains to be the main source of income for most of them to raise their children and keep the welfare of their families.

There are several groups of smaller traders and middlemen who work in partnership. Partners join their efforts, knowledge, networks and capital to engage the livestock trading business. These groups mobilize their human resource to purchase young bulls from Hirna, Babile, Fedis and Gursum markets for sale to cross border traders in Jijiga market.

Respondents indicated that the unofficial informal route for cross border trading is still vibrant despite tough control by the custom authorities. However the officially facilitated cross-border livestock trade through advance foreign exchange deposit arrangement through Togowachale is also growing. It has a clear advantage of easily exporting the animals without significant harassments. Increasing number of cattle and camel are traded through this officially arranged channel. It is especially found that the cross-border camel trade on the Berbera market corridor now appears to be largely handled through the advance foreign exchange deposit arrangement. This is not the case for small stocks, which are commonly driven through the unofficial informal channel.

It is quite remarkable to find out that the source of bull supply to the Jijiga market sometimes extends as far as the Borana plateau in southern Ethiopia. Traders and feedlot operators from Jijiga town at times

go to Borana are in the south to purchase young Borana bulls. The Borana bulls are known for their quick response to improved feeding regime and they are believed to be a preferred breed in the cross border market in Somaliland. When there is drought in Borana area, traders from Jijiga are quite attracted to go there to exploit the plummeted price for bulls. See below the case of one feedlot operator who supplies the cross border trade.

The feedlot operator has rented less than a hectare of land in the outskirts of Jijiga town for running his business. He began his feedlot business 5 years ago and so far it has been profitable to him and he is growing fast. In April 2011, he purchased 250 young weak, emaciated Borana bulls from Dubluk and Bake markets in Borana at 3600 birr/bull inclusive of all costs. They were reportedly all very weak and emaciated due to drought. He transported them from Yabello to Nazereth and kept them in rented holding area for 15 days until their condition is improved to transport them to Jijiga. They were all drought hit 3-4 years old bulls. Only 4 died on the road and 246 reached Jijiga. In two months time the condition of the bulls have changed completely and were ready for the cross border market. This was not the first time for this feedlot operator to purchase bulls from Borana. It was the 4th round of his purchases. Currently he has the capacity to supply 800-1200 young well conditioned bulls to the cross border market annually in four rounds. It was reported that the business is highly profitable and the operator has plans to expand if he gets more land. He has other business including poultry and dairy farming which complement his income. He uses his partner cash against commodity license and his connections with a Somali gentleman in Somaliland and a Yemeni buyer in Yemen to sell his bulls.

3.4 Hartishek Livestock Market

General Characteristics of the market

Hartishek livestock market is located 70 km from Jijiga. The community in Hartishek wereda belongs to the Issac Somali clan, and the community across the border is also Issac and this has helped to facilitate the cross border livestock trade. Hartishek is mainly a shoat market followed by cattle, both mature and immature. Camels are brought to the market when there is order by traders from Somaliland which depends on demand for camel in Yemen. The Hartishek market place has a basic infrastructural facility that was built by ACDI VOCA. There is a partition to keep the cattle and shoats separately. The market is held 7 days a week. It starts in the morning time and will be over by lunch time. Most of the shots that pass through the Hartishek market are destined for cross border sales in Somaliland via convenient outlets.

Market actors and operations

There are many market actors that facilitate livestock transactions: Local and cross border traders, middlemen, brokers, trekkers, feed sellers and herders. Dilals are central to the transactions and are the ones who drive the process. In addition to individual market actors there are women livestock marketing groups who are involved as middlepersons, dilalas and local traders. Tawakil women marketing group, which was established 10 years ago, is one of the many groups functioning in Hartishek market. It has 40 members and current capital size of 70,000 birr. The group began the business by raising working capital from members. The group buys calves and young bulls of 2-4 years old from traders from Jijiga, Degahabur and from surrounding pastoralists. It sells the same to pastoralists who want to recondition and fatten for later resale. The group also buys and sells young female cattle for breeding and sterile cows for

cross border trade in Somaliland. During the visit we saw about 80 young bulls brought to the market by the Tawakil women group; 78 of them were male that would be ultimately resold in the cross border livestock trading system. The group has reportedly found the cross-border business quite attractive and profitable.

There are other women groups which run the shoats trading. Each group does not interfere into the business of the others. Quite notably, in almost all cases, the middleperson for small stock trading in the Harishiek market place are individual women and women organized in groups.

At Hartishiek market, almost all small stocks and young bulls exchange transactions are for cross border trade. Very few shoats are sold for local consumption. The traded stocks all cross the border unregistered and none through the official channel of advanced foreign currency deposit arrangement. All the interviewed actors in the Hartishiek market indicated that the livestock market centre in the town is crucial for livelihoods of the community in the area. Herders and agro-pastoralist all benefit from the market in a several ways. It is also the major source of income for the municipality.

3.5. Gursum Livestock Market

General characteristics and species

The livestock market at Gursum, like the one at Babille and other Oromia zones, is one of the most important centers that links highland farmers to the lucrative cross-border livestock trade along the Berbera corridor.

Major traded species in the market are cattle and shoats. Very few camels are traded here. Gursum market is important for young bulls trading. The livestock market days are on Mondays and Thursdays. Contrary to the

other markets in the region which begin early in the morning and end at around mid day, in Gursum the market begins after mid-day and ends at 5 PM. The market attracts traders from the highlands of Hareghe and from Nazereth who come to sell their fattened bulls to big traders from Somaliland and Yemen. There are local traders in Gursum market who are involved in direct cross border trading using their connections in Somaliland and Yemen.

