Avoiding Conflict in the Horn of Africa

U.S. Policy Toward Ethiopia and Eritrea

Terrence Lyons
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The greater Horn of Africa—including Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, and Uganda—is a region of strategic importance. It is also a region in crisis.

Tensions along the heavily militarized Ethiopian-Eritrean border escalated in late 2005 as Eritrea imposed new restrictions on the movement of the UN peacekeeping mission mandated to monitor the demilitarized zone established by the 2000 Algiers Agreement. These heightened border tensions, along with internal political turmoil in Ethiopia, increasing political repression in Eritrea, and recent developments in Somalia raise the likelihood of heightened instability in the Horn of Africa that could lead to significant loss of life.

Avoiding Conflict in the Horn of Africa: U.S. Policy Toward Ethiopia and Eritrea, commissioned by the Council’s Center for Preventive Action and written by Terrence Lyons, presents a full picture of what is going on in this neglected part of the world and suggests what the United States needs to do to address the multiple challenges to stability. The report calls for a dialogue with Ethiopia and Eritrea to resolve the border conflict, something that would also contribute to stability in Somalia. The case for trying is a good one, as the report makes clear that failure to resolve the Ethiopian-Eritrean dispute could exacerbate governance, health, and humanitarian problems, and set back U.S. efforts to fight terrorists, who are increasingly drawn to the area.

Richard N. Haass
President
Council on Foreign Relations
December 2006
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Terrence Lyons
Source: Food and Agriculture Organization of the United Nations.

Map 1: Horn of Africa
Map 2: Eritrea-Ethiopia Border Area

Source: International Boundaries Research Unit, Durham University, www.dur.ac.uk/ibru.
<table>
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<td>AU</td>
<td>Africa Union</td>
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<tr>
<td>CJTF-HOA</td>
<td>Combined Joint Task Force-Horn of Africa</td>
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<td>CUD</td>
<td>Coalition for Unity and Democracy</td>
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<td>DAG</td>
<td>Development Assistance Group</td>
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<td>EEBC</td>
<td>Eritrea-Ethiopia Border Commission</td>
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<td>EPLF</td>
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<td>EPPF</td>
<td>Ethiopian People’s Patriotic Front</td>
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<td>EPRDF</td>
<td>Ethiopian People’s Revolutionary Democratic Front</td>
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<td>OLF</td>
<td>Oromo Liberation Front</td>
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<td>ONLF</td>
<td>Ogaden National Liberation Front</td>
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<td>TFG</td>
<td>Transitional Federal Government</td>
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<td>UIC</td>
<td>Union of Islamic Courts</td>
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<td>UNMEE</td>
<td>United Nations Mission in Ethiopia and Eritrea</td>
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<td>WCC</td>
<td>World Council of Churches</td>
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INTRODUCTION AND SUMMARY OF RECOMMENDATIONS

In 2006, the Horn of Africa witnessed major escalations in several conflicts, a marked deterioration of governance in critical states, and a general unraveling of U.S. foreign policy toward the strategically located region. The U.S.-brokered Algiers Agreement to end the 1998–2000 border war between Ethiopia and Eritrea is at a crossroads. Ethiopia has resisted implementing the decisions made by the Eritrea-Ethiopia Border Commission (EEBC), Eritrea has imposed unilateral restrictions on the United Nations Mission in Ethiopia and Eritrea (UNMEE), and both states have rejected the EEBC’s plans to demarcate the border unilaterally. In Sudan, implementation of the Comprehensive Peace Agreement remains incomplete, and the violence in Darfur continues to rage and spill into Chad. In Somalia, the Transitional Federal Government (TFG) has failed to establish itself outside of Baidoa and its rival, the Union of Islamic Courts (UIC), has seized control of Mogadishu and much of southern Somalia. The rapid rise of the UIC in mid-2006 in particular amplified prospects for regional conflict as Ethiopia and Eritrea sent significant military support to the opposing sides. On December 6, 2006, the UN Security Council unanimously endorsed Resolution 1725, a plan supported by Washington to deploy African troops to prop up the authorities in Baidoa. The Islamic Courts have stated that this intervention will be regarded as an invading force and will escalate, rather than reduce, the conflict.

The breakdown of the Ethiopia-Eritrea peace implementation process contributes to the dangerous escalation of regional conflicts. In late 2005, concerns mounted when Eritrea imposed restrictions on UNMEE and both Ethiopia and Eritrea moved troops toward their border. Eritrea hoped to pressure the international community to compel Ethiopia to implement the demarcation decision of the EEBC created by the Algiers Agreement. The situation along the border has been stable since 2000 but may escalate as a result of the Ethiopia-Eritrea proxy battles in Somalia.

The stalemate on the Ethiopia-Eritrea border feeds and, in turn, is fed by growing authoritarianism in both states. Since the 2000 cease-fire, ruling parties in both states have responded to demands for political openings with harsh restrictions and arrests.
Eritrea in particular is ruled by an increasingly repressive, isolated, and unpredictable regime. Ethiopia closed down an unprecedented political opening in 2005 with arrests of major opposition politicians, civil society leaders, and journalists, effectively criminalizing dissent.

The border conflict also exacerbates a rapidly escalating domestic political crisis in Somalia. Ethiopia has supported the TFG and has sent its military into Somalia to defend its regional ally. Consistent with a deeply ingrained pattern of supporting the enemy of one’s enemy, Eritrea has provided arms to a wide range of anti-Ethiopian forces operating from Somalia, hoping to tie Ethiopian forces down in the Ogaden, a region of Ethiopia predominantly inhabited by ethnic Somalis and Muslims. Ethiopia may be provoked into a much larger intervention in Somalia, a move that in turn would tempt Eritrea to press its border claims with Ethiopia through military means. The deteriorating situation in Somalia is already derailing U.S. counterterrorism efforts by the Combined Joint Task Force-Horn of Africa (CJTF-HOA), scuttling early hopes that regional cooperation would be possible. In this way, the Ethiopian-Eritrean proxy conflict increases the opportunities for terrorist infiltration of the Horn and East Africa and for ignition of a larger regional conflict.

While the United States has paid high-level attention to Sudan and to issues of counterterrorism in the Horn of Africa, policies toward the border stalemate and authoritarianism in Ethiopia and Eritrea have been reactive, episodic, and largely unsuccessful. Washington needs a new diplomatic strategy in the region that recognizes these growing risks and the links among the border stalemate, fragile and authoritarian regimes, and escalating proxy clashes in Somalia.

