This summer has seen a historical breakthrough, a rapprochement between Eritrea and Ethiopia, potentially transforming the dynamics in the Horn of Africa, a region swept by uncertainty and insecurity for decades. In July 2018, leaders of both countries—Ethiopia’s Prime Minister, Abiy Ahmed, and Eritrea’s President, Isaias Afwerki—signed a peace agreement ending two-decade hostility, following a bloody border war (1998-2000). In turn, peace between Eritrea and Ethiopia encouraged the resolution of other longstanding regional disputes. The following cooperation agreement signed in Djibouti between Eritrea, Ethiopia and Somalia and the agreement to normalise ties between Djibouti and Eritrea, marked a new path towards regional cooperation. Several countries—besides Eritrea and Ethiopia—played a role in the peace efforts, including the United Arab Emirates (UAE) and the United States (US). Therefore, it is paramount to explore motivations and potential gains for regional and global actors.

**Eritrea, Ethiopia and Ports**

Eritrea, a country rich in resources such as copper, gold, marble or potash, has long been labelled the North Korea of Africa for its isolation: restoring ties with Ethiopia could lead to improved relations with the international community, and even to the lifting of sanctions imposed by the United Nations in 2009 for Eritrea’s alleged support for Al-Qaeda-linked Al-Shabaab in Somalia. The new situation could enhance its economy and attract foreign investments, particularly given Eritrea’s strategic location. Unlike the landlocked Ethiopia, Eritrea has a 1,151 km long coastline on the Red Sea, one of the world’s busiest shipping routes. In the south-East, Eritrea borders with Bab-el-Mandeb Strait, a vital chokepoint. Moreover, it is very close to the Arabian Peninsula, particularly to the war-torn Yemen as well as Saudi Arabia. Eritrea currently has two ports—Massawa in the north and Assab in the south—but due to its extensive coastline
it has a great potential to become a rival to much smaller Djibouti—a port nation, hosting many foreign military bases, including China’s, Saudi Arabia’s, and the United States’. Eritrea could consequently become an important regional trade and military hub. Ethiopia lost its ports after Eritrea broke away in 1991 and has been landlocked ever since. Therefore, the country of 100 million people, and Africa’s fastest growing economy, relies on others - mainly Djibouti - for its access to the sea. Recently, in order to decrease its dependence on Djibouti, Ethiopia started acquiring stakes in the main East African ports. Since March 2018 the Ethiopian government took a stake in Somaliland’s Berbera port, Port of Djibouti, Port Sudan and Kenya’s Lamu Port. In July it agreed with Eritrea on re-opening roads to Assab and Massawa, contributing to such ports’ development. Thus, one of the biggest benefits of the new partnership with Eritrea is access to new ports and economic boost. The biggest reason for speeding up the peace process was the election of Ethiopia’s new ambitious Prime Minister, Abiy Ahmed, in April 2018, committed to overcome the limitations endured under the former regime of the Tigrayan People’s Liberation Front (TPLF).

Ports Geopolitics

The UAE and the US played reportedly an important role in negotiating the Eritrea-Ethiopia peace. Both countries have an interest in establishing a foothold in the Horn of Africa amid their engagement—militarily or else—in the war in Yemen, the Gulf Crisis spill-over to the Horn, their competition with regional and global powers respectively in extending influence in Africa.

For starters, the UAE has key interests in closer cooperation with Eritrea. Rising hostility with Djibouti, where an Emirati military base is located, pushed the UAE to turn to Asmara for establishing its military base for operations in Yemen, leasing its Assab port in 2016. In addition, tighter engagement was an opportunity to sway Eritrea away from its ties with Iran and with Qatar, which mediated between Djibouti and Eritrea. The UAE’s engagement in the peace negotiations also increased its importance as a trans-regional actor and its power projection capabilities in the Horn of Africa. The developments are also paramount for securing the UAE’s and allies’ control over the Bab-el-Mandeb, as both Iran and the Houthis threaten its security. The rapprochement also creates new opportunities for investments, as the UAE already announced plans to finance new oil and gas pipelines connecting Addis Ababa with Eritrea’s Assab port. While the UAE maintained relatively close relations with both countries, the US supported Ethiopia against Eritrea for two decades until, in November 2017, Washington
announced its readiness to assist in the Eritrea-Ethiopia peace talks. The change was likely provoked by Washington’s growing disgruntlement over the strengthening of relations between Beijing and Djibouti, as well as the fading of US influence in Africa. The US support for the Eritrea-Ethiopia reconciliation came with the willingness of the US to vote in the UN Security Council for removing the arms embargo on Eritrea, something Washington had previously opposed. However, while Washington seemed to work on getting Eritrea on its side in the “great powers competition”, talks of US investments in the country have never materialised and Russia and China may be a step ahead in planning strategic development projects. It is unclear whether there are some negotiations going on behind the scene between Washington and Asmara but, so far, it seems that Moscow in particular is a step ahead.

Russia’s Pivot to Africa

Russia has been actively working on expanding relations with Asmara since the Eritrea-Ethiopia breakthrough in July 2018. Russia’s Foreign Minister, Sergei Lavrov, met with his Eritrean counterpart, Osman Saleh, in Sochi in late August to discuss bilateral relations and stressed the need for removing UN sanctions blocking weapons export to Eritrea. Lavrov also announced that Russia will invest in the Colluli Potash project and will set up a “logistics centre” in the country. Such agreement implies that Russia might want to re-establish its (military) presence on the Red Sea, securing power projection to the Middle East and Africa. During the Cold War, the Soviet Union had a navy base at the Ethiopian—now Eritrean—Dahlak Archipelago. Currently, Russia has military bases predominantly in ex-Soviet countries, like Vietnam and Syria and yet Moscow has preserved its diplomatic relations with Eritrea, which has been supporting Russia in the United Nations and other international fora. Unexpectedly, however, in 2014 Eritrea sent its officials to visit Crimea, annexed by Russia in 2014, recognising “the peninsula’s re-unification with the Russian Federation”—adopting clearly very different stance of the US and its allies.

Given the rise of military tensions in the region, and given the economic developments in resource-rich Horn of Africa, ports on the Red Sea have become key for gaining influence in Africa as well as the North-Western flank of the Middle East. The volatile Horn of Africa remains thus prone to interference from regional and global actors.

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