The livestock market centre is important to the economy of Gursum and other associated weredas. A number of major actors in the trading system who buy and sell livestock are from outside the wereda. They come from as far as east and west Haraerghe highlands and Nazereth to sell bulls to big buyers who come from Togowachle and Somaliland, which implies the spatially large positive spillover effects of the Gursum livestock market place. That is, the benefits extend well beyond those crucial ones normally going to middle men, brokers, farmers, other smaller market actors and taxes collected by the municipality.

Major market actors and operations

The major actors in the market are farmers/herders, middle men, dillalas, local traders and cross border traders. Similar to Harar, dilalas have individual spaces of their own in the market place and specific location and communities of people with whom they have business connections. These individual spaces and community connection often tend to pass from fathers to sons who inherit the business from them. For example, Kassu Alemu a dilala has a place in the market which he inherited from his father, the late Alemu Desta. Alemu was originally a coffee and chat farmer from a place called Onaya before he moved to Gursum town and began a dilala business to assist his own communities who are coming from Onaya either to buy or sell livestock. Alemu was in the dilala business for more than 40 years. Now after his death his son Kasu took over the business with the

space in the market place and the community in Onaya. Kasu is not a full time dilala as his father was not either. Kasu works for government and his father was used to do farming before he died.

The livestock market in Gursum has its own high and low seasons. The high season is during the dry period (jilal) and the low season is during the wet period. The demand and prices are very attractive during the dry period. Buyers from Somaliland, Yemen, and Somali regional state flood the Gursum market during the dry season. An average of 25 trucks each loading 15 young bulls are taken out of the center on each market day. Many bulls are also trekked through the bush.

None of the traders we met in Gursum market have the advance foreign currency deposit official cash against commodity license for cross border livestock trading. They however, have access to the service through renting from others whenever they need it. They pay 110 birr per cattle for the service. The rent used to be 350 birr per cattle but came down due to competition as more people have obtained license and become more willing to rent for commission.

Cross border traders often complete the transaction in Togowachale in the Somaliland side. There are few traders who have agents in Somaliland and Yemen and these traders send their animals directly to Yemen through Berbera. Some of the respondents indicated that they had been to Yemen physically to sell their own animals which they purchased from Gursum and elsewhere from the Haregerge highlands. The transaction could be in cash on delivery at Togowachlae or in credits. The credit sale is risky. None of the traders we met in Gursum market reportedly have experienced any default.

During the low livestock trading season some traders move to do cross border chat trading. They engage in chat trading or other

income generating activities during the slack livestock trading season in order to generate some income to support their families. They have remarkably established an interesting complementarity between livestock and chat trading which are important cash crops in the region.

3.6. Togowachle Livestock Market

The livestock market place at Togowachale built by financial support from VOCA-Ethiopia is reportedly abandoned by traders. Traders preferred to bypass the fenced market place on the Ethiopian side in favour of the one across the border in Somaliland. “We cannot have two livestock markets in the same place” commented one of the informants. Traded animals transported to Togowachale through the CAC permits are offloaded and trekked across the border. There are small charges collected by the vtown administration in Togowachale. The animals are temporarily held on the other side of the border for later trading in market before they are transported to Berbera port. Cattle, camel and small stock are traded there. Key informants in Togowachale said that more than 90% of these animals are from the Ethiopian side. They arrive from far places such Chinakson, Degahabur, Qabribeya and Hartishek. The animals traded there are mainly for direct export while some are purchased for feeding and weight gain for later transportation to Barabara port. According to the informants at the time of the survey the market price for animals traded at Togawajjale market are 600-900 birr for small stock and 12000-14000 birr for bulls. The bulls that pass through the CAC and those that crossed unofficially in most cases sold at the same Togowachale-Somaliland market. The traders using the CAC arrangement can’t compete against the unofficial informal system. This is one of the great disincentives to use the CAC system.

3.7 Babile Livestock Market

General characteristics and livestock species

Babile is the largest camel market in the region. It also supplies cattle and shoats. Camels are kept in a separate partition of the market place. The cattle and shoats are kept together in one place. Babile market has truly become a camel market. It has become a center to supply camels for the export trade through Djibouti and cross border trade via Togowachale. It attracts large number of camel buyers and sellers from different reigns and countries. Young and mature adult camels are supplied in the market. The mature adults are for Egypt market via Djibouti or Matamma and the younger and smaller ones are mainly for Saudi market. The average price for smaller camels is 5,000-7,000 birr and for the big ones 14,000-15,000. In some cases big camels can be sold as high as 27,000 birr. Bulls are supplied through Somaliland to Yemen. In some case they are taken through Djibouti and to Addis Ababa for domestic urban consumption. Bulls fetch from 10,000 to 15,000 birr. The main outlet for camels is Djibouti. The main outlet for bulls is Somaliland. The main outlet for Shoats is ELFORA. The purchase price of a kg live weight of a mature goat is as high as 20 birr. Camels are brought from Ginir, Degahbour, Gode, Fik while cattle normally originate from Eastern and Western Hararghe and goats from Somali region.

Bull supply through the Babile market has reportedly declined over the last three years. Cross border traders or their agents have recently begun to buy directly from markets that traditionally feed the Babile market. It has become common to see tens of trucks loaded with young bulls passing through Babile town to Jijiga. This has resulted in a decline in revenue generated from the market center. It is in important area of concern for the local administration which is significantly dependent on trade revenues collected from the livestock market center.

