

A Week in the Horn

2nd May 2014

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News in brief

African Union

Secretary Kerry will be heading the US delegation to the 4th High-Level US-AU dialogue, meeting this weekend to discuss security issues in sub-Saharan Africa, the promoting of trade, investment and development partnerships, and the President's Emergency Plan for AIDS Relief (PEPFAR). The US delegation includes Assistant Secretary for African Affairs, Linda Thomas-Greenfield, Special Envoy for the Great Lakes and the DRC, Russell Feingold, and Special Envoy to Sudan and South Sudan, Ambassador Booth. The main focus of Secretary Kerry's trip, to Ethiopia, South Sudan, Congo and Angola, is peace and security issues but arrangements for the first U.S.-Africa leaders' summit, in August, are also on the agenda.

The US Africa Command and the Africa Center for Strategic Studies held a three-day seminar this week (April 28-30) on **Africa Logistics Capacity Development**, aiming to strengthen strategic leadership for security, peace support operations and humanitarian assistance in East Africa. (See article)

The **East African Power Pool**, which is based in Addis Ababa, held an extraordinary ministerial conference on Friday last week (April 25). Engineer Lebba Changula, from Tanzania, was elected Secretary-General. Discussions covered budget issues and various projects including the **Ethiopia-Sudan-Egypt 3,200 mw power transmission line** due to be finalized by the end of the decade under the auspices of East Nile Basin cooperation.

Ethiopia

Ethiopia's First Lady, Roman Tesfaye, a member of the Organization of African First Ladies against HIV/AIDS, visited UNAIDS headquarters in Geneva on Monday (April 28) and met with UNAIDS Executive Director Michel Sidibé. **Since 2009, the number of new HIV infections among children in Ethiopia has dropped by 54% and the prevention of mother-to-child HIV transmission coverage reached 50%.** The First Lady is currently involved in the development of HIV prevention campaigns in Gambella and Benishangul-Gumuz, two of the most affected regions in Ethiopia.

US Secretary of State, John Kerry arrived in Addis Abba on Wednesday (April 30) on the first leg of a trip taking him to South Sudan, the Democratic Republic of Congo and Angola. He met Prime Minister Hailemariam and Foreign Minister Tedros on Thursday and discussed regional security and bilateral cooperation. The State Department said his trip was also to encourage democratic development, human rights and engage with civil society. (See article)

The third Tana High-Level Forum on Security in Africa was held in Bahr Dar, in Ethiopia's Amhara Regional State, under the theme: **"Illicit Financial Flows and their impact on Peace and Security in Africa"** last weekend (April 26-27). Opening the Forum, Prime Minister Hailemariam highlighted the need for strong and transparent systems nationally and globally to curb illicit financial flows. (See article).

Foreign Minister, Dr Tedros held talks on regional and bilateral issues with Prince Saud Al-Faysal bin Abdul-Aziz Al-Saud, Foreign Minister of the Royal Kingdom of Saudi Arabia in Jeddah on Wednesday (April 30). They agreed to set up a framework agreement for political consultation and investment protection before the next Joint Ministerial Commission meeting, and agreed a joint experts committee should study control of illegal human trafficking.

Dr Tedros held discussions with the Minister of International Development of Finland, Pekka Haavisto, on Friday (May 2). The talks covered regional matters emphasizing the current situation in South Sudan.

Dr Tedros on Monday (April 28) held talks with a Kuwaiti business delegation headed by Rashad Shawa, Chairman of Mai Resources International. Dr Tedros said that Ethiopia was ready to strengthen relations with Kuwaiti investors who wished to invest in the environment and green energy resources.

Ambassador Berhane, State Minister for Foreign Affairs, speaking at the two-day Forum organized by the Western Universities Cluster at Bahr Dar University on Tuesday (April 29), said the benefits of GERD included Egypt's ability to obtain electricity from Ethiopia to help relieve its present electricity shortages.

State Minister for Foreign Affairs, Dewano Kedir, held discussions with a Chinese business delegation headed by Li Yudi, President of Chongqing Shandong Chamber of Commerce on Wednesday (April 30) whose delegation was interested in investment in construction, urban planning and development, manufacturing, and infrastructure.