Washington has few good options to address the emergent threats in Somalia. There are, however, opportunities to push for full implementation of the peace agreement that ended the Ethiopia-Eritrea border conflict, which can help dampen the dynamic that contributes to escalation within Somalia. Ethiopia and Eritrea both need the involvement of the international community and the United States in particular to back away from the confrontation on the border. Washington should remain committed to the multilateral Witnesses to the Algiers Agreement and EEBC framework, pressing Ethiopia to demarcate the border and Eritrea to return to talks and lift restrictions on UNMEE.
Washington must speak clearly and critically to both Ethiopia and Eritrea and lay out an unambiguous set of options and specify what types of relationships and assistance the regimes will lose if they persist in prolonging the border stalemate, suppressing internal dissent, and interfering in Somalia. Washington must also indicate what types of support the two countries can anticipate if they initiate real policies of regional cooperation and internal reform. Leaders on both sides will resist public pressures, and thus U.S. diplomacy will need to be subtle and discreet to be successful. Senior members of the U.S. administration must address these issues in direct, face-to-face meetings in the region. The U.S. government should also be prepared to offer substantial financial backing and use its influence within the international financial institutions to support demobilization, cross-border trade and communications, and normalization of regional relations.

Once the border issue is settled, the United States should pressure Asmara to permit basic political rights and Addis Ababa to release political prisoners, enter into a dialogue with the full range of opposition leaders, and return to the freedoms seen in early 2005. Development and military assistance programs should be tied to progress on these governance issues, and Washington should be prepared to reduce or slow nonhumanitarian programs if political conditions deteriorate further. Simultaneously, well-funded programs on democratization and rule of law should be offered to support positive political openings. Washington should also reach out to the wide spectrum of opposition groups both within Ethiopia and in the diaspora and encourage them to pursue strategies of peaceful electoral competition, rather than armed struggle.

Finally, the United States, international donors, and international organizations should support long-term regional peace-building initiatives. Building new relationships between communities split by the militarized border, groups displaced by the conflict, and families divided by loyalties to rival states will provide a context for new thinking and increased confidence about the formal peace process and for building healthier bilateral relations after the border dispute is settled.
THE ETHIOPIAN-ERITREAN BORDER CRISIS

Although violent conflict along the Ethiopia-Eritrea border ended with the signing of the Algiers Agreement in 2000, significant elements of the agreement remain unimplemented and cross-border tensions are high. The border conflict has developed into a protracted and costly stalemate, with regional and international consequences. In addition, further escalation of the Ethiopia-Eritrea proxy war in Somalia may disrupt the deadlock and tempt one or another party to reopen conflict along the border.

BACKGROUND TO THE CONFLICT

The Ethiopian People’s Revolutionary Democratic Front (EPRDF), led by Prime Minister Meles Zenawi, and the Eritrean People’s Liberation Front (EPLF), led by President Isaias Afewerki, cooperated closely to overthrow the brutal Mengistu Haile Mariam regime in 1991. While the EPRDF joined with other parties to form the Transitional Government of Ethiopia, the EPLF assumed control of Eritrea and established a provisional government. The provisional government independently administered Eritrea until April 1993, when Eritreans voted overwhelmingly for independence in a UN-monitored referendum.

By 1998, however, relations between the two countries had degenerated. Disputes between Addis Ababa and Asmara arose over access to Eritrean ports, how the new Eritrean currency related to the Ethiopian currency, and the precise location of their poorly demarcated border. The classic imperatives of state- and nation-building drove both regimes to set forth unconditional goals and refuse compromise on those questions and the vital issues of territoriality, legitimacy, and identity. It is notable that Eritrea, Africa’s newest state, has had border conflicts with each of its neighbors: Djibouti, Ethiopia, and Sudan.

In May 1998, Eritrean armed forces occupied the disputed, symbolically important border town of Badme, a use of military force that Ethiopia regarded as illegal territorial annexation. This skirmish quickly escalated into full-scale war. The historical
links and rivalries between the two states, peoples, ruling parties, and leaders made the violence particularly painful. Deep personal animosity between leaders in both Ethiopia and Eritrea, along with the countries’ shared political culture that values absolute victory and zero-sum calculations over compromise and joint gains, made deescalation difficult. The violence generated large casualties and huge costs on both sides. An estimated 70,000 to 100,000 people were killed, one million were displaced, and a generation of development opportunities was squandered.

After a period of military stalemate and unproductive negotiations, Ethiopia launched a major offensive in May 2000, broke through defenses, and forced Eritrea to pull its troops back to pre-May 1998 positions. In December 2000, the warring parties signed an internationally brokered agreement in Algiers. The United States played a particularly prominent role in these talks, thanks to the appointment of former National Security Adviser Anthony Lake as special envoy and the close relationships between several members of the William J. Clinton administration and the Ethiopian and Eritrean leaderships.

The Algiers Agreement created a 25-kilometer temporary security zone to be patrolled by UNMEE, as well as the EEBC to delimit the border, and a claims commission to assess liability for war damages. On the issue of the border, the agreement followed African practice and confirmed colonial borders. Under Article Four of the agreement, the EEBC was charged to “delimit and demarcate the colonial treaty border based on pertinent colonial treaties (1900, 1902, and 1908) and applicable international law,” and this determination was final and binding. The commission explicitly was not empowered to make decisions \textit{ex aequo et bono}, that is, on the basis of equity considerations.

Although the cease-fire has held, other provisions of the Algiers Agreement have been only partially implemented. In April 2002, the EEBC issued its determination and ruled that the town of Badme was on the Eritrean side of the border while other, less symbolically important areas claimed by Eritrea were on the Ethiopian side. Once the ruling was clear, shocked Ethiopian leaders strongly objected to it and did everything short of resumption of hostilities to delay compliance. Ethiopia appealed to the EEBC to take into account local situations and claimed that the decision divided towns and
required adjustments. The EEBC, however, stated that the Algiers Agreement made the demarcation decision final and did not allow for decisions to be reopened.

Ethiopia resisted implementing the demarcation decision. In a September 2003 letter to UN Secretary-General Kofi A. Annan, President Meles dug in his heels and characterized the EEBC decision relating to Badme as “totally illegal, unjust, and irresponsible.” Meles later issued a five-point peace initiative in November 2004 that declared acceptance of the border ruling in principle while simultaneously calling for peace-building dialogue. Although this initiative represented a move toward complying, it was insufficient to elicit a positive response from Asmara. Eritrea, reminding Addis Ababa that both had agreed in advance in the Algiers Agreement that the EEBC decision would be “binding and final,” insisted that the border demarcation be implemented fully before other issues, including peace-building initiatives, are raised.


Eritrea, frustrated both by Ethiopia and by what it considered international appeasement of Addis Ababa, took measures to force the issue of border demarcation in October 2005. Eritrea banned UNMEE helicopter flights, which led the UN to withdraw its forces from nearly half of its deployment sites. The helicopter ban prevented medical evacuations and was blamed for the death of an Indian peacekeeper as well as halted demining activities.

In November 2005, the UN Security Council passed Resolution 1640 demanding that Eritrea lift its restrictions, Ethiopia accept the EEBC’s border demarcation decisions, and both states reverse recent troop mobilization. The resolution threatened to impose Article 41 (nonmilitary) sanctions against Eritrea if it did not remove the UNMEE restrictions. Eritrea reacted angrily to the pressure, protested that the international community was yet again unfairly accommodating Ethiopia’s violations of the Algiers Agreement, expelled Western observers from UNMEE, and arrested UN volunteers and local Eritrean staff working with the UN.