Market actors and operations

The major actors at Babile market are the local and cross border traders, middlemen and brokers. Local traders and middlemen have supply and sales networks. Their supply networks are stronger than their sales networks. They buy from farmers from the surrounding areas who practice fattening. They also travel to different markets such as Gursum, Errer, Mullu, Dalata, Fedis, Burka, Hurso, Mieso, Garamuleta, etc., to buy bulls and to Bale, Degahabur, Gode, Fik, etc. to buy camels. Shoats mainly come from Mulu and Fedis.

There are live animal exporters such as Salahe, Kibre, Fatuma Said, Arufa, Zenebe, who buy for export markets. They use their local agents to buy animals from different markets. In some cases the Arabs or the Sudanese themselves move around with their agents to buy camels and bulls. The livestock trading booms for about 5 months beginning 2 months before the month of Ramadan until Arafa festivals, and the livestock trading system normally experiences slowdowns in the remaining 7 months of the year.

Credit sales based on trust are involved in the official export through Djibouti as well as in the cross-border informal trade operations on the Berbera and Bosaso market corridors. The biggest challenge in this respect comes from the prevailing custom of credit sales to traders from the Arab countries; for which in some cases payments are delayed, and in other situations payment could be made but less than the agreed amount is received. The worst case sometimes experienced by traders is that they may even lose their money completely. During such a situation it is the local traders who bear the major loss. In some instance farmers could also lose portion of their expected (agreed) sales revenue. Local traders are found to have maintained the tradition of credit-based trading operations despite the entailed continued loss of money, because, according to some informants, the credit sales arrangement often pays

substantially higher price than cash purchase transactions. This is the incentive that motivated traders to take the risk of defaulting by the traders in Somaliland or Yemen.

4. Summary and Synthesis

Importance of the ICBLT

The whole economy and food security of the Somali region depends on livestock production and marketing. Almost all respondents indicated that the cross-border livestock trade business is a basic support pillar of the pastoral Somali livelihood system for centuries. All the market actors interviewed contend that Ethiopian central market is very unattractive and is “full of wasteful haggling”. With no exception they unanimously agreed that the vibrant cross border trade, the unofficial informal system in particular, is vital to local livelihoods and the regional economy. They indicated that they prefer the risky but relatively vibrant informal cross border trade than the low price offers of the feeble “formal” livestock trade channel. In short, one can conclude that the cross border trade is a lifeline for everybody in the Somali region. It is also a crucial source of livelihood to farmers and agro-pastoralists in East and West Harerghe zones and Harari region which supply the bulk of bulls and camels that are traded through the Berbera corridor. Despite the challenges of closure of border market outlets by the army and civil unrest in the importing countries, the cross border livestock trading system still remains to be a vital source of livelihood for the Somali pastoralists and all other actors who directly or indirectly involved in the business. Our respondents strongly underlined that without this trading system people in the Somali region could not have survived the drought that severely hit the area this year. Pastoralists in some places such as Hartishiek were forced to purchase water for both human and livestock consumption at 100-200birr/barrel.

All this money came from the ICBLT. There is nothing as important to the communities as the ICBLT to make a living. One informant emphatically confronted the government categorization of ICBLT as “illegal” by saying: “You call it legal or illegal we know one thing; cross border livestock trade is a vital source of our livelihoods. The existing livestock official trading mechanisms can’t meet the market needs of the community either to sell or buy. The CBLT is important and it is the backbone of the economy of our region. There is no way to stop it and it should not be stopped”. Respondents asserted that neither the CAC nor any other official trading arrangement can be considered as a viable alternative to the ICBLT system. In the remote parts of the region where other economic activities are non-existent ICBLT provides opportunities for income generating activities (IGAs) for many households, particularly for the poor who are stockless and women. It is believed that employment activities and income, as well as food security, would be depressed or totally eliminated in the border pastoral areas of the region without ICBLT.

Government interventions

The government of Ethiopia has put in place several regulations to facilitate cross border trading and has prevented any unauthorized flows of goods, including livestock, across the border to Somaliland and other neighboring countries. Some of these policy instruments are briefly considered below:

The advance hard currency deposit Cash against Commodity (CAC) arrangement

CAC is called “Advance Payment” by some cross border traders while it is commonly, but perhaps wrongly, referred to as letter of credit (LC) arrangement. This arrangement has generally facilitated the diversion of some cross-border cattle and camel unofficial informal outflows to a government recognized trading channel using some of the formal

institutions such as the Revenue and Custom Authority and Bureau of Agriculture for livestock health certifications. Nevertheless the procedure does not at all amount to be classified as a complete arrangement for formal cross border or export trading. It is an ordinary but officially recognized cross-border livestock export flow which, however, lacks formal international arrangement. The Ethiopian cross border traders are not fully guaranteed in their dealings with the foreign importers of live animals because of lack of officially recognized exchange procedures backed by formal international banking arrangements. The CAC arrangement simply guarantees safe passage (safe from harassment and confiscation) of live animals trekked/trucked within the Ethiopian border. The government does not take any responsibility for the safety of products exported through this channel. Live animals exported through the CAC process obviously involve extra cost to traders though this may be admitted in order to avoid the risk premium involved in the unofficial informal cross-border channel.

The CAC arrangement in the main has served traders that can make advance hard currency deposit in exchange for smooth cross border transfer of bulls, camel and shoats purchased from the domestic markets. Not all people have the capacity to access the CAC permit. Permit holders need to collect the required foreign exchange from a variety of sources.

Traders who use the cash-against-commodity (CAC) advance foreign currency deposit system commonly stressed that the advance payment arrangement is not a full guarantee for reliable livestock export trade operation. Therefore, the arrangement is no more than a system designed for government involvement in the informal cross-border livestock trade to collect some foreign exchange.

