



A BORESHA Policy Study on Cross Border Trade

Organisation for Social Science Research in Eastern and Southern Africa
(OSSREA)

February 2021



Table of Contents

LIST OF ACRONYMS	II
Executive Summary.....	III
1. Introduction	1
2. Literature Review	1
2.1 Cross Border Trade.....	1
2.2 Informal Cross Border Trade (ICBT).....	2
2.3 Challenges Plaguing Informal Cross Border Trade (ICBT)	3
2.4 The Potential of Cross border Trade.....	5
2.5. Policies, Regulations and Protocols related to ICBT.....	5
2.5.1. African Continental Free Trade Area (AfCFTA) Agreement	5
2.5.2. Simplified Trade Regimes (STRS).....	6
2.5.3. IGAD Policy Framework on Informal Cross Border Trade (ICBT).....	6
2.6. Country Background in ICBT	9
2.6.1 Ethiopia.....	9
2.6.2 Kenya.....	10
2.6.3 Somalia.....	11
3. FINDINGS AND ANALYSIS	12
3.1. Existing Institutional Support.....	12
3.2 Existing Policies, Laws and Regulatory Frameworks	14
3.3 Business Enabling Environment.....	16
3.3.1 Market and Business Characteristics	17
3.3.2 Gender and Cross Border Trade	20
3.3.3 Market Information and Information Flow.....	21
3.3.4 Technology and Channels of Communication	23
3.4 Factors impeding CBT	23
3.4.1 Market Challenges	23
3.4.2 Poor Legal Procedures and Policies	23
3.4.3 Infrastructural problems	24
3.4.4 Communication Infrastructure:.....	24
3.4.5 Effects of Climate change and Conflict/terrorism	24
4. Conclusion and Recommendations	25
4.1 Conclusion.....	25
4.2 Recommendations	26
6. References	29

LIST OF ACRONYMS

ACTESA	Alliance for Commodity Trade in East and Southern Africa
AfCFTA	African Continental Free Trade Area
AU	African Union
AUC	African Union Commission
BCP	Border crossing points
BEE	Business Enabling Environment
BIAT	Boosting Intra African Trade
CBSG	Cross-border Security Governance
CBT	Cross Border Trade
COMESA	Common Market of Eastern and Southern Africa
CSOs	Civil Society Organizations
FAO	Food and Agriculture Organization
ICBT	Informal Cross Border Trade
ICT	Information and Communication Technology
IGAD	Intergovernmental Authority on Development
KNTP	Kenya National Trade Policy
KRA	Kenya Revenue Authority
REC	Regional Economic Community
STRs	Simplified Trade Regimes
TVET	Technical Vocational Education and Training
USSD	Unstructured Supplementary Service Data
VCs	Value Chains
OSSREA	Organisation for Social Science Research in Eastern and Southern Africa

EXECUTIVE SUMMARY

This study was commissioned by Tetra Tech International and carried out by the Organisation for Social Science Research in Eastern and Southern Africa (OSSREA) under the BORESHA project. BORESHA was funded by the EU Trust Fund and implemented over three years (2018 to 2020) by a consortium of four partners: the Danish Refugee Council, World Vision International, Tetra Tech International and CARE International. Tetra Tech International implemented BORESHA's Private Sector Development component. The project undertook resilience, livelihoods and natural resource management activities in the cross-border areas of Kenya (Mandera), Somalia (Gedo), and Ethiopia (Dollo Ado). BORESHA's goal was to create greater economic and employment opportunities and strengthen the resilience of the vulnerable communities living in the area.

Cross border trade (CBT) has become increasingly important across the continent as demonstrated by the signing of the Africa Free Continental Trade Area (AfCFTA) agreement. However, due to several challenges, much of the cross-border trade happens informally – outside the framework of state or REC regulations. Previously, informal cross border trade has gone largely unrecognized and efforts to formalize it have been underfunded by governments or attempts have been made to criminalise it. This despite the significant potential that cross border trade holds in contributing to tax collection, supporting income generation, food security, as well as the employment and empowerment of women who constitute a majority of traders in some value chains. It is also a lifeline for food and essential goods for communities living in remote or conflict affected areas. The low level of recognition is partly due to the lack of data on actual volumes of goods that are sold across the border informally. This translates to underreporting on the potential benefits of the cross-border trade to government tax collection efforts and to the welfare of border communities.

Informal cross border trade (ICBT) is generally born out of the rigidity and burdensome nature of tax regulations put in place by states. It is also a result of non-transparent, complex and un-harmonized trade regulations and policies. Majority of the regulations are developed to suit large exporters and importers who can fulfil the administrative requirements, including the tax obligations. As a result, smaller traders resort to by-passing the regulations which are beyond their ability to fulfil, leading to illegal trade and an often undeserved reputation for wanting to avoid regulation.

In the tri-border area that was the focus of this report (Kenya, Ethiopia and Somalia), there is little in the way of functional policies to govern trade between the three nations. A 2018 Framework Agreement was signed by the three governments, but little effort has been made to implement it. Other agreements exist but they are outdated, and erratically enforced. Traders are largely unaware of these agreements leading many to trade informally. Additional challenges include high tax rates, nontariff barriers, as well as challenges such as insecurity, lack of supporting infrastructure, lack of market information, corruption and harassment by security and border agencies.

Despite these challenges, trade continues to thrive in the tri-border area. The main commodities traded are livestock, fresh produce, dry foodstuff and electronics but much of the trade is informal. There are several factors that make cross border trade conducive in the area. First, the communities living in the area all share common cultural beliefs and language. This results in strong socio-economic ties which often underpin trade. Secondly, the area is remote, and communities are dependent on each other for sustenance through the sale of food and livestock. Since the potential for cross-border trade in the area exists, the challenge now is to support the formalization of this trade with a view to bringing the traders into the fold of regulation.

In order to enhance the enabling environment for cross border trade, the three governments need to harmonize the cross-border requirements and conditions for trade. Additional interventions outside of the realm of government regulation include strengthening traders' associations, capacity building for the traders in the area of business management, as well as promoting access to information such as market prices. To aid this, ICT can potentially be used to increase the potential reach since many traders use mobile phones. However, the use of USSD codes would be more beneficial than a mobile application due to the low penetration of smartphones. Special focus should be placed on training women who constitute a sizeable portion of the traders but face additional barriers.

1. INTRODUCTION

This research report documents the findings of a research study which investigated the status of the Business Enabling Environment (BEE) in the tri-border area and the potential in the project areas for the development of an integrated market. The Terms of Reference for the study also required an assessment of the level and dimensions of informality in Cross Border Trade (CBT) within the project site and the potential towards some degree of formality.

The main research objectives were:

- i. Contribute to the development of the business enabling environment for cross-border (CB) markets, connectivity and trade
- ii. Recommend key priorities for investment (by private sector, multilateral donors, county government and others) to increase the competitiveness of industries and businesses located in the CB project area.
- iii. Identify information gaps within particular value chains (VCs) i.e. fodder and animal foods, livestock, milk, meat, horticultural produce, services and construction.
- iv. Assess the level of informality and potential for formality within these VCs.