In December 2005, the claims commission issued a series of rulings that held Eritrea had violated the UN Charter by resorting to armed force to attack and occupy
Badme in May 1998. Eritrea was therefore determined to be liable to compensate Ethiopia for damages caused by this violation of international law even while the EEBC later determined that Badme is on Eritrea’s side of the border.

In the context of new restrictions on UNMEE, many observers suggested that prospects for war were growing. A December 2005 International Crisis Group report, for example, argued there were “worrying signs that the countdown to renewed conflict may have begun.”¹ In early 2006, UN observers characterized the border as “tense and potentially volatile,” and UN Secretary-General Annan listed full withdrawal of UNMEE as an option. Although tensions were high in early 2006, the stalemate remained stable because neither Asmara nor Addis Ababa had compelling incentives to break the ceasefire. Eritrea continually threatened war unless Ethiopia implemented the EEBC agreement and constantly reiterated that its position was consistent with international law. But acting on these threats was unlikely due to the vastly larger Ethiopian military and because Eritrean leaders understood that they would lose the legal high ground if the country unilaterally reignedited the war. Addis Ababa, which had security concerns on multiple fronts, knew that if it attacked Eritrea it would lose international support and face resistance for as long as its occupation lasts. The status quo was also acceptable to Ethiopia because it continued to occupy Badme and the UN-patrolled temporary security zone was on the Eritrean side of the border.

The greater threat of war between Ethiopia and Eritrea today arises from their recent and rapidly expanding military involvement in Somalia. While the border stalemate has been frozen since 2000, the sudden escalation of proxy war in Somalia may generate instability across the Horn of Africa. If Ethiopia sends a significantly larger force into Somalia and gets bogged down, then Eritrea may perceive an opportunity to force the border demarcation issue through unilateral military moves. Addis Ababa may also perceive the provocations by Eritrea through Somalia as intolerable and respond with force on both fronts. Such a renewed conflict might end with a new peace agreement that would supersede the Algiers Agreement and supplant the EEBC border demarcation

decision. Because the Ethiopia-Eritrea border conflict is inherently part of larger region-wide conflicts, stalemate on one front may be undermined by escalation on another.
TROUBLED TRANSITIONS, REGIONAL INSECURITY

The troubled Ethiopia-Eritrea peace process is intertwined with troubled political transitions and growing authoritarianism in both Addis Ababa and Asmara. Following the signing of the Algiers Agreement, and in part as a consequence of the war, the ruling parties in both states faced serious internal opposition. In both cases, the respective leaders effectively crushed challengers and arrested or expelled dissidents. In the ensuing years, neither has established the foundation for peaceful political competition and both rely upon force to stay in power. The border issue and threats to the homeland have been used to justify restrictions on political activity, and the lack of democratic accountability has allowed both regimes to maintain highly militarized and destructive policies. Implementation of the border agreement will serve as a critical first step in normalizing relations and broader regional peace-building. Furthermore, if the border issue is removed, there will be new opportunities to promote political reform in both states.

ERITREA

Political change and the most basic respect for political and civil rights are desperately needed in Eritrea. In March 2001, shortly after the Algiers Agreement was signed, a group of fifteen senior Eritrean officials signed a letter that criticized President Isaias and called for greater democracy. The letter was leaked and eleven of those who signed it were arrested in September 2001 and have been held without charge since then. One recanted his position. Three others were abroad at the time, including former Minister of Defense Mesfin Hagos, who has helped organize the Eritrean Democratic Party, an opposition group operating from exile.

The September 2001 crackdown was followed by the closing of private press, the arrests of students and others who offered critical voices, and the indefinite postponement of elections. The Eritrean government became highly repressive and isolationist, arresting two Eritreans working for the U.S. embassy in 2001, kicking out the United States
Agency for International Development in 2005, and expelling nearly all international humanitarian organizations in 2006. International human rights groups, monitors of religious persecution, and media watchdogs all place Eritrea among the most repressive regimes in the world. Today, a very small leadership circle dominates all aspects of political, economic, and social life. Even ministries have little power, as effective authority comes from the Office of the President and a small group of presidential advisers. Isaias rarely makes public appearances and spends more time in his compound in Massawa than in the capital.

While the government is obviously fragile, it is less clear what might replace it. The leadership circle around Isaias is so tight that little is known publicly about policymaking or the dynamics within the ruling party. Past experience in both Eritrea and Ethiopia suggests that what appears to be a cohesive hierarchy from the outside is held together by accommodation. If the dominant institutions and leaders stumble, acquiescence can quickly transform into violent dissent. Predicting a turning point or trigger that would set off larger processes of change is therefore difficult.

The Eritrean diaspora plays a critical role in supporting the current recalcitrant regime. Approximately one-quarter of the Eritrean population lives outside the state of Eritrea, and Asmara is highly dependent on diaspora remittances. Given the history of the costly and prolonged war of national liberation and the legitimacy earned by the EPLF by leading this struggle, the diaspora has been reluctant to criticize Isaias. The 1998–2000 war mobilized diaspora to increase their support in order to counter what was perceived to be another threat to their liberated homeland. While some have raised questions about the government, particularly after the arrests of 2001, the diaspora generally has supported this regime despite its authoritarian policies. Opposition parties based in the diaspora have made few inroads within Eritrea.

The current authoritarian order in Eritrea, however, can be sustained only at tremendous cost and inherently creates opposition and anger, even if underground and silent for now. Given the pervasive political repression, many Eritreans have withdrawn from political life and focused on their families. Resentment is reportedly high, particularly among families with children in military camps on the harsh border year after year. The UN High Commissioner for Refugees estimates that 400 Eritreans a month
sought asylum in Ethiopia in 2005. Isaias has made Ethiopia’s refusal to honor the Algiers Agreement and international collusion in that betrayal the principal theme of his public speeches for several years. If the border demarcation process can commence, as Asmara has demanded, Isaias will get a short-term boost in his popularity, but will inevitably face difficult internal political issues in the longer term.

**ETHIOPIA**

In Ethiopia, the ruling EPRDF party went through its own challenges following the signing of the Algiers Agreement, as the Central Committee of the Tigray People’s Liberation Front (historically Meles’s support base) split into two rival factions. With his base in the Tigray heartland at risk, Meles took advantage of his central position within the broader EPRDF coalition to outmaneuver his rivals, sack and arrest a number of senior officials, and successfully weather the storm.

The next serious domestic challenge to the EPRDF took place in the 2005 parliamentary elections. These elections presented the Ethiopian people with a remarkable opportunity to express their political views by participating in an election that for the first time in history offered them a meaningful choice. In contrast to earlier elections in 1995 and 2000, opposition parties did not boycott the election, but instead competed vigorously across the most populous regions. Live televised debates on matters of public policy, opposition party access to state-owned media, and huge, peaceful rallies in the final week of campaigning made it clear that these elections would represent a decisive moment in Ethiopia’s political development. The Ethiopian people seized this opportunity with great hope and turned out in overwhelming numbers to express their choices.