The largest proportions of animals traded

through this arrangement are cattle and camel. Traded animals transported to Togwachale through the CAC permits are offloaded and trekked across the border. There are small charges collected by the village town administration at Togwachale. The animals are temporarily held on the other side of the border for later direct transportation to Berbera port. At times all the unofficial informal and CAC traded livestock converge on Togwachale market place for resale before they are delivered to the Berbera port. Under such situation the unofficial informal traders are more competitive than those who drive through the relatively more costly CAC arrangement.

The CAC did not have any effect on the unofficial informal cross border outflows of goats and sheep from Somali region. Small ruminants generally originate from the vast rangelands of the Somali region and the unofficial informal channel is more attractive given the location advantages of relatively easier access to Barabara and Bosaso ports.

Although there is no clear evidence, the custom officials in Jijiga claim that unofficial informal trade for cattle and camel has come down and this is attributed to CAC system and the tougher measures taken by the custom on animals caught when trying to cross the border unofficially.

There are 36-40 licensed CAC permit holders for livestock. Not all of them are from the region. There are people from outside Somali region who have the license and often rent it out for commission. This has become a common practice recently. Permit holders often transfer it to other traders who pay commission at the rate of 110 birr per animal.

The small scale border trade directive

This directive was issued by the federal government in 2010 in reaction to growing regional pressures that have sought for full recognition of the vital importance of cross-border trade for sustainable food

security needs of pastoral areas. It is to be implemented in peripheral areas bordering Djibouti, Somalia and Kenya.

The specific objectives of the directive are:

- To allow the peripheral population to “legally” procure basic consumer items in times of inadequate supply from the central market
- To gradually introduce the proper practices of formal cross-border trade
- To reduce “contraband” trade in border areas
- To permit availability of basic consumer food items in border areas in view of the country’s current problem of recurring food shortages and inflationary pressures
- To promote peace and security in border areas by fostering business relationships between Ethiopians and other peripheral peoples.

The directive strictly applies to areas within 10 km radius of specified 18 village towns along the Ethiopian border. Any action or movement beyond this radius that is believed to have involved cross-border exchange transactions is considered as illegal.

Only Ethiopian residents in border areas are allowed to have the trade license, and small scale cross-border traders are issued with special ID cards for custom/control post clearance and movement of traded commodities in the areas.

A licensed small scale cross-border trader is permitted for simultaneous involvement in both import and export (small scale trade) business. The type of commodities traded in export and import categories are clearly identified. These are:

a) Live animals exports: Live animal exports

of a maximum value of 20,000 Ethiopian Birr per month (240,000 Birr per year) is allowed, and exports are not taxed. A licensed trader cannot make more than two trips per month and the maximum number of animals sold per trip is fixed at 30 shoats, or 3 camels, or 3 head of cattle. An unrestricted combination of a maximum value of 20,000 birr per month is possible.

b) Other exports: These include dairy products, cereal grain, fruits and vegetables, spices and industrial products manufactured in Ethiopia.

c) Imports of basic consumer items: These are specified as only those items that are considered to meet the basic requirements of the population in border areas. These are food items, basic household utensils, clothing items typically used by the border area population, transistor radios and battery cells. A licensed trader can bring in taxable imports of a maximum value of 20,000 birr per month.

The implementation of this federal directive in Somali region has been quite slow. The licensing activities have only started in the second quarter of 2011. People were quite suspicious, and pastoralists were not interested in it, at the beginning. But, following an intensive awareness raising campaign by a task force of experts from the Bureaus of Agriculture and Trade and Industry, people later began to flock to Jijiga town to have their photos taken for ID cards which is a requirement to obtain the trade license. The task force arranged trucks to transport interested applicant to Jijiga to have their photos taken. The initiative has now attracted an increasing number of applicants. The number of licensed traders in Togowachale alone was 220 and this is likely to increase further. However, none have started the business because many may lag to learn from those who take the courage to make the first move.

The federal directive on small scale border

trade in peripheral areas has attracted a great deal of criticism and skepticism. Some argue that it is faulty and unworkable. It ignores the great majority of the population that live away from the 10 km radius, and it impractically assumes that the target border areas are densely populated to reasonably ensure that the policy is providing for the right level of service to the regional population.

Some respondents indicated that the initiative seems to be fairly reasonable and it may help pastoralist to sell their livestock at relatively fair price and improve their access to basic consumer goods which are imported across the border. However, its geographic coverage is too small to meet the demand. Moreover the restriction not to sell the imported products outside the 10 km radius of the designated border towns may cause oversupplies that may lead to drop in prices that could discourage participations.

Franco Valuta (FV) basic commodity import permits

The Somali regional government has issued Franco Valuta license to 27 hand-picked traders (3 for each administrative zones) to import and distribute basic food items in all districts of the 9 administrative zone of the Somali region. The FV import is allowed only for sugar, rice, flour, oil, macaroni and pasta though actually imports have reportedly included other items. This started in 2010. The Franco Valuta arrangement, as mentioned by some respondents, is intended to serve areas in the region which are not eligible for the 10 km radius border trading privileges though it in no way has the capacity to replace benefits of the unofficial informal trading system. This initiative has been applauded by many respondents but it has not been without its own defects. People believe that the practice of limiting the number of FV operators to only 3 traders per zone and the kind and volume of allowable items to import need further revision. Moreover the selection

of the traders needs to be conducted in a more transparent manner. For example in a couple of zones traders were picked from one or two weredas and most of their import is distributed in the weredas from which the traders were selected. The goods do not reach all the needy beneficiaries in the remaining weredas. Respondents suggest that to make franco valuta useful to the needy, you need at least to license one person per wereda. The custom authorities in Jijiga reported an abuse and misuse of the privilege by those who are authorized and indicated this kind of transgression could endanger the continuity of the service.