The Ministry of Foreign Affairs conducted a one-day workshop with public and private media on Wednesday (April 30). The workshop focused on the Role of Media in Diplomacy. State Minister, Dr Yinager Dessie, **urged media representatives to work for the national interest, and pledged the Government's readiness to work with the media to facilitate the provision of reliable information.**

The **Arab Bank for Economic Development in Africa** (BADEA) has given a loan worth 10 million dollars to Ethiopia. The loan is to help finance the construction of the "Arba Rakate-Gelemso-Micheta" Road Project, part of the development of the national roads network. The latest loan raises BADEA's total commitments to Ethiopia to 165.23 million dollars.

The Government of Japan announced that it is awarding Ambassador Mahdi Ahmed, Ambassador of Ethiopia to Japan (1996-2002), the Order of the Rising Sun, Gold and Silver Star, for his contribution to enhancing relations between the two countries. Ambassador Mahdi is currently Chairman of the Japan Ethiopia Alumni Society.

Djibouti

Djibouti's Minister of Energy, Ali Yacoub Mahamoud, has signed a Memorandum of Understanding with the Spanish company, Fotowatio Renewable Ventures (FRV), to build a solar power plant of 50MW at Ali Sabih, south of Djibouti city. The initial investment cost will be US\$132 million and the output will be injected directly into the Djiboutian national grid.

The European Union has granted Djibouti 2 billion francs (US \$11 million) to finance drilling of boreholes at Balbala and in rural locations. The agreement was signed by Djibouti Minister of Economy and Industrial Finance, Ilyas Moussa Dawaleh, and the head of the EU delegation to Djibouti, Joseph Silva, on Sunday (April 27).

On Wednesday (April 23), the German Secretary of Defense, Ursula von der Leyen, visited the EU Naval Force flagship, FGS Brandenburg, during the German warship's visit to Djibouti where she met troops from the European Union's counter-piracy operation, Atalanta. She described Operation Atalanta as one of EU's most successful missions.

Eritrea

The US State Department's Country Report on Terrorism on Eritrea (for 2013), says Eritrea's lack of commitment to regional stability reduced opportunities for cooperation or dialogue on counterterrorism. It criticized Eritrea's lack of transparency on banking, financial, and economic matters and noted its "longstanding policy of self-reliance and self-imposed isolation" predisposed it to reject non-indigenous regulatory arrangements.

Kenya

The Kenya-Rwanda 8th Joint Commission for Co-operation (JCC) meeting opened in Nairobi on Sunday (April 27). The two-day meeting discussed progress following the mid-term review of the JCC in 2011. The focus was on security, immigration, infrastructure and trade.

Kenya and Ethiopia on Friday (April 25) signed a bilateral agreement to develop a One-Stop Border Post at Moyale to boost trade between the two countries. A statement from Kenya's Transport Ministry said the deal will enhance transport services at the border crossing, strengthen trade, reduce transit time for cross border trade and enhance immigration processes.

Kenya's international tourist arrivals declined by 15.8 percent to 1.49 million in 2013 down from 1.78 million in 2012. The fall was attributed to increased terrorist attacks, and particularly the September 2013 Nairobi Westgate Mall attack. Earnings also declined by 4% to US\$1.02 billion.

Somalia

At the weekend, the Ambassador in Nairobi was recalled for consultations after the Counselor of the Somali Embassy in Nairobi was detained for several hours by police during the on-going Operation 'Usalama Watch'. President Mahamud described the detention as "an unfortunate move which is damaging the diplomatic relations between the two countries."

President Hassan Sheikh Mohamud headed a delegation on a visit to Djibouti last weekend to have discussions with President Ismail Omar Guelleh on strengthening bilateral relations. President Ismail Omar Guelleh recently promised to send more troops to Somalia to assist in the operations against Al-Shabaab.