A very chaotic vote counting process, however, generated controversy and violent protests. According to official results, the EPRDF and allied parties won 367 (67 percent) parliamentary seats, while the opposition took 172 seats (31 percent), with 109 going to the Coalition for Unity and Democracy (CUD). Despite increasing its share of seats in the parliament from 12 to 172, important leaders within the opposition refused to accept this
outcome, claiming they had irrefutable evidence that massive fraud had taken place. Furthermore, the opposition pointed to a series of decisions made by the EPRDF after the election to restrict the opposition’s role in parliament and to limit the capacity of the CUD-controlled Addis Ababa assembly as evidence that the EPRDF would not allow the opposition to participate effectively. When the new parliament met in October 2005, some opposition leaders took their seats, but others, particularly leading members of the CUD, boycotted the assembly.

Violence erupted in the first week of November and most top CUD officials were arrested. Ethiopian prosecutors formally charged some 131 opposition politicians, journalists, and civil society leaders with crimes, including genocide and treason. A number of leading Ethiopians in the diaspora, including reporters working for the Voice of America as well as opposition party fund-raisers and managers of critical websites, were also indicted. By bringing these charges against its leading critics, the EPRDF effectively criminalized dissent and sent an unmistakable message that effective opposition would not be tolerated. The *abertura* (opening) of 2005 had closed.

As a result of this repression, there is a vacuum of political authority in Ethiopian cities. The main opposition alliances have been shattered and divided into mutually suspicious factions. Significant constituencies moved from active participation in electoral politics to pessimism about peaceful political change. Young, unemployed residents remain susceptible to mobilization or spontaneous urban violence with potentially destabilizing consequences. Other opposition parties participate in parliament but have faced repression in the countryside (particularly in the Oromo region) or have little capacity to speak due to the restrictions on the press and the loss of funding from the diaspora. In contrast to early 2005, political debates in 2006 are narrow and stilted. Space for civil society activism is severely restricted and access to information is greatly reduced.

The Ethiopian diaspora has become active in Ethiopian politics in new ways as a result of both the enthusiasm for the May 2005 election and the disillusionment and frustration with the aftermath. The diaspora has been very effective in raising money and using the Internet to organize demonstrations and lobby members of the U.S. Congress, State Department, and World Bank. While the community is large and diverse, the most
influential voices are harshly critical of the EPRDF and strongly supportive of the imprisoned CUD opposition leaders. The Ethiopian government, in turn, characterizes these leaders as “extremist,” blocks access to opposition websites and political blogs, and has even charged several influential members of the community with treason in absentia.

In this context of repression and limited political space within Ethiopia, leaders from the major opposition organizations formed the Alliance for Freedom and Democracy in June 2006. This alliance brought together the broadest range of political opposition groups, including many that have viewed one another with suspicion in the past. The CUD is now linked to organizations such as the Oromo Liberation Front (OLF), the Ogaden National Liberation Front (ONLF), and the Ethiopian People’s Patriotic Front (EPPF), which have been supported by Eritrea and have waged armed struggle against the ruling EPRDF. This blurring of the lines between domestic electoral opposition and armed groups linked to Eritrea damages prospects for a democratic transition in Ethiopia and makes political reconciliation even more difficult.

Although the opposition remains marginalized by repression and by its own tactics, the EPRDF still faces fundamental challenges in relating to two large constituencies that are essential for any Ethiopian regime to govern successfully. First, the EPRDF’s Oromo wing, the Oromo People’s Democratic Organization, has failed. After fifteen years within the ruling coalition, it has not developed a significant base of support among the Oromo people and remains in power through intimidation and ever more pervasive systems to monitor the population. The Oromo represent 40 percent of the population, and many remain loyal to the OLF despite that organization’s inability to organize openly within Ethiopia since 1992. Second, the May 2005 elections saw an almost complete sweep by the CUD in the main cities.

Without a basis for support in the Oromo region or in the urban areas, the EPRDF’s ability to govern is inherently precarious and must rely upon force, which in turn alienates more of the population. The use of force has worked to reestablish order in the short run but is not sustainable in the long run. There are signs that dissent is growing in the military and among government officials. In August 2006, Brigadier General Kemal Gelchu defected along with some one hundred troops to join the OLF in Eritrea, claiming that the only language the EPRDF understood “is force and we’re going to
challenge them by force.” Two senior judges fled and issued blistering attacks on the regime from abroad in October and November. The steady flow of government officials and military officers into exile signals the erosion of the ruling party’s authority.

After fifteen years in power, the EPRDF is in decline. The 2005 elections demonstrated high levels of opposition, but failed to usher in an orderly transition based on peaceful multiparty competition. The arrest of leading opposition politicians and civil society leaders has immobilized political developments and silenced political speech for the moment and leaves the regime fragile. Washington should develop new strategies to manage the potentially violent transition if efforts to promote nonviolent change fail.

REGIONAL INSECURITY

The border stalemate and the underlying problems of authoritarian political processes and fragile governments in Ethiopia and Eritrea are inherently linked to larger conflicts in the Horn of Africa. Both Ethiopia and Eritrea have demonstrated the capacity and willingness to use proxy forces to undermine the other. Armed insurgent groups such as the OLF, the ONLF, and the EPPF have had offices in Asmara. Eritrea has provided sanctuary and military assistance to these groups and has sought to infiltrate fighters into Ethiopia through Sudan and, more importantly, Somalia. The Ethiopian government attributed a series of 2006 bomb blasts against civilian targets in Addis Ababa and other cities to explosives provided by Eritrea. By the same token, Ethiopia has supported fragments of the Eritrean Liberation Front, the Eritrean National Alliance, and other armed opposition movements. Intervention by proxy has been a less risky form of conflict than direct military action but is likely to escalate unless the underlying issues are resolved.

In addition to supporting each other’s insurgents, both Ethiopia and Eritrea compete by supporting rival parties in neighboring states. Addis Ababa currently supports Abdullahi Yusuf and the dysfunctional TFG in Somalia. Consistent with a deeply ingrained pattern of giving support to the enemy of one’s enemy, Eritrea has provided

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arms to a wide range of anti-Ethiopian forces in Somalia, hoping to tie Ethiopian forces down in the Ogaden. According to a 2006 UN report, diplomatic sources estimate 6,000 to 8,000 Ethiopian and 2,000 Eritreans troops to be in Somalia supporting their respective allies. The competition also extends to Sudan, with Eritrea helping rebels in both eastern Sudan and Darfur, and Ethiopia and Eritrea bidding for Khartoum’s support. This gives the regime in Khartoum added leverage at a time when the United States is pressing it for action in Darfur and for better implementation of the Comprehensive Peace Agreement that ended the north-south conflict in Sudan. These surrogate wars add another layer to the Ethiopia-Eritrea conflict by creating opportunities for escalation, even while the direct border confrontation is in stalemate.