2. LITERATURE REVIEW

2.1 Cross Border Trade

Cross-border trade is considered one of the important elements of African economic and social settings, it contributes significantly to the income of Africa's population, especially those living near the borders (African Development Bank Brief). Since agricultural and livestock products form the bulk of traded goods, cross border trade is a crucial contributor to food security in addition to providing incomes, reducing poverty and contributing to overall welfare. This is especially true for marginalised groups with little else in the way of income-generating activities. For vulnerable groups living in fragile and conflict-affected areas, cross border trade is a lifeline to the rest of the world and provides a pipeline of necessary goods and services in addition to supporting their social recovery. The trade also creates bonds and solidarity which are crucial for peacebuilding (Bridges Africa, 2018).

2.2 Informal Cross Border Trade (ICBT)

Informal Cross-Border Trade (ICBT) is the small-scale trade of legal goods occurs outside the framework of state regulations and which avoids the payment of taxes or duties. It is reliant on community/cross-border networks and is generally done for subsistence and augmentation of household incomes (Ogalo, 2010).

According to Fletcher (2010), informal cross-border trade has become a significant part of international trade. However, it is also pointed out that informal networks can be exclusionary, or even promote anti-social actions and violation of laws governing the formal economy.

Several dynamics explain the importance and persistence of ICBT in the IGAD (Intergovernmental Authority on Development) region, perhaps the most notable of these is critical role it plays in enhancing the livelihoods and food security of borderland communities. ICBT represents a livelihood strategy for vulnerable communities to exploit price disparities across the borders, buying where goods are cheap and selling them across the border where prices are higher.

In the IGAD region, a significant proportion of ICBT flows are made up of staple food commodities impacting directly on regional food security. A second category of ICBT goods in the IGAD region are cheap consumer goods such as textiles, shoes and electronic appliances that communities in borderlands are only able to access through ICBT. ICBT is also an important source of employment and alternative income source for borderland communities. Above all, ICBT often reflects long-standing ties and social networks which pre-date colonial and post-colonial boundaries.

ICBT is also a response by borderland communities and traders to non-transparent, complex and un-harmonized trade regulations and policies. The complexity and lengthiness of customs procedures, formalities and charges, creates incentives for ICBT traders who want to minimize costs and respond to market demand. This informal trade is facilitated by the weak and arbitrary enforcement of these complex laws and regulations, together with corrupt and inadequate border control.

According to Ogalo, informal cross border traders often do not pay taxes and consequently do not contribute to government investment coffers. He argues that it would be difficult for governments to formulate policies suitable to formalize the trade due to missing statistics on ICBT (Ogalo, 2010). Pearce and Robinson demonstrate that ICBT represents a significant share of cross-border trade in the East African region resulting in an underestimation of Gross

Domestic Product in the region (Pearce and Robinson, 2007). This, in turn, means that there has been a misinterpretation of various issues such as the actual volume traded amongst states; trade benefits accruing to partner states from regional integration, and the actual state and performance of regional trade. This has negative implications when formulating policies that should be beneficial to the states, the lack of information results in suboptimal or irrelevant policies.

Ahmad and Schroeder have observed that ICBT is thriving almost everywhere in Africa (Ahmad et al, 2003) including Ghana-Togo-Burkina Faso, Nigeria-Cameroon-Chad, Senegal-The Gambia and Zimbabwe-Mozambique-South Africa, (Kieck, 2010). In the last two decades, the Horn of Africa (which includes Somalia, Ethiopia and Kenya) has been a focal point for many researchers in different fields such as sociologists, anthropologists and political scientists but by few economists (Kieck, 2010).

According to a study by USAID, there are several gains from informal trade such as job creation and provision of industrial and agricultural products that are not readily available in these areas (USAID, 2009). It therefore plays a critical role in supporting food security since food is moved to deficit areas from surplus ones while providing income for those participating in it. On the flip side, informal trade results in loss of revenue to the authorities, is marred by the lack of adherence to safety and quality control regulations and may result in unsanitary produce because of poor handling practices during storage and transportation. It also supports corruption since the traders must bribe their way out of meeting the tax and health inspection obligations.

Despite Structural Adjustment Programs (SAPs) that aimed for trade liberalization and promotion of formal integration, Akech stresses that low levels and differences of documented intra-African trade flows have been recorded in the last three decades (Akech, 2012). According to Cho, despite there being more than 30 regional blocs, often with overlapping membership, official trade between the states accounts for only 10 percent of total trade which is way below the average trade of other regions of the world (Cho, 2011).

2.3 Challenges Plaguing Informal Cross Border Trade (ICBT)

In Africa, policy makers are paying very little attention to the governance of ICBT. Despite the importance of ICBT to the continent's trade, economic growth, poverty relief and integration, ICBT still remains a considerably under recognized and under investigated area in Africa's trade activities (FAO, 2017).

The lack of attention paid by policymakers contributes, in part, to the limited amount of information available about ICBT and the profile of its actors. Without sufficient data and information on ICBT, trade policies and integration initiatives lack evidence to support effective policy decisions. Most of the African governments are mostly concerned with the negative impact of ICBT on the economy such as imbalanced competition with local industries, and the loss of potential revenue (FAO, 2017).

While many African countries and development partners have acknowledged the potential of the informal sector, it has not featured in the development agenda. Challenges facing ICBT are largely a result of rigid tax regulation, burdensome regulation and weaknesses in private property rights. Non-tariff barriers complicate formal business operations and are a hindrance to informal traders who would like to formalize their businesses. There needs to be an intentional effort by governments and development partners to address these challenges for the benefit of traders and government tax collection efforts (FAO, 2017).

Cross border traders face significant challenges at border crossings. Firstly, infrastructure at the border is primarily designed for large truck consignments and is not suited for the traders who cross carrying or pushing the goods on carts or transporting them on bicycles and motorbikes. Supporting infrastructure such as sanitation blocks, lighting and fencing are generally absent, further adding to the discomfort and insecurity experience by the traders.

Secondly, border officials are often not trained and even when they are, they sometimes cause delays and harass the traders extorting bribes. The situation is particularly precarious for women traders who also contend with gender-based violence and harassment. These challenges are frequent and widespread, making border crossings unsafe for the traders.

In addition to the border crossing challenges, the traders face challenges accessing capital, and many have inadequate knowledge of business operations. This then results in many of them being unbanked and lacking collateral to secure loans that would have enabled them to expand their businesses or travel longer distances from the border to buy or sell their goods.

Women traders face greater barriers across the board, having even less access to finance due to traditional systems of asset ownership. Initiatives to support capacity building are not always scheduled to ensure women can attend since they must balance family obligations and time for trading to earn some income.