There is no link between the CAC arrangement and the FV imports though some livestock traders may prefer to tie both in their operations. They think such a move might attract more cross border traders to use the CAC arrangement.

The Ethiopian Custom and Revenue Authority officials believe contraband trading has been considered as a norm in the region but it is now changing gradually. The regional situation such as the political instability in Somalia, remoteness of the region from the center, etc. encourages contraband trading. However, they believe there is a growing positive change in the attitude and behavior of the community to be more “legal” and to engage in non-contraband trading. The implementation of the border trade directives, the franco valuta privilege for selected commodities, the CAC arrangements to do business across the border, helped to reduce the “illegal” trade. The authorities believe that the “illegal” livestock trading dropped in 2011 by more than 60% compared to 2010. At the moment they indicated there is no “illegal” trade of livestock that would force out legal traders from the business. There is an ongoing movement by the custom office to change the attitude of the people to become more legal.

5. Constraints/challenges

Several challenges that affect the cross border livestock trading along the Berbera corridor were mentioned by respondents including market actors and other stakeholders who facilitate the trading. Presented below are those major ones which were mentioned repeatedly.

Export ban

Export ban is the worst thing that can happen to all market actors in cross border trade. Export ban was indicated to be the most devastating human made constraint that severely affects the livelihood of all actors in the value chain (herders, middlemen, brokers, trekkers, and traders). It affects the local and the regional economy. One trader described export ban as a cooking pot in which one is boiling water to prepare dinner and the fire went off when it is ready to put in the vegetables, the meat, etc. Export ban kills livelihoods and incentives.

Drought

Drought is considered to be a serious problem when it occurs as in the case of this year. It affects the volume and quality of livestock supplied by herders to the cross border trade. Since animal feed and water become very scarce, the cost of producing export-quality livestock becomes extremely high. This is worsened by government interference that prevents movement of feeds from place to place in areas closer to the border. In some cases it is impossible to move feed from Jijiga to Hartishek and even from one place to another within Hartishek. This degrades the efforts of the herders as well as traders to maintain the condition of their livestock during drought periods.

Lack of government protection in CAC arrangement

Traders, who are using the CAC arrangement to export livestock through Togowachale, indicated that the system does provide no government guarantee once the traded stock have crossed the national frontier at Togowachale. They commonly claim that they only operate under the mercy of traders in Somaliland and Yemen. It is always the traders in Somaliland and the Arabs who are benefiting the most from the trade.

Lack of alternative outlets

No livestock buyers are coming from the center. If they come they are highly rent seekers and prices they offer are very uncompetitive if not unreasonable. One said, “the government should help us by opening reliable market outlets, not to tie our hands by closing existing cross border outlets. Negative inference in the market and the trading system would damage the economy of the region. It is not affecting Somali region only but also Oromia and Harari regions. The most widely practiced young bull fattening activity in East and West Hararghe and Harari cannot survive without the CBT”.

Unrest in the terminal markets

The other challenge mentioned by most respondents is the unrest in the Arab countries. The current political unrest in Yemen, according to some livestock traders, appears to have negatively affected demand and livestock prices.

Border control

Unofficial informal cross-border livestock trade outflow is a kind of exchange activity in peripheral areas which is very difficult to control in Somali region which has a border line of more than 1600kms. There are 16 border control posts along this border line, and 13 of them have recently been staffed with custom staff and Ethiopian army units. All of these, except the station at Togowachale which is located on the direct route of the Berbera corridor, are simple control posts used to patrol the border to stop unofficial informal trade flows. Traders are stopped and at times confiscated as they try to cross the border with their animals.

Transportation cost and market information never mentioned as a serious obstacle perhaps because of more reliance on trekking rather than trucking. Market information does not seem to be a priority issue. The advent of cell phone communication has improved access to market information

6. Conclusion and Recommendations

The cross border livestock trade which is conducted on the Berbera market corridor is informal and largely unofficial. The volume of livestock traded through the officially recognized informal (CAC arrangement) cross border trade via Togowachale constitutes a tiny fraction of the total livestock that cross the Border from Ethiopia via Togowachale and through other exit points to Somaliland for trading. Based on the desk review and the field survey that focused on the markets and market actors linked to the Berbera corridor, it is found out that the ICBLT is essential to improve the food security of people in the Somali region as the backbone of the regional economy. It is also demonstrated that the economic benefit of the trade goes beyond the Somali region. Livestock producers and traders in East and West Hararege and Harari regional state also benefit from the cross border trade. The cross border trade, especially the unofficial one, clearly remains to be a lifeline for residents of the region. Any negative intervention or in appropriate regulations by the government which interfere with the normal operations of the trading system will have a debilitating effect of seriously eroded livelihoods and unprecedented dependence on external food aid. Therefore, attempts to stop the trade would be catastrophically futile and very costly. It is simply very expensive and practically impossible to place control posts along a national border that stretches more than 1,600 km.

Here, based on the review of previous studies and preliminary field assessment, a few recommendations are pulled together in order to improve and facilitate the informal cross border livestock trade and create a win-win situation for both the local, regional and national economy and the food security of the residents in Somali regional state.