There are acute fears that Somalia could end up as a battleground for armed conflict between Ethiopia and Eritrea in the near future. Renewed conflict in Mogadishu in May and June 2006 pitted a U.S.-supported Anti-Terror Alliance of militia leaders against the forces of the UIC. Washington used the Anti-Terror Alliance in a failed attempt to capture several Somalis linked to al-Qaeda and implicated in the 1998 bombing of U.S. embassies in East Africa. In recent months, power within the UIC has shifted from relative moderates to hard-liners who control the main militias, flows of arms from Eritrea, and funds that pour in from outside state and nonstate actors. Reports claim that military camps with trainers from Eritrea, Afghanistan, and Pakistan are operating in areas controlled by the UIC. Sheikh Hassan Dahir Aweys, named leader of the UIC in late June, helped form al-Itihaad al-Islamiya in the early 1990s, a group that Washington identifies with al-Qaeda and that Addis Ababa charges with a series of bomb blasts in Ethiopia. Ethiopia, working with Somali warlords, successfully smashed al-Itihaad in the early 1990s; Aweys’s renewed prominence and recent military victories alarm Addis Ababa as well as Washington.

The current tense and fragile truce and talks between the TFG and UIC are likely to be derailed by escalation from either Ethiopia or Eritrea operating through their respective proxies in Somalia. Over the summer, a large number of Ethiopian troops crossed the border into southern Somalia to fortify Baidoa. Addis Ababa signaled that if

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the UIC crosses certain “red lines” and attacks the TFG in Baidoa or threatens the Somali-Ethiopian border, Ethiopia will respond. UIC leaders declared jihad against Ethiopia after Addis Ababa refused to withdraw military advisers from Somalia. Meles said, “The jihadist elements within the Islamic Court movement are spoiling for a fight…technically we are at war.”5 Recent Ethiopian military moves against the ONLF in eastern Ethiopia may be designed to shore up rear bases before larger moves into Somalia. In late November, there were numerous reports of clashes in southern Somalia between Ethiopian troops and UIC militias. Ethiopia has specific and legitimate security concerns with regard to the policies pursued by the UIC and Eritrea in Somalia. Aweys and others within the UIC are seeking to provoke a military reaction by Ethiopia and are likely to get it.

In November 2006, there is a potential for a wider conflict to break out in Somalia that would pit the Ethiopian-supported TFG against the Eritrean-supported UIC in alliance with the OLF and ONLF. Such a scenario would serve hard-liners within the UIC by linking their Islamist agenda with Somali nationalism, by marginalizing moderates, and by increasing external support. War would also serve Eritrea by tying down Ethiopia in the east. If Ethiopia commits significant troops to the Somali front, Eritrea will be tempted to adopt a more aggressive posture along the border, potentially reigniting conflict there. Large-scale war would be disastrous for Ethiopia and would likely spread instability into Djibouti and Kenya. The December 2006 UN Resolution 1725 promoted by the United States that endorsed an African peacekeeping force to maintain security in Baidoa, protect the TFG, and train TFG forces is likely to provoke the Islamic Courts to move preemptively against Baidoa, clash with Ethiopian troops, and thereby escalate the conflict.

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INTERNATIONAL RESPONSES

Periodic humanitarian emergencies in the Horn of Africa, the need to end the 1998–2000 border war between Eritrea and Ethiopia, the political crisis following the 2005 elections in Ethiopia, and the links between the Horn and terrorism in the Middle East have generated periodic interest in the United States and the international community. What has been lacking, however, is sustained attention and coherent diplomatic strategies that recognize the links among domestic, bilateral, and regional dynamics.

INITIATIVES TO MANAGE THE BORDER CRISIS

The international community in general, and the United States in particular, paid too little attention to the challenges of implementing the Algiers Agreement. UNMEE was deployed along the border, the cease-fire held, and the EEBC held its hearings and made its demarcation decision in 2002. Little was done to push Ethiopia to accept demarcation or to advance the larger tasks of addressing the underlying causes of the conflict and building a framework for normal regional relations. It was only after frustrations grew and Asmara imposed outrageous restrictions on UNMEE that the issue was forced back onto the international agenda.

By January 2006, UNMEE and the Algiers peace process were in crisis. Eritrea, unfazed by threatened sanctions, refused to lift restrictions as required in UN Security Council Resolution 1640 and some troop-contributing countries were advocating withdrawing the mission. The initial U.S. response to the crisis over UNMEE was an improvised unilateral initiative to break the impasse. U.S. Ambassador to the UN John R. Bolton asked the UN Security Council to delay action while Washington sent Assistant Secretary of State for African Affairs Jendayi E. Frazer to the region. She met top Ethiopian leaders in Addis Ababa and visited the disputed border from the Ethiopian side, but was denied a meeting with Eritrean leaders who were unwilling to discuss the border issues. Asmara insisted that the Algiers Agreement and the EEBC determination are
legally binding and not open to any modifications. Nonetheless, this ad hoc initiative by Washington generated needed attention to the region—after years of neglect that contributed to Ethiopia’s perception that it could avoid implementing the agreement and heightened Eritrea’s frustrations—and activated a series of new or renewed initiatives.

Representatives of the Witnesses to the Algiers Agreement—the Africa Union (AU), European Union, UN, Algeria, and United States—convened in New York in February 2006 to discuss challenges to implementing the accord. In March and May 2006, the EEBC met in London with officials from both Ethiopia and Eritrea as well as representatives from the Algiers Witnesses. The U.S. government regarded as progress the fact that both parties attended the meetings, but they failed to generate substantial movement toward implementing the demarcation agreement or lifting the restrictions on UNMEE. Following the meetings, both sides restated their positions and blamed each other for the stalemate.

On May 31, 2006, the UN Security Council reacted to the lack of progress in the EEBC meetings and reduced the size of UNMEE’s force from 3,300 to 2,300 while retaining the mission’s peacekeeping mandate. Ambassador Bolton had proposed reducing the force to 1,800 and changing the mandate to a peace observation mission. Russia and Britain, among others, argued for less severe cuts. The U.S. position in New York linked the reduction in UNMEE’s force to an increase in the troop levels for the UN mission in Côte d’Ivoire and seemed to focus on the politics and financing of UN peacekeeping rather than developments between Ethiopia and Eritrea.

In September, UN Secretary-General Annan warned of the potential for disaster if the “untenable” stalemate between the two sides was not resolved. The UN Security Council once again called on Eritrea to lift restrictions and Ethiopia to accept the final and binding border demarcation decision. UNMEE’s mandate was extended until January 31, 2007, while the UN warned that it would consider ending the mission unless “demonstrated progress” took place. In October, a few weeks after the mission extension resolution was passed, Eritrea moved some 1,500 troops and fourteen tanks into the buffer zone in what the UN regarded as a “major breach” of the peace agreement. Eritrea claimed that the troops were in the demilitarized zone to “harvest crops.”

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The EEBC and with it the Algiers peace process was in deep crisis in November 2006. After failing to bring Ethiopia and Eritrea together for talks in June, the EEBC concluded that, “The situation is one which is beyond the Commission’s powers to remedy on the grounds of manifest implacability.” In November, the EEBC announced that it would unilaterally complete demarcation on paper and disengage from the thorny issues of joint demarcation on the ground. Both Addis Ababa and Asmara have rejected the plan as inconsistent with the Algiers Agreement. The EEBC’s decision, driven by international frustration at both parties’ intransigence, risks terminating the existing process before an alternative framework is in place. With fewer international constraints, the prospects that one or another party will attempt to achieve its objectives militarily increases.