2.4 The Potential of Cross border Trade

Sommer 2018 asserts that small-scale cross border trade can have significant impact driving sustainable development. It can support poverty reduction through the income generated, improve sustainability of livelihoods through diversification of income sources, promote food security and support peace initiatives by building ties across communities. The fact that a majority of traders are women means that it also lends itself to their economic empowerment.

The other key benefit of small-scale CBT is the employment creation potential. There is increasing recognition of self-employment as a solution to the employment crisis that exists in many African countries. ICBT spans beyond raw agricultural products into processed foods such as yoghurt, services and other manufactured goods. It therefore has great potential to support economic diversification in cross border areas (Bridges Africa, 2018).

2.5. Policies, Regulations and Protocols related to ICBT

2.5.1. African Continental Free Trade Area (AfCFTA) Agreement

The landmark African Continental Free Trade Area (AfCFTA) agreement that came into force on 30 May 2019 offers an opening to address the challenges related to Cross Border Trade. It is a comprehensive framework that opens the door for member states and RECs to negotiate the terms under which goods and services can be traded. This elevates the Common List of goods that move freely as agreed within Regional Economic Communities (RECs). These lists can now apply to more countries, be more extensive and have higher thresholds to boost trade across the continent.

To take full advantage of the AfCFTA, each country needs to support the formalization of ICBT. Governments need to address non-tariff barriers by making business registration and licensing easy, streamlining safety and inspection processes and simplifying tax administration. Registration fees and tax rates need to be reviewed to ensure that they are not prohibitive. Inclusive national level consultations are necessary, to determine how best cross border traders, especially women, can be supported to take advantage of AfCFTA.

The implementation phase of the AfCFTA needs to be supported by policy and a monitoring framework to track whether the obstacles to cross border trade are being addressed. Cross border traders, through their associations, also need to be included in the review of the AfCFTA implementation, so they can have a voice at the policy making level.

2.5.2. Simplified Trade Regimes (STRS)

Recently, encouraging policy actions have been taken by some Regional Economic Communities (RECs) and countries in Africa. They are shifting towards a friendlier environment by enhancing the experience of cross-border traders. The simplified trade regimes (STRs) introduced by the Common Market of Eastern and Southern Africa (COMESA) were a significant step towards easing the bureaucratic burden faced by the traders. The process and documentation were simplified for a list of goods which are commonly bought and sold by cross border traders. Customs officials were also trained to aid the traders and improve the efficiency of clearing procedures. In these ways, the STRs have tackled some of the obstacles plaguing cross border trade and have supported the formalizing of ICBT.

This initiative by COMESA has also improved the collection of cross border trade data through partners such as the Alliance for Commodity Trade in East and Southern Africa (ACTESA), Famine Early Warning Systems Network (FEWS NET) and the East African Grain Council (EAGC). COMESA's Automated System for Customs Data (ASYCUDA) also captures data that provides useful evidence for policy discussions since the extent and significance of cross border trade can now be ascertained. Policy makers are yet to fully appreciate the significance of cross border trade, but this data may help correct that.

2.5.3. IGAD Policy Framework on Informal Cross Border Trade (ICBT)

The Intergovernmental Agency on Development (IGAD) covers 8 countries in the Horn of Africa: Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, South Sudan and Uganda. Borders and borderlands in the IGAD region are inhabited by millions of people who pursue a range of economic pursuits, including pastoralism, agro-pastoralism, agriculture and trade. Majority of the borderlands are situated in arid and semi-arid lands inhabited by communities vulnerable to climate change shocks and face challenges such as desertification, deteriorating rangelands, drought and famine. In the IGAD region, borderland areas exhibit some of the lowest human development indicators in terms of access to basic social amenities. Issues such as inter-state and intra-state conflicts and tensions, human trafficking and smuggling, and trafficking in small arms and light weapons afflict borderlands and further threatens the security of communities.

IGAD Member States signed a draft regional policy framework on Informal Cross-border Trade (ICBT) and Cross-border Security Governance (CBSG) on 21 June 2018 in Mombasa, Kenya. The Intergovernmental Authority on Development (IGAD) convened a meeting of Trade Ministers to deliberate on the policy framework and determine how to implement it. The

policy framework proposes important policy shifts in the management of informal cross-border trade in the IGAD region towards improving cross-border security governance. Below is an excerpt from the IGAD policy framework on ICBT:

RECOGNIZE the centrality of borderlands to the attainment of peace, security and development in the entire region;

RECOGNIZE that borderlands are areas where human security and development conditions are particularly dire and therefore require greater focus and investment across all sectors;

ACKNOWLEDGE the growing importance of informal cross-border trade as a lifeline for millions of vulnerable borderland communities with a great majority of them being women;

RECOGNIZE the strong need to promote inclusive socio-economic growth and sustainable peace and security of borderland regions as well as the strong potential informal cross-border trade has in promoting cross-border human security;

FURTHER RECOGNIZE important gains made in the formulation and harmonization of trade policies at regional and continental levels through the Common Market for Eastern and Southern Africa (COMESA) as well as the recent achievement of the African Union Commission (AUC) in gaining broad support towards the realization of the African Continental Free Trade Area (AfCFTA);

UNDERLINE the critical importance of ensuring sustainable development and security of borderlands as frontiers of regional cooperation and integration. COMMEND the efforts of IGAD Member States' and partners' efforts in promoting human security and resilience of borderland communities through supporting sustainable livelihoods and improved access to infrastructure and social services - mainly through - the IGAD Drought Disaster Resilience Sustainability Initiative (IDDRSI);

ADOPT the policy framework in full support of its core objectives, namely: a) Ensuring a coherent understanding of ICBT contributions to livelihoods and economic well-being of borderland communities; b) Enhancing greater ICBT-CBSG policy convergence and harmonization in IGAD Member States; c) Strengthening border security systems and supporting trade facilitation at border crossing points (BCPs); d) Promoting the participation of borderland communities in policy consultations to ensure that Cross-border trade and security-related decisions are enriched and borderland communities' interests and concerns promoted; and e) Ensuring availability and access to consistent, timely and reliable data and analysis on cross-border economic exchanges and ICBT.

RECOMMEND that IGAD Secretariat and its relevant specialized institutions will lead efforts in creating awareness on the policy framework as well as in gaining broader support towards its implementation across all relevant sectors in Member States - including security and customs agencies;

DIRECT the IGAD Secretariat to internally constitute a coordination mechanism involving relevant divisions and specialized institutions/programmes to support the implementation of the Policy Framework

IGAD Communiqué, 2018

2.6. Country Background in ICBT

2.6.1 Ethiopia

The Ethiopian government has supported the formalization of small-scale cross border trade through the Petty Periphery Trade initiative launched in the 1994/5 fiscal year. The policy permits the import and export of a limited threshold of goods for basic use. It was put in place because the country is large and, in some cases, it is easier for border communities to access goods from across the border than from domestic markets. High transport costs also mean that goods are cheaper across the border than if they were transported from elsewhere in the country. Unfortunately, the policy is out of date having last been revised in 2000.