- Government should give more protection and attention to the inhabitants in the region and their livestock; it should develop better relationship so that the inhabitants feel that they are part of the nation. Some respondents complained that nothing is coming for them from the center. “Livestock buyers and consumables from the center are not coming here. What we are receiving from the center is regulations that try to block all the livestock market outlets and inlets of consumables from the other side of the border”. The government has the responsibility to assist the traders in exploring new market outlets and to maximize the benefit from the existing outlet to the Gulf through Somaliland. As it stands now the outlets through Somaliland gave an edge to traders in Somaliland and the buyers in Yemen. In most cases Ethiopian traders are price takers and sometimes operate under very risky conditions of unprecedented loss due to credit sales.

- For their credit sales, traders often face the difficulties of recovering their receivables and in worst case people can even lose the whole money. There are traders who had to go to Somaliland and even to Yemen to claim payment. This is an additional and unexpected cost to the traders. There are people who failed to recover their money after incurring costs to travel to as far as Yemen. The government should come in to protect the traders. The CAC arrangement should not be just to thin out the unofficial informal cross border trade and collect tax and foreign currency. The system should not overemphasize the need to obtain hard currency only. It should also protect its citizens.

- Bilateral and trilateral trade agreement that harmonize conditions for common benefit: It is important to harmonize cross-border livestock trade activities and animal health requirements.

- The pastoral livestock trading arrangement needs to have a household-based policy

focus. It should allow and encourage households to trade and benefit. There could be a policy arrangement that allows for all pastoral households to sell a certain number of livestock per year in the cross-border trade. Policy should target households, not only big traders with big money.

- Policy should respect the right of the herders and other citizens who live in the region to sell their products (livestock) and to buy their basic needs. Policy layout for trade in the region should target the community. It should be developed in such a way that it encourages household to sell and purchase at reasonable prices.

- There is a need for an emergency cross-border trade strategy designed for drought times which relaxes existing government controls and encourage cross border trade. This should be part of the regional food security strategy. This helps to improve food security, wealth conservation, environmental protection, and reduces government cost of food aid and recovery interventions. Given the strong food security implications of informal cross-border trade, the general restrictions need to be substantially relaxed in times of drought and long dry periods in order to allow for free movement of livestock and other traded commodities. It maintains the local capacity to procure food and other basic necessities and reduces dependence on food aid from the government.

- Ease the procedures and requirements of the CAC permits. It is important to issue more CAC permits for those who are eligible. Currently only few individuals have the permit and they have begun dictating price, volume and terms of trading in the various markets that supply the cross border channel. It may be important to reduce the amount of hard currency deposit requirement per animal in order to make the arrangement more attractive. Relaxing the procedures and requirements for the CAC and other formal trading system helps to pull more traders to the formal system. No one gains from stopping the trade, overregulation and intensified control procedures. Try to strike a win-win situation.

- Expand the area coverage of the newly implemented small scale cross-border trade. The 10 km radius border trade permit will not help much of the wider community.

- Render Link between the Franco valuate trade with the CAC cross-border livestock trading arrangement; which means give the CBLT the privilege of Franco valuate. Lack of clear-cut policy focus

- Absence of full understanding about both the short and long-term potential benefits of the cross-border livestock trading system. Interventions are implicitly guided by the almost fixed idea of passionate concern for potential foreign exchange losses to the central government. There is apparently less inclination for proper recognition of the fact that restrictive attitudes towards the cross-border trading system has no clear advantages other than loss of income, pastoralist destitution, local food insecurity and external food aid dependence.

- The top priority area of government policy focus in pastoral livestock marketing, as outlined in the 2010-2015 Growth and Transformation Plan of the government, is to improve marketing infrastructure and organization of pastoral livestock marketing cooperatives in order to enable them supply livestock to feedlots and commercial abattoirs operated by private investors (MoFED, 2010). These strategies, however, as rightly pointed out by Peter little (Little, 2009), may not reflect the priority concerns of livestock producers and traders in pastoral regions.

- The negative welfare implications of official interference in terms of erratic clampdowns and border closures, multiple and illegal taxation and harassments are stressed as serious points of concern in several previous studies
- Lack of proper support facilities and cross-border harmonization of the animal health requirements of the livestock trading system. Absence of adequate emphasis on animal health certification and proper dialogue with neighbouring and importing countries
- Lack of adequate and reliable data on informal cross-border trade in order to promote “constructive policy dialogue” (Little, 2007).
- Figures reported in several case studies are quite incomplete and at times inconsistent and confusing. Systematic recording of key variables, such as trade volume, mechanisms, contributions, constraints and limitations, is not considered as a priority item by concerned government agencies for an activity that is fundamentally considered as illicit.

7. Way forward

To have a comprehensive understanding of the ICBLT and its contributions there is a need to do more assessment in the remaining cross border trade corridors in Ethiopia (Bossaso, Issa, Kenya, Matamma, etc.). Moreover it is important to make an attempt to come up with measurable and verifiable empirical evidence about the economic contribution of the trade to initiate a useful policy dialogue. Figures reported in several case studies are quite incomplete and at times inconsistent and confusing. People often use estimates inherited from old sources that are not specific to a specific corridor.

There are regulations which are put in place to control cross border trading. Some of the regulations are not yet functional at full scale. Some are functional but not widely practiced. There is a need for more stakeholder consultation and discussion to look into the pro and cons of the regulations to facilitate the trading.

There is also a need to look into the advantages and disadvantages of the clan based livestock trading system which is beneficial for facilitating transaction under environment which is full of uncertainties and its drawbacks in terms of blocking new comers to enter into the business which leads to market imperfections and its rigidity in terms of changing routes.