The United Nations Special Envoy to Somalia, Mr Nicholas Kay, said the Federal Government of Somalia is facing tough challenges in its quest to rebuild functional state institutions and hold national elections. (See article)

Somalia's Prime Minister Abdiweli Sheikh Ahmed called (Sunday, April 27) on the Government of Kenya to make every effort to ensure the protection of innocent Somali citizens. The Somali Ambassador to Kenya was recalled to Mogadishu for consultations after a Somali diplomat in Nairobi was detained. The Somali government described it as a "serious violation of diplomatic immunity." (See article)

The European Union Military Committee, chaired by General Patrick de Rousiers, visited Mogadishu this week, to review progress of the EU Training Mission, take stock of current SNA/AMISOM operations, and discuss broader EU support to Somali security forces.

The second phase of Juba Reconciliation Conference officially opened in Kismayo, the capital of the Interim Juba Administration on Sunday (April 27). The conference, jointly organized by the Federal Government and the Juba Administration in accordance with last year's Addis Ababa agreement, is expected to last two weeks. Members of the Somali Federal parliament, Ministers, and elders and representatives from local communities and Juba Administration are participating.

South Sudan

The third session of Phase Two of the South Sudan peace talks resumed in Addis Ababa on Monday (April 28) with direct talks between the South Sudan Government and the SPLM-in-Opposition re-starting on Thursday (May 1). The Head of IGAD's Special Envoys, Ambassador Seyoum Mesfin of Ethiopia, said the negotiations would focus on implementing the January Cessation of Hostilities Agreement as well as details for a transitional government: "there can be no more "talks about talks." (See article)

At a meeting on Thursday (May 1) US Secretary of State, John Kerry and the Foreign Ministers of Ethiopia, Uganda and Kenya agreed on the urgent need to send a substantial peace-keeping force to South Sudan to end the conflict there. Details on timing, manner and size would need to be worked out.

The joint preparatory committee for the intra-party dialogue of the South Sudan Liberation Movement (SPLM) welcomed the release last Friday (April 25) of four political detainees, and the dropping of charges against them, saying the process was a gateway for the future unity of the party and national reconciliation. (See article)

Navi Pillay, the United Nations High Commissioner for Human Rights visited South Sudan this week. She met with President Salva Kiir and senior government officials as well as with rebel leader Riek Machar and raised concerns about protection of civilians. She said after her visit that the country's leaders appeared to have "embarked on a personal power struggle that has brought their people to the verge of catastrophe." Her visit was at the request of the UN Secretary-General and the UN Security Council following the killings in Bentiu.

Sudan

Sudan President Omar Al-Bashir, speaking at a Forum in Bahr Dar on Monday (April 28), said that Ethiopia's fast-paced development, including the GERD, was to be seen as a step forward for Sudan and also benefited Sudan.

The African Union High-Level Implementation Panel (AUHIP) mediating the peace process aimed at ending the conflict in Sudan's South Kordofan and Blue Nile states suspended talks again on Wednesday (April 30) after government and rebel delegations once again failed to conclude a framework agreement. The AUHIP will now present a detailed report to the Peace and Security Council.

The 8th meeting of the Implementation and Follow-up Commission of the Doha Document for Peace in Darfur was held on Monday (April 28), in El-Fasher, North Darfur. Chaired by Qatari Deputy Prime Minister, Ahmed bin Abdalla Al-Mahmoud, it discussed progress since the last meeting in December 2013.

Sudan's Defense Minister, Lt. General Abdul-Rahim Mohamed Hussein, and Somalia's Defense Minister, Brigadier General Mohammad Sheikh Hassan, have agreed on joint co-operation in training and building up the Somali Armed Forces. The Ministers reviewed security in Somalia and the progress achieved during General Hassan's visit to Khartoum this week.