With the multilateral efforts by the EEBC and the Algiers Witnesses group facing grave challenges, international policy toward the border stalemate continues to require a strong multilateral mechanism to pressure the parties to implement the peace agreement. If the EEBC talks collapse, the United States and others in the Algiers Witnesses group will need to construct a new mechanism for multilateral involvement in the protracted stalemate.

**REACTIONS TO THE ETHIOPIAN POLITICAL CRISIS**

The major donors responded to the 2005 crisis within Ethiopia with clear statements criticizing the government and with the suspension of significant levels of assistance. In November 2005, the United States and the European Union issued a joint statement calling for the release of all “political detainees,” thereby challenging the government’s contention that the leaders had been arrested on criminal grounds. The Development Assistance Group (DAG) for Ethiopia, which includes the United States and other major bilateral and multilateral donors, also adopted a tough posture and stated, “These disturbances weaken the environment for aid effectiveness and poverty reduction … As a result of the situation, the DAG is collectively reviewing development cooperation

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modalities to Ethiopia.”

In December 2005, international donors put $375 million in budget support on hold, sending another clear message that business as usual would not be possible in the context of this political crisis. In January 2006, a U.S. Department of State press release stated that, “Steps that appear to criminalize dissent impede progress on democratization.”

The Ethiopian government, however, remained unmoved. Addis Ababa repeatedly stated that the elections were free and fair, the response of security forces to demonstrations appropriate, and that charges against opposition politicians, journalists, and civil society leaders were based on solid evidence and long-standing Ethiopian law. When pressed to release the prisoners, Meles insisted that he could not interfere in the rule of law and had to allow the independent courts to follow their own procedures. The fact that Ethiopia dropped charges against five U.S. citizens who were Voice of America reporters suggests that pressures from Washington had some effect, even if the others under arrest remained in jail without bail.

By June 2006, in the context of the escalating internal conflict in Somalia, Assistant Secretary of State Frazer met with Meles and other Ethiopian officials and stated that relations between the two countries were good. In September, Donald Yamamoto, deputy assistant secretary of state for African affairs and nominee to be the next ambassador to Addis Ababa, stated that Ethiopia was an important partner that “shares and supports many of our strategic goals.” Ethiopian intransigence and U.S. concerns about terrorism in Somalia led diplomats to accept a status quo they concluded would not change, and to get on with other business. The U.S. decision in December 2006 to join Ethiopia in endorsing the AU plan to send troops to support the interim government in Baidoa makes the links between Washington and Addis Ababa even stronger.

The international donor community’s tone also moderated in mid-2006. In April, the World Bank approved debt cancellation for Ethiopia along with other heavily indebted poor countries. In May, the World Bank approved the Protection of Basic

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8 Statement by the Development Assistance Group, Addis Ababa, November 11, 2005.
Services Program that channeled $215 million to local governments providing basic health, education, agricultural, and water services. During a July visit, World Bank President Paul D. Wolfowitz noted that Ethiopia had been through a difficult period but that, “There is more reason to feel confident that people are learning the right lessons from the experiences of the last year.”

Although the World Bank’s plan emphasizes the need for improved governance and decentralization, because the EPRDF controls nearly all local government, the release of funds through regional authorities will bolster the government’s structures of authority and administration.

Although diplomats and major donors seemed to be reducing their criticisms, interest in Ethiopia, and the broader Horn of Africa, attracted new attention on Capitol Hill in 2006. A bipartisan coalition in the U.S. House of Representatives introduced the Ethiopia Freedom, Democracy, and Human Rights Advancement Act of 2006. This legislation places limits on security assistance, calls for visa restrictions against anyone involved in killing demonstrators, and authorizes $20 million over two years to assist political prisoners, human rights organizations, and other programs to strengthen the rule of law. Issues relating to U.S. policy toward Somalia also prompted hearings and debates on the Senate side. The Ethiopian diaspora, human rights organizations, and other advocacy groups are likely to keep the issue on the agenda in Washington.

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U.S. POLICY RECOMMENDATIONS

The Eritrea-Ethiopia border stalemate, the potential for violent and chaotic political transitions in Ethiopia and Eritrea, and the ways these challenges are linked to Somalia, Sudan, and U.S. interests in counterterrorism, call for a new and more comprehensive U.S. policy. U.S. foreign policy toward the 2000 Ethiopia-Eritrea talks in Algiers and the north-south peace process in Sudan suggests that focused, high-level diplomatic attention, willingness to take risks and accept costs, and sustained work through broad, multilateral coalitions offer the best hope for success.

SETTLING THE BORDER STALEMATE

To break the border deadlock, the United States and other donor countries must impress upon Ethiopia that it is in its long-term interest to complete demarcation and withdraw from Badme, so that both parties can begin comprehensive peace negotiations.

Efforts to convince Ethiopia to demarcate the border should emphasize that accepting the EEBC’s decision will not alter the overall domestic balance of forces. Some in Ethiopia argue that withdrawing from Badme would destabilize the EPRDF regime and thus should not be done. Those who oppose the regime will certainly use withdrawal as another point in their criticism of the EPRDF—but larger threats to the ruling party are likely to arise from Addis Ababa and other cities, from the Oromo region, or from instability in Somalia. Therefore, little is to be gained by further delay now that the 2005 elections are over and the new parliament is sitting. Furthermore, in the long run, ending the border stalemate will allow Ethiopia to shift its attention to other security threats and to delink the challenges of domestic political opposition from rivalries with neighboring states. If Ethiopia refuses to implement the EEBC decision, then donors should publicly and privately place the blame for the stalemate on Addis Ababa and reduce assistance.

At the same time, Washington and other major powers need to be unambiguous with Asmara: harassing UNMEE and refusing to lift restrictions on the UN is
unacceptable. After a year without any progress and with harassment escalating, it is time for the international community to act on that threat and put multilateral sanctions in place. Given Eritrea’s self-imposed isolation from international institutions and donors, such sanctions are likely to be largely symbolic.

Any efforts to apply sanctions against Eritrea for its failures to lift restrictions on UNMEE, against Ethiopia for failing to implement the Algiers Agreement, or against either one for violations of the arms embargo in Somalia should be multilateral. U.S. influence will be greatest if it is coordinated with broader, multilateral partnerships, such as the EEBC and the Algiers Witnesses group. The decision by the EEBC to unilaterally demarcate the border is dangerous and should be reconsidered because it threatens to remove the multilateral framework that plays a vital role in constraining Addis Ababa and Asmara.

Incentives for both sides for resolving the border conflict and normalizing relations—including projects to rebuild cross-border infrastructure and trade, demine territory, demobilize and reintegrate populations, and support persons displaced by the conflict—will require the support of the Europeans and international financial institutions. Such programs will cost hundreds of millions of dollars, but will likely be less expensive than the UNMEE budget of $200 million per year. A combination of tough multilateral sanctions and generous incentives presented by a well-coordinated group of donors holds the greatest promise for breaking the border impasse.