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9. Annexes

Annex 1

MoARD 2008, estimated illegal livestock exports from Ethiopia during 9 month 2007-2008

Type of livestock	Sudan	Djibouti	Somali	Total
Cattle number	169,000	73,000	109,000	351,000
Value in US	37,349	16,133	24,089	77,571
Camel number	2,071	7000	6000	15071
Value in US	625	2114	1812	4551
Sheep and goats	-	255000	876000	1,131000
Value in US	-	7650	26280	33930
Total in US	37974	25,898	52,181	116,052

Goods Exported through Togowachale Outlet CAC July 2008 to June 2009

Type of Goods	Unit	Gross wt	Net wt	Unit price in USD	Value in USD	% of Total Value
Chat	Kg	22,307,097.75	18,890,619	4.47	84,376,315	94
Cattle	No	16,966	-	265	4,495,990	5
Camel	No	130	-	335.56	43,623	0.05
Macaroni	Kg	106,882	104,600		51,420.17	
Milk	Liter	753,100		0.081	61005.41	0.0007
Total					89,703837.85	

Goods Exported through Togowachale Outlet July 2009 to June 2010

Type of Goods	Unit	Gross wt	Net wt	Unit price in USD	Value in USD	% of Total Value
Chat	Kg	32,793,337	28,515,950		142,579,745	89.1
Cattle	No	32,166			13,670,728	8.5
Camel	No	7,169			2,972,425	1.9
Tomatoes	Kg		1,512,060		535,279.52	0.3
Milk	Liter	1,913,951			162,076.12	0.1
Animal feed	Kg		455,834		47,464.5	0.03
Banana	Kg		74,378		19,800	
Potatoes	Kg		236,180		66,481.92	
Macaroni	Kg				453.75	
Cabbage	Kg		1,287		257.48	
Total					160,056,711.25	

Goods Exported through Togowachale Outlet July 2010 to April 2011 (10 month)

Type of Goods	Unit	Gross wt	Net wt	Unit price in USD	Value in USD	% of Total Value
Chat	Kg		27,093,149		135,465,745	78.6
Cattle	No		59538		25,005,960	14.5
Camel	No		12678		5,274,048	3.1
Sheep	No		7200		360,000	0.07
Goats	No		2566		118,036	0.1
Camel Milk	Liter		2071601		221,791	0.13
Animal feed	Kg		213891		26,312.27	0.02
Banana	Kg		282634		45,512.16	
Potatoes	Kg		12380935		3,590,471.13	
Cabbage	Kg		2105009		421,001.8	
Tomatoes	Kg		3310298		1,191,707.28	
Beet root	Kg		336818		67,304.2	
Garlic	Kg		77349		77,349	
Rice	Kg		57841		65,977	
Carrot	Kg		1314669		262,933.8	
Tea leaves	Kg		10840		8,319.08	
Vaseline	No		176		2,970.6	
Mango	Kg		16585		4,975.5	
Lemon	Kg		2989		657.58	
Ginger	Kg		3744		3,744	
Timber	No		13150		20,245	
Dinbelal	Kg		2982		1,491	
Mineral water	No		40515		29,345.55	
Total					172,219,988.49	

Annex 2 Check list for the field survey

Checklist for Key Informants (Livestock Trader)

Personal

Name of the trader

Age of the trader

Clan of the trader

- When did you become a CBLT and why and how did you start trading?
- What kind of livestock do you deal with?
- What is the requirement for one to be a CBLT in this route?
- Where did you get the capital to get started?
- How do you describe your Livestock trading capital?
- Do you have partners to work with?
- How do you do the transaction?
- Tell me the size of your monthly livestock transaction in
 - o Good times?
 - o Average times?
 - o Bad times?
- How seasonal is the trading?
- Do you have investments other than livestock business? Are they supported by the livestock business?

General

- Do CBL Traders always traded along the same route, or do they change from one route to another and why? What was the recent route you have been using before the current one?
- What determines market/trekking routes?
- Do traders have (formal or informal) buying contacts or selling contacts along the route?
- What are the formal and informal financial arrangements for CBT and in what ways does CBT generate capital for other activities
- Do traders have networks to facilitate buying and selling? If yes what kind of network and how does it function? How do they trust each other? What makes one build trust in trading relationships?
- What role do traders network play in facilitating access to important markets, critical market information, and critical watering and grazing resources
- How has trading in this route changed over the last ten years? Is it easier or more difficult to make a living from CBL trading these days compared to ten years ago? And why?

- Which of the following conditions affect livestock cross border trading in the area and rank them?
 - Export ban
 - Droughts
 - Outbreak of TAD
 - Border closure
 - Conflict
 - Unstable Markets
 - Low prices
 - Too many traders
 - Harassment by the authorities
 - Imperfect information
 - Limited credit
 - Unstable political condition
 - High transport costs
 - Other, specify
- How do you manage them and in what ways your social networks help you to deal with these constraints?
- What solutions would you suggest to overcome these problems?
- What are the major policy, regulations and other constraints affecting cross border trade
- How important is CBLT to:
 - You
 - Your community
 - Your locality
 - The country
- What needs to be done to improve it?
 - Locally
 - At the region level
 - Nationally
 - Regionally
- How important is improved communication (cell phone) to facilitate/improve CBLT?
- To what extent is cross border trade preferable to driving the animals inland for central markets in Ethiopia? Why?
- What do you think would be the monthly average benefits (in term of profit) for an average livestock trader when trading cross-border as compared to the central market in Ethiopia?
- Do you think you are making some benefit to livestock producers in the region? Do you think that it is more beneficial when you sell them cross border? Why?