There are directives in place to govern the trade between Ethiopia and Kenya, Djibouti and Somalia/Somaliland. These directives stipulate thresholds such as the list of duty-free goods and the number of times traders can cross to buy and sell goods per month. For example, each trader may not import or export goods from/to Kenya worth more than ETB 20,000 (6,588.21 USD by the official exchange rate of 1992) and they can only import goods a maximum of twice a month. The threshold values vary according to the directive for each country. All traders are required to procure an annual license in order to participate in the trade under the directive.

However, these directives have not been fully implemented for several reasons. Firstly, the directives are outdated, and the threshold value of goods has not been adjusted for inflation. The value of the goods one can purchase is therefore very low. The list of commodities is also outdated and does not reflect the current needs of border communities. For these reasons, the Petty Periphery Trade initiative has been ineffective and the small-scale cross border traders have resorted to informal trade. In addition, other policies such as bans on trade of certain commodities as well as increased customs points create further barriers to formalizing the cross-border trade.

The average rate of customs duty in Ethiopia is 17% but it ranges from 0% to 35% depending on the goods. While there have been efforts by the government to reduce the rate of customs duty, they remain high and this is also an obstacle to the formalization of the cross-border trade.

The main district (woreda) of Ethiopia that links with the tri-border area is Dollo Ado, a large commercial hub in South-East Ethiopia. The main towns in this woreda are Dollo Ado and Suftu, 39km and 1km away respectively from the Mandera border with Kenya. Three decades of insecurity in the neighbouring Somalia coupled with recurrent drought and famine has led to an influx of hundreds of thousands of Somali refugees who now live in five camps in Dollo

Ado and Bokolmayo¹ Woredas. This migration and the ever-growing refugee population has put pressure on the limited livelihood options. However, it has also strengthened cultural ties since the Somali community now straddles both sides of the border and this has spurred increased trade with Somalia.

2.6.2 Kenya

Kenya borders Uganda, Tanzania, Sudan, Ethiopia and Somalia, and enjoys good trade relations with her neighbours. There is significant formal trade, but informal cross border trade remains a challenge. Several factors have promoted informal trade, one reason is that some goods are cheaper on the Somali and Ethiopia side compared to sourcing the same goods from the Kenyan capital, Nairobi or the coast, Mombasa. Distance and cost of transportation is a major contributing factor to this cost. Another incentive is the fact that there are several communities that span across borders. For example, the Oromo/Borana straddle Ethiopia and Kenya and the Somalis live cross the Kenya, Somalia and Ethiopian borders. This results in strong socio-economic ties at the border crossings in the regions where these communities reside.

Civil wars and conflicts in Somalia have forced the citizens living near the borders to rely on supplies from Kenya. For Kenya's other neighbours, distances to major cities as well as deficits of certain commodities spur cross border trade. Poor road infrastructure has also forced communities near the borders to sell to the closest market which may be on the other side of the border. This is evident in areas like Mandera in North Eastern Kenya, where the town was mainly sustained by goods from the neighbouring Somalia (before the border was closed) because the road infrastructure from the Nairobi is poor and transport costs are high.

The East Africa Community has allowed for the free flow of most goods and services, thus encouraging trade between Kenya, Uganda and Tanzania. Trade Agreements exist between Kenya and Ethiopia. However, ICBT is still prevalent e.g. in Borders like Busia where traders cross carrying goods on carts or on their heads. The Kenyan government seems to have turned a blind eye to these small traders and generally allow the free movement across the borders (Uganda Bureau of Statistics, 2009).

¹ *Bokolmayo is another woreda adjacent to Dollo Ado*

2.6.3 Somalia

In Somalia, ICBT with neighbouring countries has several dimensions. There is a Bilateral Cross-Border MOU and supporting implementation plan between Ethiopia and Somalia to support trans-boundary disease control and to enhance livestock trade. The MOU purposed to strengthen CBT between the two countries and develop modalities, programs and policies to support CBT. The MOU was not operationalized fully due to many factors including lack of political goodwill, insecurity in some areas and insufficient policies and programs.

According to Kenyan authorities, the Kenyan-Somalia border is closed, goods and people are not allowed to cross over. But the reality on the ground is different. Goods move freely through undesignated crossings. The demand for goods from Somalia is very high and market prices show that commodities from Somalia are cheaper in Kenya than those transported from the rest of Kenya to the Mandera triangle. It is because of this that the Somalia-Kenya trade is robust and gaining momentum despite the fact that the border is closed and there is no major support from stakeholders including NGOs, CBOs and government agencies from both sides.

According to Bloomberg, on June 16 2018, the Ethiopian Prime Minister Abiy Ahmed said his country “will abolish trade barriers with neighbouring Somalia as part of an effort to create a single market in the Horn of Africa region”. However, there are no major policies, programs and institutions developed to support CBT in the Mandera Triangle.

Culture and religion have influenced cross border trade of Somalia with Ethiopia. Some commodities cannot be traded between countries including wine, alcohol and some animal products. This is influenced by the existing culture and religion, in Islam for example, the consumption of beer is *haram* and hence there is limited trade of it. The Orthodox Christians in Ethiopia do not eat camel and this affects the volumes of camels traded.

Although the customs and taxation systems are weak, dutiable goods crossing through the proper channels are taxed at varying rates.

3. FINDINGS AND ANALYSIS

The findings of this research study are based on analysis of the primary and secondary data collected.

3.1. Existing Institutional Support

Kenya

There are several policies and laws that govern CBT outlined in the Kenyan National Trade Policy and a number of policies that have been signed and ratified by Kenya through various Regional and International institutions. However, in our view, formal policies and laws have not been implemented at the Mandera border. This is because the Kenya-Somalia border is not functional and the formal crossing between Kenya and Ethiopia is at the Moyale border.

The absence of functional regulatory agencies at Mandera like the Kenya Revenue Authority, Kenya Bureau of Standards (KEBS) and Immigration departments which are government organs established to facilitate CBT and check standardization of goods and entry of people also limits flow of goods and services at the border. There are offices there, but they are not well staffed and therefore not effective.

In Kenya, national and county governments have established institutions that support local businesses especially women and youth enterprises. These institutions promote access to finance and capacity building on entrepreneurship in order to promote the growth of small businesses. However, communities in this region are restricted by the teachings of Islamic faith which prohibit interest paying loans and by the marginalization of the Northern regions. The area has previously been marginalized resulting in issues such as poor infrastructure which have impeded growth. Proximity to Somalia has also resulted in the area being perceived as a source of insecurity. Until devolution happened recently, the government focused on increasing security in the area and largely ignored the development of social amenities and the creation of an enabling environment for economic growth.