US Secretary of State, John Kerry, visits Ethiopia

The US Secretary of State, John Kerry, arrived in Addis Ababa on Wednesday (April 30) on the first leg of a trip to Ethiopia, South Sudan, the Democratic Republic of Congo and Angola. He was leading a delegation that included the US Assistant Secretary for African Affairs, Linda Thomas-Greenfield, the Special Envoy for the Great Lakes and the Democratic Republic of the Congo, Russell Feingold, the Special Envoy to Sudan and South Sudan, Ambassador Donald Booth, and the Ambassador-at-Large for Global Women's Issue Catherine Russell. In addition to his bilateral discussions, Secretary Kerry was leading the US delegation to the 4th High-Level US-AU dialogue meeting to discuss security issues in sub-Saharan Africa, the promotion of trade, investment and development partnerships, and the President's Emergency Plan for AIDS Relief (PEPFAR). The main focus of Secretary Kerry's trip, to Ethiopia, South Sudan, Congo and Angola, is on peace and security issues but arrangements for the first U.S.-Africa leaders' summit, in August, are also on the agenda as is the situation in South Sudan.

On Thursday, Ethiopia's Foreign Minister, Dr Tedros Adhanom, Kenya's Cabinet Secretary for Foreign Affairs, Ambassador Amina Mohamed and Uganda's Foreign Minister, Sam Kutesa, met with Secretary Kerry. Their discussion focused on the on-going crisis in South Sudan and on ways to stop the violence claiming the lives of thousands of innocent civilians. Dr Tedros said IGAD appreciated the continued support of the US Secretary of State and through him of the US Government for their continued support to the regional peace efforts to resolve the crisis in South Sudan. He said "the frequent phone calls and active support of Secretary Kerry was indeed important". He expressed his hope that this would continue until the problem reaches a solution. Citing the recent massacre in Bentiu, Dr Tedros described the humanitarian crisis as "lamentable". He stressed the need to move the talks forward and seek a lasting solution to the problems that had led to

the current crisis. He pointed out that the continuing fighting had undermined the negotiations and posed a challenge for humanitarian access. Ambassador Amina Mohammed explained the efforts of the sub-region from the onset of the crisis and stressed the imperative to observe the Cessation of Hostilities Agreement, ensure effective and open humanitarian corridors and to continue the talks to resolve the crisis.

Senator Kerry praised the leadership of the region and the efforts and commitment it had shown in the search for peace in South Sudan. He said he was appalled by the violence and the ethnic dimension. He underlined that the leaders of the two warring sides should make sure any who participated in violence were accountable. He said that no sectarian, racial or ethnic violence should be allowed in South Sudan. He assured the Foreign Ministers that the US would continue to work closely with its partners, including the European Union, to help the efforts of the region.

The discussion also covered ways to expedite the deployment of the proposed Prevention and Deterrence Force (PDF). The Ministers and the Secretary agreed to work closely on the need for rapid deployment of the force, its endorsement by the UN Security Council and mobilization of necessary resources for the PDF. They agreed the PDF should have a peace-making mandate, which would enable it to protect civilians from any arbitrary killings arising from the ethnic dimensions of the conflict. They discussed ways to expedite the deployment of the Prevention and Deterrence Force; Secretary Kerry emphasized that the US was committed to supporting its deployment. Ethiopia, Kenya, Rwanda and Burundi have so far agreed to contribute troops to the PDF. The three Foreign Ministers agreed to work urgently on mobilizing capable troops from neighboring countries to be deployed as soon as possible, as decided by the 25th IGAD Heads of State Summit. They also agreed, after considering the recent massacre in Bentiu, that the mandate of UNMISS needed to be reconsidered to help protect civilians; and underlined the importance of translating decisions made by IGAD into action in order to stop the worsening humanitarian situation and restore order in the country. The two sides also agreed on the importance of an inclusive political process in South Sudan.

Later in the afternoon, Secretary Kerry met with Prime Minister Hailemariam Desalegn. The Secretary of State expressed his admiration for Ethiopia's outstanding efforts to bring peace and stability in the Horn of Africa, in particular in Somalia and in South Sudan. The two sides underlined their desire and interest to further strengthen bilateral relations in the areas of trade investment and economy. Secretary Kerry expressed his hope that Ethiopia would play a major role in helping to make a success of the upcoming US-Africa Energy Ministers Conference. Prime Minister Hailemariam stressed Ethiopia's desire to strengthen its bilateral ties based on mutual benefits with the US. Discussion also covered ways to promote the participation of civic society and developing democracy.