UNMEE continues to have an important role to play as a symbol of international support for the peace process and as a mechanism to reduce the chances of accidental war. The reduction of UNMEE’s forces in early 2006 does not prevent the mission from fulfilling these goals. The United States and other major powers should not seek to restrict the mission further or demand deeper reductions in UNMEE’s forces to balance increases elsewhere in Africa. Even after demarcation, UNMEE will remain important to demining and other cross-border peace-building initiatives.

The U.S. Department of State warned both Eritrea and Ethiopia in late October against using Somalia as a proxy and urged both to deescalate tensions.12 Because such warnings have gone unheeded in the past and the threat of regional conflict in Somalia is

increasing, a broad diplomatic effort, not just American attention, is necessary to de-
escalate the crisis in Somalia. The United States, UN, and other donor states should work
to address the Ethiopia-Eritrea conflict independent of the ongoing issues in Somalia.

The ill-advised December 2006 UN Security Council Resolution 1725 promoted
by the United States to support African peacekeepers to maintain security in Baidoa,
protect the interim regime, and train TFG forces is likely to escalate conflict.\textsuperscript{13} While the
resolution does not endorse the intervention by neighboring countries such as Ethiopia, it
is clearly designed to obstruct the Islamic Courts and is likely to spark a preemptive
attack that will draw Addis Ababa, and by extension Washington, deeper into the Somali
conflict. The resolution urges both sides to resume peace talks but unambiguously
stresses that the authorities in Baidoa offer “the only route to achieve peace and stability”
in Somalia.\textsuperscript{14}

U.S. Ambassador Bolton introduced the resolution and framed the choice as either
intervening or “doing nothing” in the face of an expanding crisis. There are, however, a
broad range of diplomatic initiatives available to contain the threat of instability in
Somalia. Applying pressure to Ethiopia, Eritrea, and other external powers to disengage;
promoting power sharing talks; and tightening the UN arms embargo offer greater
prospects for success. The resolution is both dangerously provocative and likely to be
more symbolic than substantive due to the overwhelming challenges of fielding a
combined AU and Intergovernmental Authority on Development force for the first time.
With neighboring states excluded, only Uganda has offered troops.

The recommendations of this report include:

\begin{itemize}
  \item The United States, UN, and other interested parties, within the multilateral
        Algiers Witnesses framework, should press Addis Ababa to unambiguously
        accept the EEBC decision and begin to demarcate the border. Only then will
        the broader talks on regional peace-building that Ethiopia wants be possible. If
        Ethiopia refuses, then Washington and other donors should reduce assistance
        and unambiguously condemn this violation of the peace agreement.
\end{itemize}

• The United States, UN, and other interested parties, within the multilateral Algiers Witnesses framework, should press the Eritrean government to be more accommodating to the diplomacy of working through the details of demarcation. By refusing to talk, Eritrea is obstructing the implementation of the Algiers Agreement. If Eritrea refuses to lift its restrictions on UNMEE, then sanctions should be applied as called for in Resolution 1640.

• The United States and other bilateral donors should work with international financial institutions to develop new incentives, such as generous post-demarcation support packages, to encourage Addis Ababa to accept the EEBC decision and manage any domestic political fallout. Initiatives focused on regional development and cross-border trade will place the newly demarcated border in a less militarized context, thereby helping sustain a more normal cross-border relationship and sustainable peace.

• Washington should not push for further reductions in UNMEE’s forces. Its continued presence increases confidence and serves as an important symbol of the international community’s commitment to support implementation of the Algiers Agreement. In addition, UNMEE has important roles in facilitating and protecting demining and final demarcation and in coordinating regional peace-building initiatives after border demarcation.

• The United States and others in the Algiers Witnesses group should urge the EEBC to reconsider its decision to move forward with unilateral border demarcation. The multilateral framework represented by the EEBC, Algiers Witnesses, and UNMEE constrains Ethiopia and Eritrea and should not be weakened without a viable alternative framework in place.

• The United States and other influential states should use public and private diplomacy to condemn any states that aggravate the already explosive situation in Somalia. However, Washington should work to resolve the Ethiopia-Eritrea border dispute separately from its work in the Somali Contact Group and avoid letting Ethiopia or Eritrea unduly influence or drive U.S. policy toward Somalia. While the two sets of policies are inherently linked, neither should be captive to the other. Washington should not promote plans
for African troops to support the interim regime in Baidoa but should emphasize the diplomatic imperative for inclusive peace talks, strengthening the arms embargo, and the withdrawal of all foreign forces from Somalia.

PROMOTING PEACEFUL POLITICAL CHANGE

Authoritarianism in Ethiopia and Eritrea has deep historic roots unrelated to the border stalemate; but movement toward resolving the border dispute will provide openings for political change and the promotion of democratization and human rights in each state. Implementation of the EEBC decision by Ethiopia will have profound consequences for Eritrean politics. Removing that core issue can allow public discussion and diplomatic dialogues on a broader range of issues, including long-postponed elections, restrictions on media and civil society, and potential international cooperation on counterterrorism. Similarly, unfreezing the border will reduce the links between Ethiopia’s internal opposition and regional rivalries, making domestic political accommodation more likely.

Promoting peaceful political change will be a difficult and slow process. Expectations of quick results are unrealistic. Nonetheless, Washington should work with other donors to develop sufficient leverage to encourage such reforms.

Eritrea

Since formal diplomacy with the Eritrean government is unlikely to reap significant benefits, the second step toward peaceful political change, after eliminating the border question, is to develop unofficial, informal interaction with Eritreans, particularly in the diaspora, who can begin planning for processes of change in the long term. Other nonofficial avenues for discussion hold promise: Asmara has been willing to meet with UN Special Humanitarian Envoy for the Horn of Africa Kjell Magne Bondevik. The World Council of Churches (WCC) has also successfully organized meetings between religious leaders in both Ethiopia and Eritrea.
The recommendations of this report include:

- Washington should continue to speak out on human rights abuses and the lack of democracy in Eritrea despite frozen relations with Asmara.
- U.S. policymakers should encourage less formal Track II (nongovernment) efforts to initiate international dialogue, foster more substantial discussions of democratization and human rights, and build stronger international relationships around humanitarian and food security issues. The Eritrean diaspora in particular should be engaged.

**Ethiopia**

The United States’ stance toward Ethiopia should return to frank criticism of developments under the EPRDF. The current path of political repression is not sustainable and may end in violence that will have spillover effects across the region. Washington’s support for Ethiopia in the recent past has been justified in part by Addis Ababa’s contributions in the global war on terrorism. While Ethiopia has played a supportive role, its policies and actions toward Islamist movements such as al-Itihaad are driven by its own national interests and are not undertaken on behalf of the United States. If Ethiopia sends its forces into Somalia, it may drag Washington into a conflict that will be framed in many parts of the Muslim world as another U.S.-sponsored attack on Islam. Furthermore, the close association of the United States and Ethiopia complicates relationships between Washington and other regional actors, notably Eritrea and a range of Somali groups.