Mandera has a local chapter of the National Chamber of Commerce and Industries but it has been mostly inactive due to internal governance issues and lack of consistent institutional support by the national and county governments. There is also a semi-formal Livestock Marketing Council that has in the past received external donor support to help livestock traders across the triangular border with capacity building and civic education.

Due to the security risk posed by the Al Shabab terror group, Kenya closed the border with Somalia in 2014. At the time, this was perceived as a temporary measure however the closure

has persisted even to date. This border closure has had an adverse impact on businesses in Mandera town and increased the price of goods which now come from Nairobi at great cost due to distance and the state of the roads. For example a bag of cement from Nairobi is sold at \$10 to recover transport costs but the same bag imported from Ethiopia costs \$6.50. However, there are many unauthorised entry points between Kenya, Ethiopia and Somalia where goods can be smuggled in. It appears that police officers patrolling the borders can sometimes demand bribes of up to \$100 per full donkey cart in order to allow the smuggled goods into Kenya.

County revenue collection has also fallen sharply due to the border closure since many traders now bring in goods illegally. “We are unable to track what comes in and tax it from main stores in town since the border was closed creating illegal entry of goods,” Mandera Director of Trade Ibrahim Hassan Isaac has previously said. He stated that there is lack of coordination between the national and county government when it comes to implementation of policies and regulatory frameworks (SOAS, 2018).

Somalia

In Somalia, implementation of cross border policies, laws and regulatory frameworks in Gedo region is below standard. There is no IT infrastructure provided, and only three laws are in place (according to government officials). They are the following.

- a) Policies to clear goods at the customs
- b) Cross border trade agreements to ease movement of goods
- c) Policies to protect small-scale traders

However, no personnel have been trained to implement the policies and there are no clear mechanisms to evaluate performance. Majority of the traders are not aware of the policies that exist, and it appears they are mostly on paper.

Ethiopia

The inhabitants living in the border area of Dollo Ado Ethiopia exchange many of their basic commodities with communities of the neighbouring countries (Kenya and Somalia) through informal cross border trade according to the regulation made by the Federal Ministry of Trade and Industry. Current regulation allows the inhabitants of border areas to transport and sell basic commodities with a value of 2,000 Ethiopian Birr to border areas of the other country and to import from the border area of the other country. Interestingly, the agreement protocols have not been revised for a decade despite the ever-changing price of commodities. Moreover,

most of the informants are not aware of the existing policies and directives between Ethiopia, Kenya and Somalia.

The information obtained from the local informants in Ethiopia and confirmed by the immigration office in Dollo Ado, is that cross border trade and overall movement of inhabitants in Dollo Ado and neighbouring Woredas have been adversely affected after the Kenyan government closed the immigration office in Mandera. The immigration visa to Kenya is now provided at the border town of Moyale and Wajir County, which are located at a distance of more than 500 and 200 kilometres from Dollo Ado respectively.

3.2 Existing Policies, Laws and Regulatory Frameworks

There are a number of existing policies and regulatory frameworks as stipulated in the table below. Records of the financial resources allocated to cross border trade were not availed and some sources indicate that no structured budget was allocated. Infrastructure in the area was generally indicated as poor. The capacity building interventions mentioned consist of training and workshops that last for about 3 to 4 days. The number of awareness programmes on policies and regulatory frameworks were noted to be none. It was also noted that there were no civil society organisations involved in policy making or evaluations.

Table below summarizes Existing Policies, Laws and Regulatory Frameworks

Performance Indicator	Kenya	Ethiopia	Somalia
What institutions, policies or regulatory frameworks exist?	-Kenya National Trade Policy (KNTP) -KRA -Customs -IGAD Protocol -EAC -COMESA	-IGAD -Federal Government -Regional Customs	-Cross border trade agreement -Protection of small-scale traders -Procedure to clear goods
How much financial resources have been allocated?	Little information on allocation is available	Little information on allocation is available	No records have been availed to show financial resources have been allocated.
What is the State of the infrastructure?	Infrastructure in Mandera is poor: - Poor/dilapidated roads within the		Infrastructure is poor in the area

	<p>region but some construction is underway</p> <ul style="list-style-type: none"> - High transportation cost <p>Lack of proper market</p>		
What is the size of human resources in the cross-border customs offices compared to the volume of trade?	6 customs and security personnel at the border. The border is closed therefore the volume of trade is not recorded as all the cross-border trade is informal		4 fulltime workers in the custom offices. The volume of trade is not measured as the customs process looks weak.
The number of private-public partnerships	None	1	1
Number of capacity building interventions for CSOs and government officers on CBT	PACT's PEACE III program	2	2
Number of awareness programmes on policies and regulatory frameworks	0	1	0
How many communities, mass media institutions and civil society organizations have been involved in policy making and evaluation?	0	-	0

3.3 Business Enabling Environment

The triangular border area has great business opportunities and the local markets across the 3 countries can connect for trade. However, governments' laxity in providing effective regulatory procedures complicate the business environment which then jeopardizes the volume and ease of trade. Due to the border closure between Kenya and Somalia and the lack of a formal crossing between Kenya and Ethiopia in the area covered by the triangle, the trade taking place across the borders is taken as informal trade by the county government of Mandera and the national government.

Generally, there is no practical institutional support by the respective countries to improve the business environment or strengthen growth of CBT. Instead, every country prioritizes focus on countering terrorism and security threats which are significant in this area.

The Kenya's Border Management Committee prioritizes security in its border management strategy however, the national government has set revenue targets for the county's Kenya Revenue Authority office to be generated from CBT. This despite the fact the government fails to improve the business environment. The neighboring states lack cooperation in granting legitimacy to formal cross border trade and setting up collective efforts on regulatory framework to support and control the trans-boundary trade. In general, there is lack of attention and support from national and international agencies for the many existing cross-border activities in this borderland.

On each side of the three borders, customs departments are not functional and do not do regular control of trade across the borders. These institutions are not effective due the security situation in the area. Goods crossing from one country to the neighbouring country are usually meant to be cleared by the customs agencies of both countries but at present, none of the border crossing have this in place. Therefore, most of the commodities cross into either country through unofficial entry points where police officers manning the border extort money from traders. The traders end up paying a lot of money to transport the commodities and in the end; this translates into higher selling price at the market. Traders are also challenged by the changing dynamics of border security that hold up free movement of commodities across the borders which ultimately affect consistency of market supply.

At previous community consultations on priority industries needed in this area, locals stated that they suggested the prioritization of fruit and milk processing industries as well as creation

of reliable markets for locally produced fruits and cereals such as maize and beans. Local farmers and livestock product traders usually experience significant post-harvest loss of these products and would thus benefit from the setup of processing industries.