Checklists for CB Livestock Transporter

Personal

Name of the transporter

Age of the transporter

Clan of the transporter

- When did you start your business to transport livestock for a Cross Border Trading and why and how did you start the business?
- What kind of livestock do you often transport?
- What is the requirement for one to engage in transport business for CBLT in this route?
- Where did you get the capital to get started?
- How do you describe your cross border livestock transport business capital?
- Do you have partners to work with?
- How do you do the transaction?
- How important is CBLT to enhance other cross border commerce?
- How many trips do you make per month when you have:
 - o Good times?
 - o Average times?
 - o Bad times?

General

- Do cross border transport business owners always use the same route, or do they change from one route to another and why? What was the recent route you have been using before the current one?
- What determines the transport routes?
- Do traders have (formal or informal) buying contacts or selling contacts along the route?
- What are the formal and informal financial arrangements for CBT and in what ways does CBT generate capital for other activities
- Do transport owners have networks to facilitate their business? If yes what kind of network and how does it function? How do they trust each other?
- How has transporting livestock for cross border trading in this route changed over the last ten years? Is it easier or more difficult to make a living from transporting livestock for CBL trading these days compared to ten years ago?
- Which of the following conditions affect transport business in the area, list and rank them?
 - o Export ban
 - o Droughts
 - o Outbreak of TAD
 - o Border closure
 - o Conflict
 - o Unstable Markets
 - o Low prices
 - o Too many transporters
 - o Harassment by the authorities

- o Imperfect information
- o Limited credit
- o Unstable political condition
- o High transport costs
- o Other, specify
- How do you manage them and in what ways your social networks help you to deal with these constraints?
- What solutions would you suggest to overcome these problems?
- What are the major policy, regulations and other constraints affecting cross border trade
- How important is CBLT to:
 - o You
 - o Your community
 - o Your locality
 - o The country
- What needs to be done to improve it?
 - o Locally
 - o At the region level
 - o Nationally
 - o Regionally
- How important is improved communication (cell phone) to facilitate/improve CBLT?

Checklists for Middlemen

Personal

Name of the middleman

Age of the middleman

Clan of the middleman

- When did you become a middleman for Cross Border Livestock Trading and why and how did you start trading?
- What kind of livestock do you deal with?
- What is the requirement for one to be a middleman for CBLT in this route?
- Where did you get the capital to get started?
- How do you describe your Livestock trading capital?
- Do you have partners to work with?, for example with traders, bush operators, etc.
- How do you do the transaction?

General

- Do middlemen use the same supply/market sources to procure livestock or do they change from one source/market to another and why? What was the recent supply/market source you have been using before the current one?
- What determines supply/market sources?
- Do middlemen have (formal or informal) buying contacts or selling contacts along the route?
- What are the formal and informal financial arrangements middlemen use to facilitate

buying and selling?

- What role do middlemen networks with traders and bush operators play in facilitating access to important markets, critical market information, and critical watering and grazing resources
- How has trading in this route changed over the last ten years? Is it easier or more difficult to make a living from CBL trading these days compared to ten years ago?
- What affects livestock cross border trading in the area and rank them?
 - o Export ban
 - o Droughts
 - o Outbreak of TAD
 - o Border closure
 - o Conflict
 - o Unstable Markets
 - o Low prices
 - o Too many middlemen
 - o Harassment by the authorities
 - o Imperfect information
 - o Limited credit
 - o Unstable political condition
 - o High transport costs
 - o Other, specify
- How do you manage them and in what ways your social networks help you to deal with these constraints?
- What solutions would you suggest to overcome these problems?
- What are the major policy, regulations and other constraints affecting cross border trade
- How important is CBLT to:
 - o You
 - o Your community
 - o Your locality
 - o The country
- What needs to be done to improve it?
 - o Locally
 - o At the region level
 - o Nationally
 - o Regionally
- How important is improved communication (cell phone) to facilitate/improve CBLT?

Checklist for GO and NGO

- How do you describe the extent of formal and informal CBLT in the region?
- How do you describe its importance or harm to the community, local economy, national economy
- How do you describe its importance to enhance food security, reduce cost of food aid
- How do you describe the trend in terms of its growth, structure, etc.
- How important is cross border livestock trade to enhance other cross border commerce?
- Do you support CBLT? And why?

- What is the general strategy of the government towards CBLT?
- What should governments and other parties do to improve CBT and enhance its contributions? Locally, at the region, nationally, regionally.

KI for herders

- What is the importance of CBLT to you and your community? Explain Why and how?
- Do you think herders get a fair share of the price paid at the terminal market? What is your and your community feeling about it?
- Do you think CBLT improves food security in the region?
- Do you think CBLT improves TOT?
- Do you think CBLT improves cash income to herders?
- Do you think CBLT improves household welfare?
- What is your major concern about CBLT?
- How important is cross border livestock trading to enhance other cross border commerce?
- Do you support CBLT? If yes what do you expect from governments to do to facilitate CBT? And what should the traders, transporters and herders do to facilitate CBT)

KI question for women

- What is the importance of CBLT to you and your women colleagues? Explain Why and how?
- Are there Women CBT traders, transporters, brokers, etc.?
- If yes how are they performing, give example please!
- Do you think CBLT improves food security in the region?
- Do you think CBLT improves cash income for women?
- Do you think CBLT improves household welfare?
- What is your and your women colleagues concern about CBLT?
- How important is CBLT to enhance other Cross border commerce?

Do you support CBLT? If yes what do you expect from governments, traders, transporters and women herders to do to facilitate CBT?

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