Current U.S. policy toward Ethiopia has tempered recently in part due to a perception that Washington lacks sufficient leverage to shape policy decisions in Addis Ababa. Washington, however, has both development and military assistance programs in addition to humanitarian programs and funds that should be linked to progress on democratization and human rights goals. Ethiopia is one of fifteen focus countries in the President’s Emergency Plan for AIDS Relief, for example, and Washington provides funds for education, local governance, and health. The CJTF-HOA has sent small contingents of U.S. soldiers to the Somali-inhabited Ogaden region to install water
pumps, rebuild schools, and implement other humanitarian projects aimed to stabilize the region that is seen as a potential source of terrorists and instability. These symbolic missions, along with International Military Education Training and Foreign Military Finance programs, should be reduced or delayed if Ethiopia continues to criminalize dissent and restrict political opposition and the media.

By the same token, generous programs to support political institutions such as parliament, electoral commissions, and courts, and to train political parties, civil society organizations, journalists, and legal professionals should be increased to match progress on political reforms. The United States should also maintain close scrutiny of democracy promotion efforts in Ethiopia in order to guarantee the nonpartisan nature of the activities. U.S. democracy promotion programs, rather than becoming efforts to strengthen the opposition or to influence short-term electoral results, must be built on the premise that support for pluralistic democratic institutions and leaders is a long-term endeavor. The ultimate aim is to strengthen the quality of democracy in Ethiopia and reduce the potential for violent transition.

The recommendations of this report include:

- Washington should recognize that Ethiopia’s current regime is fragile and that a scenario of a violent and unpredictable transition threatens U.S. interests. Promoting peaceful political change now increases the prospects for a soft landing.

- Washington should seek Ethiopia’s approval for democracy support nongovernmental organizations, such as the National Democratic Institute for International Affairs, International Republican Institute, and the International Foundation for Election Systems, which were expelled by the government prior to the May 2005 elections, to return to Ethiopia.

- The United States, other donor countries, and the World Bank should offer well-funded programs on democratization and rule of law to support positive political openings. These initiatives should include opposition movements pursuing strategies of peaceful electoral competition, both within Ethiopia and in the diaspora.
• If Ethiopia does not move forward with political reforms, the United States and other donors should decrease support for nonhumanitarian development and military assistance. Although U.S. support for such programs is modest, reduced funding has symbolic importance.

**LONG-TERM TRANSFORMATION**

With positive movement toward fully implementing the Algiers Agreement, long-term peace-building initiatives should parallel efforts for peaceful political change. Building new relationships between communities split by the militarized border, groups displaced by the conflict, and families divided by loyalties to rival states will provide a context for new thinking and increased confidence about the formal peace process and for building healthier bilateral relations after the border dispute is settled.

Track II diplomatic initiatives that focus on nonofficial exchanges between polarized parties can encourage improved relationships beyond official channels. Such projects usually work best when they are low profile and kept distinct from formal diplomatic relations or political institutions. As mentioned earlier, Track II processes have proven helpful in cases such as U.S. relations with Eritrea where formal diplomatic contacts are virtually nonexistent. Additionally, given the difficulties in direct discussions with dissidents in either Ethiopia or Eritrea and the power of the diasporas in both states, pursuing more informal dialogues with those in the diasporas may provide insights and access to those processes taking place within the two states.

The current divisions within both Eritrea and Ethiopia will also benefit from well-designed and discreet civil society programs aimed at fostering dialogue, problem solving, and developing of new scenarios for more peaceful political processes. As political space for open discussions is very limited in Ethiopia, the extent to which civil society leaders and other notables can freely exchange ideas will help shape future policy debates and encourage processes of change.

Nongovernmental organizations have already initiated work in these areas. The WCC and Norwegian Church Aid, for example, sponsored talks between religious
leaders on both sides of the border. In June 2006, the head of the Ethiopian Orthodox Church, who was recently elected head of the WCC, called upon “the people of faith in Ethiopia and Eritrea to work with the political leaders to accelerate the coming of lasting peace.”

The recommendations of this report include:

• While pursuing diplomatic strategies to work with Eritrea and Ethiopia for peaceful change, Washington should think creatively about alternatives to traditional diplomacy, including Track II diplomacy, informal dialogues with civil society leaders, and nongovernmental conflict resolution initiatives.

• The Ethiopian and Eritrean diasporas should be encouraged to participate in dialogues to overcome their divisions and to develop new ideas to overcome the prolonged conflicts in their homelands.

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CONCLUSION

Heightened border tensions, authoritarian governance, and growing regional dynamics of conflict in Somalia raise concerns of a potentially expanding crisis in the strategically important Horn of Africa. Washington needs a new, comprehensive diplomatic strategy with high-level support, adequate funding, and close coordination with allies and other donors to address these developments and protect U.S. interests in the region.

Policies backed with significant resources to push for implementation of the border settlement will open up opportunities to address the fragile governments in the region. Successful political reforms, in turn, will reinforce regional peace-building. Regional dialogue and peace-building efforts are desperately needed, as is evidenced by the rapidly and dangerously escalating crisis in Somalia and the potential for significant conflict between Ethiopia and Somalia. Given the stakes and the role the region plays with regard to the Arabian Peninsula and counterterrorism, the importance of democratization promotion globally, and the growing attention to the region on Capitol Hill and within diaspora communities, disengagement is not an option.
ABOUT THE AUTHOR

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MISSION STATEMENT OF THE CENTER FOR PREVENTIVE ACTION

The Center for Preventive Action seeks to help prevent, defuse, or resolve deadly conflicts around the world and to expand the body of knowledge on conflict prevention. It does so by creating a forum in which representatives of governments, international organizations, nongovernmental organizations, corporations, and civil society can gather to develop operational and timely strategies for promoting peace in specific conflict situations. The center focuses on conflicts in countries or regions that affect U.S. interests, but may be otherwise overlooked; where prevention appears possible; and when the resources of the Council on Foreign Relations can make a difference. The center does this by:

- **Convening Independent Preventive Action Commissions** composed of Council members, staff, and other experts. The commissions devise a practical, actionable conflict-prevention strategy tailored to the facts of the particular conflict.

- **Issuing Council Special Reports** to evaluate and respond rapidly to developing conflict situations and formulate timely, concrete policy recommendations that the U.S. government, international community, and local actors can use to limit the potential for deadly violence.

- **Engaging the U.S. government and news media** in conflict prevention efforts. The center’s staff and commission members meet with administration officials and members of Congress to brief on CPA’s findings and recommendations; facilitate contacts between U.S. officials and critical local and external actors; and raise awareness among journalists of potential flashpoints around the globe.

- **Building networks with international organizations and institutions** to complement and leverage the Council’s established influence in the U.S. policy arena and increase the impact of CPA’s recommendations.

- **Providing a source of expertise on conflict prevention** to include research, case studies, and lessons learned from past conflicts that policymakers and private citizens can use to prevent or mitigate future deadly conflicts.
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