In a subsequent press conference, Secretary Kerry gave his impression of Ethiopia's development trajectory. He said that on the economic side Ethiopia was really on the move, adding that it was a country generating enormous energy. He said the on-going construction in Addis Ababa provided a snapshot of the massive development going on throughout Ethiopia. He said "it is no wonder Ethiopia is the eighth fastest economy in Africa and tenth in the world." He reaffirmed that the US would continue to be Ethiopia's partner in its development efforts. Secretary Kerry said he had raised concerns about Ethiopia's detention of six bloggers and three journalists during his meeting with the Prime Minister, adding that the US was concerned about any imprisoned journalist, wherever they might be. A spokesperson for the Prime Minister pointed out that the charges against those arrested relate to serious criminal activities and have nothing to do with the free exchange of ideas.

Secretary Kerry noted that he had made a special recommendation to the leaders of Ethiopia to continue to work with the partners of the AU in addressing the challenges facing Africa. He praised Ethiopia's part in the AMISOM forces liberating towns from Al-Shabaab and in mediating in South Sudan and Sudan. He also underlined the urgency of the need to act in South Sudan where sectarianism had unleashed "horrendous crimes". In that context, he said President Salva Kiir and Riek Machar should unequivocally condemn those who perpetrated crimes against civilians; and he warned the US might impose targeted sanctions on those responsible for the killing of innocent civilians.

Secretary Kerry also visited the Gandhi Memorial Hospital and the Anti HIV Treatment services in the hospital. He welcomed the fact that Ethiopia had managed to reduce the number of 2.7 million HIV infected citizens in 2004 by a third. He also noted that the number of the HIV/AIDS antiretroviral drug beneficiaries had risen to 335,000 over the last decade from 53,000 and that there had been enormous advances in reducing mother to child transmission of HIV/AIDS.

The IGAD-led peace talks on South Sudan resume in Addis Ababa

The Third Session of Phase II of the South Sudan peace process, aiming to find a political solution to the ongoing crisis in South Sudan, resumed on Monday (April 28) in Addis Ababa. The previous round of the negotiations adjourned on April 7 to permit various consultations and discussions between the IGAD Special Envoys and leaders of the two conflicting parties. The current round of peace negotiations is now focusing on facilitating national reconciliation and healing as well as promoting the pivotal importance of the need for sustained dialogue between the parties to cement unity and peace in the country. The representatives of the Government of the Republic of South Sudan and the SPLM/A-in-Opposition are discussing numerous issues including political dialogue, national reconciliation and healing and efforts to avert the continuing violence, prevent further escalation of atrocities against civilians and restore lasting peace and stability in the country.

IGAD noted that during the previous three weeks of adjournment the IGAD Special Envoys had held various discussions and exchanged views with leaders of the conflicting parties including President Salva Kiir Mayardit and Dr Riek Machar, former Vice President and leader of the SPLM/A- in-Opposition in order to accelerate the negotiation process and bring an end to the increased violence across the country. A statement from IGAD noted that the successive consultations and constructive discussions had helped the leaders of the conflicting parties share concern over the recent atrocities as well as the increasing tension and conflict. It said that both leaders had expressed their unwavering commitment to push forward the political negotiations to end four months of fighting and fast-track national reconciliation and healing in South Sudan. In addition to these consultations with the warring parties, the statement said that the Special Envoys had undertaken a number of shuttle missions to the capitals of IGAD member states. The Envoys had discussed issues with the Heads of State and Government of IGAD countries, the African Union, the United Nations and international partners of IGAD to achieve support for IGAD's mediation efforts, for the operations of the IGAD Monitoring and Verification Mechanism (MVM) and to speed up organization of the proposed regional Protection Force (PF).