Table 1: The table below summarises the industries that the respondents agreed would be beneficial to the area:

Industries	Reason
Juice factory	There are many fruits and vegetables grown along the rivers and the residents experience significant post-harvest loss. The factories would be the best solution to deal with the surplus.
Hides and Skin	Due to the large volumes of livestock traded in the area, there are many hides and skins stored in various stores in the town. The factory would process the hides and skins into leather thus generating additional income and creating more jobs for the youth.
Meat processing Factory	The factory would encourage value addition and livestock traders would benefit from stable prices during the dry and wet periods.
Milk processing Factory	The value addition would curb wastage and the traders would earn an extra income from value addition.

3.3.1 Market and Business Characteristics

The table below highlights the key value chains in each of the 3 countries in this borderland:

Kenya	Somalia	Ethiopia
Social services; education and health including pharmaceuticals	Foodstuff	Fuel
Livestock	Vehicle spare parts	Wheat
Khat (Miraa)	Clothes	Cereals
	Livestock	Livestock

All markets across the triangular border are functional and the Mogadishu - Beled Hawa route in Somalia remains the major supply route of key commodities traded. General merchandise including foodstuff from Somalia is traded at the Mandera and Ethiopia markets which function 24/7. Farm produce, livestock and livestock products and other commonly traded items including general household items markets have consistent access. Other businesses operating in this borderland include sale of mobile phones and accessories, Mpesa (mobile money) shops, computing services, pharmaceuticals, vehicle repair garages, sale of spare parts, construction materials, quarrying and sand harvesting. These goods and services are locally traded within each of the local markets on across all sides of the borders.

Table 2: The table below indicates a sample of the commonly traded commodities, prices, variances and causes:

Commodity	Kenya	Somalia	Ethiopia	Variance	What causes the variances?
Rice – 25kg bag	\$27	\$22	-	\$5	Lack of proper taxation on the Somalia side, lower transportation cost, bribery demands by security agencies.
Cement - Bag	\$10	-	\$6.5	\$3.5	Taxation is high in Kenya, distance, demand due to construction is higher in Mandera than Dollo and Suftu
Livestock – A camel	\$800	\$600	\$500	\$200 - \$300	Mandera consumes more meat than the two counties because of the population and income. The level of poverty is high in Suftu and Beled Hawa
Electronics – 30 inch TV	\$250	\$200	-	\$50	Electronics come from Somalia because taxes are less at the Mogadishu port compared to Mombasa. Mogadishu Port is closer to Mandera and so transportation costs are lower than in Kenya

Business operations in this area fall under complex scenarios characterized by the regional socio-political and ethnic context which determines the status of integration and ability to conduct business. Market operations get paralyzed during bouts of border insecurity as a result of terror threats or inter-clan conflicts which often spillover across the border. In addition to this security challenge, markets are affected by corruption since state officers responsible for border management demand bribes. The area also suffers extreme weather, facing severe droughts in some seasons and flooding in others.

In the recent past, there has been an increase in the number of women joining business in general and a few find more opportunities in CBT. Many of them are small and medium entrepreneurs who operate in markets across the corridor running businesses with a capital of about \$1000.

Table 3: The table below summarises the Market and Business Characteristics and Volume of Trade in the Various Value chains

Value Chain	Volumes traded in Mandera	Characteristics
Fodder and animal foods	Small to medium	<ul style="list-style-type: none"> • This is mainly informal and most traders are women. • Limited access to financing. • Lack of an enabling environment: These include informal taxation by the police when they have to buy or sell goods across the border, lack of a sound crossing bridge for free movement across Kenya and Ethiopian border among others
Livestock, meat and milk	Small to medium	<ul style="list-style-type: none"> • In Mandera, livestock trade is a male dominated trade. The meat trade, if large scale is done by the men, small scale meat and milk trade is done by women. • The trade is informal. • There are systemic constraints along the live animal value chain • Frequent droughts leading to loss of livelihoods for pastoralists, traders and all those who are involved in the value chain • Poor disease control systems across the region • High cost of doing business along the value chain because of many middlemen involved, taxation both formal and informal and high transport costs.

		<ul style="list-style-type: none"> • Limited value chain financing leading to small scale operations • Seasonal fluctuations in the number and quality of animals supplied to the market with numbers reducing to almost half in the dry season. • Limited entrepreneurial skills among the livestock traders
Horticultural produce	Medium to Large	<ul style="list-style-type: none"> • Trade at the markets is done by women • Major crops are tomatoes, watermelon, mangoes, onions and paw paws. • The main challenges facing income generation potential of these value chains is lack of inputs, lack of technical knowhow and market linkages resulting in significant post-harvest losses
Services and construction	Most services are sourced from Kenya.	<ul style="list-style-type: none"> • The volumes are not known due to the informal nature of the trade

3.3.2 Gender and Cross Border Trade

Women in the cross-border region of Mandera triangle are mostly small-scale entrepreneurs in agricultural and livestock products. The gender roles in pastoral society are often biased and they impede the ability of women to access resources and prevent them from making decisions (Mbo’o, Tchouawou et al., 2016; UNECA 2011). Due to limited access to information, lack of credit facilities and the absence of governing systems to support cross border trade in the triangle, they are not able to participate in large scale businesses.

Kenya and Ethiopia have decentralized their government systems to increase access to development initiatives and resources at the grassroots. In Kenya, this has resulted in the destabilization of social organizations once supported by the national government. The women in Mandera reported that through national government initiatives, they were trained on business skills and farming, and also received small grants to start businesses and buy seeds for their farms. These groups were disbanded after the county government system was established. Consequently, due to the recent extreme drought, which was quickly followed by floods, their small businesses have collapsed, and they are now dependent on the food rations from the national government. The Mandera county women traders dealing in fodder also stated that they used to be in organized groups that received trainings from the Ministry of Agriculture on

fodder storage and business management. This ceased when the system of government changed and in addition, they no longer have designated public spaces to sell their goods.

Table 4: The table below summarises the Nature of Trade in Mandera

Value Chain	Nature of Trade (Formal/Informal)
Fodder and animal foods	Informal
Livestock, meat and milk	Informal
Horticultural produce	Informal
Services and construction	Informal

Table 5: The table below summarizes the Processes and Procedures of clearing Goods across Borders

KENYA-SOMALIA	KENYA-ETHIOPIA
The process of clearing goods is not formal because the Kenya-Somali border is officially closed. Due to the security issues on the Somali side, there are no functioning institutions that clear the goods.	The nearest officially gazetted border for Ethiopia – Kenya is Moyale. The goods can also be cleared from the Kiliweheri border (due to an agreement between local authorities in Kiliweheri and Elmoye and the authorities in Ethiopia). On the Kenyan side, goods are taxed by the county government. However, in Mandera, the clearing of goods is still done informally through payment of bribes to security personnel. Traders have reported that the main issue they have faced at this border is Ethiopian security agencies seizing their goods and burning them without any consultation with other stakeholders.

3.3.3 Market Information and Information Flow

Businesses across this area have regular information exchange and can access market and trade information on daily basis. Information sought by the traders here ranges from market stock demand, change of prices and accessibility of connecting roads.