On Thursday last week (April 24), the Government of South Sudan released the four political detainees accused of treason and of attempting a coup to overthrow the Government of President Salva Kiir. The Government said the decision would expedite and encourage peace and reconciliation in the country. The freed political leaders are Pagan Amum, the former Secretary General of the Sudan People's Liberation Movement (SPLM); Majak D'Agoot, former Deputy Defense Minister; Oyai Deng Ajak, former National Security Minister; and Ezekiel Lol Gatkuoth, ex-ambassador to the United States. Following the Government's decision to drop charges against these officials, the SPLM Committee mandated to prepare the intra-party dialogue for APLMN reconciliation, welcomed the move and said the release of the detainees would encourage the on-going mediation efforts and the current political dialogue towards national reconciliation and healing. The Committee added that the move would also contribute to the unity of the party and promote an inclusive process to seek for a lasting political solution to the crisis in South Sudan. The SPLM-in-Opposition also hailed Juba's decision to drop charges of treason against the four detainees.

The members of the SPLM Committee held their first discussions from April 23 to 26 in Addis Ababa to discuss issues related to the fundamental objectives, agenda, rules and other procedures for discussion of the future of intra-party dialogue by the SPLM bureau. This dialogue, coinciding with the on-going IGAD-led peace talks and facilitated by the African National Congress and the Ethiopian People's Revolutionary Democratic Front, is dealing with the root causes of the current crisis plaguing both the party and the country. The intra-party dialogue is focusing on issues related to the internal affairs of the SPLM and is intended to add additional impetus to the realization of the on-going peace process and help find a lasting remedy to the crisis in South Sudan. The SPLM Committee for Intra-party Dialogue was launched on Saturday (April 5) to assess the leadership of the SPLM, root out the underlying causes of the crisis, and promote the continuing peace talks and other efforts for peace, stability, security, reconciliation, healing, and good governance in the country.

The UN High Commissioner for Human Rights, Navi Pillay, along with Adama Dieng, the UN Special Envoy for the Prevention of Genocide, paid a visit (April 28) to Juba at the request of the UN Security Council and the UN Secretary General to investigate the recent killings of hundreds of civilians in Bentiu and Bor. She expressed her concern over the grave human rights violations and the suffering of civilians as a result of sexual violence, food insecurity and other problems. In South Sudan, the Commissioner met with Barnaba Marial Benjamin, South Sudan's Foreign Affairs Minister, and called on all parties to comply with the

Cessation of Hostilities Agreement in order to safeguard the safety and security of the people of South Sudan. Mr Benjamin affirmed that the Government of South Sudan was committed to improving the prevailing human rights situation and to stopping attacks against civilians. The Commissioner and Adama Dieng also met with Dr Riek Machar, leader of the SPLM-in-Opposition and briefed him on the Secretary-General's concerns over the prevailing situation and the suffering of civilians in the country. She said she had received assurances from Dr Machar that he was investigating the human rights violations that had occurred in Bentiu and Bor. She also said that Dr Machar had demanded that "the President of South Sudan should keep to his word and then they could resume the Cessation of Hostilities Agreement."

On Tuesday this week (April 29) UN Secretary-General, Ban ki-Moon in a phone call to President Kiir, underlined the imperative necessity of scaling up efforts to immediately stop the continuing conflict and put an end to the "appalling" killings of civilians in South Sudan. He suggested that the perpetrators of the recent "ethnically" motivated killings in Bentiu and the "completely unacceptable" attack on the UNMISS compound in Bor should be promptly brought to justice. The Secretary-General, who welcomed the decision to release the political detainees and said their release would boost the IGAD-led peace process for national reconciliation, also called for a halt to the negative campaign against UNMISS staff in South Sudan.