Relevant government departments are meant to disseminate information of CBT policies, frameworks and/or institutional support through community-led business associations. However, the associations in place are not formal and have no constitutional legality. Current

and future programming on building community resilience through strengthening of their livelihoods need to consider providing support to these community trade associations to empower them effectively. The community in this borderland finds security updates very useful alongside exchange rates and market prices of traded commodities.

Since there are no clear platforms to share business information, traders mostly use verbal and telephone communication to share business and trade information with their colleagues. The main information sought by traders is security updates, market price, the demand and supply levels of goods and services and exchange rates. Channels commonly used to disseminate information are telephone, verbal and local radio stations.

The main generators, disseminators and consumers of market and trade information are the traders. Below is the rating by businesses of the usefulness of information (1 – being most useful):

Market Information	Reasons
1. Security	Security in this area is very important information and necessary. An update on the security situation can assist the traders to know where to go and which routes to use so as to ensure their safety and safety of their goods. This information currently is difficult to access unless one has connections with security personnel in the area.
2. Market Price	Market price information guides the traders on which markets they should sell their goods in to ensure they make a profit. Currently only few traders who are members of some informal associations have access to this information. This puts other small scale traders who do not have the capacity to join these associations at a disadvantage.
3. Market Location	Market location is necessary to guide the traders on where to take their goods during the different market days in the different locations.
4. Exchange Rates	Exchange rate information is important to the traders because the traders are informed on what currency they should use to trade to make sure they do not make losses or are not cheated by the middlemen in the different markets. This information is only available to those who have contacts of those who exchange money in the various markets.

3.3.4 Technology and Channels of Communication

People mostly communicate by speaking on the telephone and verbal communication. Applications on smart phones are used by very few people because of the low literacy levels. The telephone networks available in the area are Safaricom, Airtel, Hormud, Ethiotel, and Orange. The most used network is Safaricom due to its wider coverage.

The traders are familiar with USSD technology; they can top up and check their balances. The traders mainly use Affan Oromo, Somali and Kiswahili as their language of communication. Most of the traders monitor market information by use of telephone through the use of voice calls. A few of them exchange text messages through telephone. No ICT tools are used to provide information on trends of CBT. Most of the traders are illiterate but with assistance from their children and the family members who are educated, they can use an ICT tool if one was made available.

3.4 Factors impeding CBT

3.4.1 Market Challenges

The main issues identified by the traders related to markets are:

- Poor access to market information
- Lack of information on business development and management
- Price fluctuations
- Lack of proper market infrastructure
- High influence of middle men in market places

Markets, especially the farmers' markets, have poor infrastructure. Most of the agricultural produce grown by communities within the triangle is supplied to local markets such as Rhamu and Mandera town. In Mandera, livestock products are sold in Banisa, Rhamu and Mandera, as well as other Kenyan counties of Wajir and Nairobi

3.4.2 Poor Legal Procedures and Policies

- Long legal process during business registration in Kenya
- High taxation
- Poor implementation of cross border business policies
- Border closure between Kenya and Somalia at Mandera Crossing
- No official entry point between Mandera and Dollow Region of Ethiopia

The Kenya-Somalia border is known to be the most difficult trading point with many recorded cases of goods seized as they were crossing into Mandera, and this is due to illegal entry points as a result of the continued closure of the border by the Kenyan government. Government officers have taken advantage of the closure to extort money from the traders since it is now impossible to enforce documented cross borders trade policies.

3.4.3 Infrastructural problems

- Poor/dilapidated roads within the region
- High transportation costs
- Lack of a proper developed market within the region
- Lack of a bridge connecting Mandera and Suftu

Existing infrastructure is poorly developed especially in key cross border towns which are mainly served by non-paved road. Mandera has recently benefited from the upgrading of some roads within the town to bitumen standard through investment by the county government. However, the roads to the border areas such as the connection between the Kenya/Ethiopia Daawa River crossing at Suftu and Dollo Ado, are not paved and become inaccessible during heavy rains forcing residents to use makeshift rafts to cross along River Daawa. Air transport for the three areas is via airstrips with unpaved runways.

3.4.4 Communication Infrastructure:

Mobile telephone communication is well-developed with Safaricom and Airtel (Kenya), Hormuud Telecom (Somalia) and EthioTel (Ethiopia) networks available. Communities along the border tend to use whatever network is available irrespective of the country where the service provider is domiciled.

3.4.5 Effects of Climate change and Conflict/terrorism

Conflict in the pastoralist land of the Horn of Africa has been attributed to the customary raiding for cattle, competition over natural resources such as pasture and watering-points, and the proliferation of small arms. For example, during the dry season, there is increased tension between the herders and farmers along the River Daawa as they share the same source of water. The main drivers of conflict include;

- Extreme weather conditions such as prolonged drought which force affected communities to move into areas that are not traditionally occupied by their clans;
- Prevalence of diseases due to mobility of livestock;

- Mushrooming settlements in Mandera from Internally Displaced Persons (IDPs) and other community members who have lost their livestock (pastoral dropouts) especially in the peri-urban centres, and
- Instigation by local politicians

Al-Shabab has over the years become a major threat to security; this particular threat influenced the closure of the Kenya – Somalia border. These conflicts and the effects of climate change have a negative effect on cross border trade since the trade routes are affected by the conflict and the traders have to find alternative routes that are longer and potentially unsafe. If the alternative trade route is longer, traders incur significant post-harvest losses when transporting perishable goods.

4. CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

There is significant potential for trade in the border triangle due to the fact that two communities straddle the tri-border area; the Oromo/Borana in Kenya and the Somali community in Somalia, Kenya and Ethiopia. This creates socio-economic ties that facilitate trade. Long physical distances to larger cities also promotes trade across the border since goods cost more if they had to be shipped from Nairobi for example, as opposed to Mogadishu which is closer. The traded commodities in the area include animals (cattle, camels and goats), agricultural produce and processed consumer goods.

Informal cross border trade remains a challenge, driven by outdated export/import requirements, insecurity, infrastructural challenges and corruption among other reasons. The three countries are not in a REC but there are agreements between Kenya and Ethiopia as well as between Ethiopia and Somalia. However, these agreements are outdated and not fit for purpose in addition to the fact that most traders are not aware of their existence. There are many illegal crossings and the traders make use of them to avoid taxes at the official border post, many of which are not manned by customs personnel but by and police.

Opportunities to use ICT to support cross border trade exist but since most of the traders have mobile phones without smartphone capability, initiatives may need to be USSD supported in order to reach a large number of traders. These initiatives can be used to address challenges such as the lack of price information and to educate traders on business skills.

Government investment is needed to support infrastructure challenges at the border including roads and facilities at the border posts. The three governments also need to work together to develop updated cross border trade policies and ensure that traders are made aware of the revised policies. Other initiatives such as capacity building and supporting the empowerment of women should be prioritised by both governments and development partners.

4.2 Recommendations

Training, Capacity Building and Sensitization

- The informal trade associations formed by the traders should be supported by the government, donors and civil society organizations. Current and future programming on building community resilience through strengthening of their livelihoods needs to consider providing support to empower these community trade associations effectively. These trade associations, though informal, offer significant benefits to their members such as;
 - Marketing of products for the members
 - Lobbying at local government level
 - Ensuring that members save money, the associations then run table banking - lending to members one at a time to improve their business
 - Ensuring that their members are not harassed by government agencies
 - Some associations e.g. the meat and miraa associations control market prices.
- Traders in this borderland area require capacity building and skills development to increase their understanding of CBT policies and regulatory frameworks across the triangular border. This is expected to ease implementations of local, national and regional trade policies.
- Governments need to conduct civic education to sensitize communities on existing policies and enhance their participation in implementation at all levels.
- Information, Communication Technology (ICT) should be integrated into CBT training and civic education programs but with USSD functionality given that very few traders use smart phones.
- Actors should be sensitized on the importance and advantages of formalizing the value chains and should be helped to set up processes and procedures.

For Governments and Regional Economic Communities (RECs)

- To improve policy implementation, the national government should open the border between Kenya and Somalia and also set up the relevant border institutions and make them functional in the three borders to ease movement of goods and services.
- The trade regulatory institutions can be improved by strengthening the coordination between the national, county and the inter-state trade organizations and implementers.
- A common policy on enhancing trade and development of markets for both livestock/ livestock products and horticultural produce is necessary to enhance both pastoral and agro-pastoral livelihoods within the area covered by the triangle.
- Cross-border initiative on Technical Vocational Education and Training (TVET) should be rolled out. This will create employment opportunities for the youth who can also be supported with capital to start businesses. This will also act as a counter-terrorism measure and it will mitigate conflict.
- Budget allocation from national governments should be improved in order to strengthen the CBT.
- More personnel should be employed to the customs departments.
- One-stop custom clearance should be initiated to reduce time spent at the borders of different countries.
- There should be infrastructure improvement in the CBT areas.
- Design national policy and regulation that will facilitate the ICBT following IGADs policy framework and ensure the national policy is implemented to regional level and to the grassroots level.
- There must be a comprehensive study and reliable data that reflects the dynamics and current situation of cross border trade to promote constructive policy dialogue.
- There must be clear policy and bilateral agreements that harmonize conditions for common benefit of inhabitants in the border area. The rules and regulations governing trade should be clear, transparent, and widely available at the border.
- Simplify trade documents and regulatory requirements for small-scale traders to cross border traders.
- Recognize the important role of women in cross-border trade, target the removal of gender- related constraints, and tackle the particular challenges that women face when participating in trade and growing their business.

- Need a concerted effort to collect data so that the volumes and values traded across the borders can be established.

Coordination

- Improve inclusivity in the composition and regularize inter-authority meetings to enhance coordination on matters of border security.
- Policy formulation and implementation should have a bottom up approach from the community to the county then to the national government.
- Initiate dialogue between governments and participants in the informal cross border trade. This will help governments understand the constraints they face and move the relationship from mutual suspicion towards mutual support.

6. REFERENCES

Akech, J. (2012). The African Growth and Opportunity Act: Implications for Kenya's Trade and Development. *International Law and Politics* 651.

Agenda 2063: (2015). Final Edition, The Africa We Want, Flagship, Programmes/ Projects of Agenda 2063, The African Union Commission.

Asnake Kefale (2019). Cross Border Trade Ethiopia-Somaliland Corridor, DISS Working Paper 7, Addis Ababa, Ethiopia, Department of Political Science and International Relations

Betts, A., Bradenbrink, R., Greenland, J., Omata, N., Sterck, O. (2019), Refugee Economies in Dollo Ado: Development Opportunities in a Border Region of Ethiopia, Oxford RSC.

Border Trade Protocol signed between the Government of the Federal Democratic Republic of Ethiopia and the Government of the Republic of the Sudan, March 2000.

Communique. (2018). Meeting of Minister of in charge of Trade from IGAD Member States, on a Draft Regional Policy Framework on Informal Cross Border Trade (ICBT), and Cross Border Security Governance. Mombasa, Kenya.

Cho, S. (2011). Breaking the barrier Between Regionalism and Multilateralism: A New Perspective on Trade Regionalism. *Harvard International Law Journal* 42 (2): 419- 435.

Fletcher, I. (2010). Maintaining the Momentum: The Continuing Quest for Global Standards and Principles to Govern Cross-border Insolvency. *Brook J Int'l L* 32:767.

Food and Agriculture Organization of the United Nations (2017). Formalization of informal trade in Africa, Trends, experiences and socio-economic impacts, Regional Office for Africa, Accra, Ghana.

Intergovernmental Authority on Development. (2011). "Study on the status of Cross Border Trade in the IGAD region" <https://igad.int/documents/8-igad-rs-framework-final-v11/file>.

Kieck, E. (2010). Coordinated Border Management: Unlocking Trade Opportunities through One Stop Border post. *World Customs Journal*, 4(1).

Lily Sommer and Chris Nshimbi (2018). The African Continental Free Trade Area: An Opportunity for Informal Cross-Border Trade, BRIDGES AFRICA.

Bridges Africa, Trade and Sustainable Development New and Analysis in Africa (2018). Volume 7 Issue 4, Supporting Cross Board Traders Across Africa, International Center for Trade and Sustainable Development

Ogalo, V. (2010). ICBT in EAC: Implications for Regional Integration and Development. CUTS African Resource Centre. Nairobi, Kenya.

Pearce, J. and Robinson, R. (2007). *Strategic Management: Strategy Formulation, Implementation and Control* (10th ed.). Chicago, IL: R. D. Irwin, Inc.

<http://www.businessdictionary.com/definition/cross-border-trade.html>

<https://www.wyg.com/news-and-press-releases/wyg-helping-to-build-resilience-in-kenya-somalia-ethiopia-border>

<https://oec.world/en/profile/country/som/>

<https://www.bloomberg.com/news/articles/2018-06-16/ethiopia>

<https://www.export.gov/article?id=Ethiopia-Import-Tariffs>

[ethiopia/east-africa-cross-border-trade-bulletin-october-2019-volume-27](#)

<https://addisfortune.news> › [maize-provides-increased-export-trade-](#)

Mbo'o-Tchouawou M, Karugia J, Mulei L, and Nyota H (2016). Assessing the Participation of Men and Women in Cross-border Trade in Agriculture: Evidence from Selected East African Countries. Regional Strategic Analysis and Knowledge Support System (ReSAKSS) Working Paper No. 38.

https://www.resakss.org/sites/default/files/Gender_and_Trade_Final_Version-38.pdf

UNECA (2011). The African Gender and Development Index. United Nations Economic Commission for Africa, Addis Ababa.

United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Gedo Region, Situation Analysis

County Government of Mandera, County Integrated Development Plan, 2013-2017