The concern of IGAD Heads of State and Government over the situation in South Sudan was underlined by President Kenyatta of Kenya, Chairman of the EAC and Rapporteur of IGAD, who stressed on Saturday (April 26) that Kenya and the region would never permit anything like the 1994 Rwanda genocide to happen again in South Sudan. He expressed his concern and disappointment over the on-going conflict and the recent killing of hundreds of civilians. He reaffirmed that Kenya along with member countries of the region would stand firmly against any further move towards genocide and atrocities in the region, adding: "we refuse to be witnesses to such atrocities and to remain helpless and hopeless in their wake." He emphasized that the Government of South Sudan and the SPLM-in-Opposition had agreed to a Cessation of Hostilities within the IGAD-led mediation efforts back in January, but, he said, the parties had not respected the agreement and had continued to fight. He said IGAD, the EAC, the African Union and the international community must closely work and coordinate efforts to end hostilities and any recurrence of further atrocities and attacks against civilians. He urged all warring parties to stop the on-going violence, prevent further attacks against civilian populations and bring perpetrators to justice. He suggested that the conflicting parties should dedicate their efforts to protecting civilians and creating an enabling environment for humanitarian service delivery to the conflict-affected civilians in various parts of the country. He said the countries of the region would be convening an emergency summit of IGAD shortly to discuss ways to resolve the crisis.

Prime Minister Hailemariam encouraged by sustained growth

During the 26th Regular Session in the 4th year of this Parliament, Prime Minister Hailemariam presented the nine months performance report of the Government to the House of Peoples' Representatives for the current fiscal year, on Thursday last week (April 24). The Prime Minister spoke of the country's social and political developments and its overall continued growth, as well as noting some of the shortcomings registered in export activity.

The Prime Minister indicated that Ethiopia has enjoyed smooth bilateral and multilateral relations in this period with all neighboring countries, with the exception of Eritrea. He highlighted the Special Status Agreement with Kenya. This had been signed in November 2012 and had now been ratified by the Ethiopian parliament. It is expected to strengthen commercial ties between the two countries.

Concerning relations with Somalia and South Sudan, Prime Minister Hailemariam noted that Ethiopia was playing an important role in helping to stabilize both countries, both through the auspices of IGAD and bilaterally. In Somalia, Ethiopian forces under AMISOM were involved in operations to weaken Al-Shabaab and to provide support for the Federal Government of Somalia. The Prime Minister said Ethiopia and Somalia had also signed a military cooperation agreement to promote collaboration in security, business and information gathering. As for South Sudan, the Prime Minister said that as Chair of IGAD, Ethiopia was actively engaged in the on-going current peace talk process in order to try to bring a quick end to the fighting, encourage the implementation of the ceasefire agreement, and bring about a peaceful and durable solution to the current crisis. The Prime Minister stated that Ethiopia maintains strategic partnerships with several countries in Asia, Europe, America and the Middle East, and added that as Chair of the African Union in 2013 Ethiopia had been the voice of Africa and defended Africa's interests in several multilateral fora.

Regarding the Nile issue, Prime Minister Hailemariam called on Egypt to return to the tripartite dialogue with Ethiopia and Sudan to implement the recommendations of the International Panel of Experts on the

construction of the Grand Ethiopian Renaissance Dam (GERD). He said the Government was working hard to convince the Egyptian authorities “to avoid unnecessary campaigns against the dam” He said Egypt should return to the tripartite discussions. Following deadlock in the talks in January, Egypt has reportedly said it would internationalize the issue and take the case to the United Nations Security Council. The Prime Minister said the Government was ready to respond to this.

The Prime Minister noted that Ethiopia was working closely with the other Nile Basin countries for equitable utilization of the river. He pointed out that Sudan, the immediate downstream country, was backing what will become Africa’s biggest hydroelectric dam and said the Renaissance Dam had cemented their strategic partnership. The recent Joint Sudanese-Ethiopian Higher Committee (JSEHC) meeting held in Khartoum had witnessed the signing of 13 cooperation agreements between the two countries and this, the Prime Minister said, had taken the relationship with the Sudan to a higher strategic level. The Prime Minister reminded the House of Representatives that six of the Nile Basin countries, Ethiopia, Rwanda, Kenya, Uganda, Tanzania and Burundi had signed the Cooperative Framework Agreement, and Ethiopia and Rwanda have ratified the Agreement. The Prime Minister said Kenya, Uganda and Burundi were expected to follow suit “soon”. He said the Government was encouraging Tanzania to ratify the Agreement and expected South Sudan and the Democratic Republic of Congo to join the CFA.

Turning to the overall economic performance, Prime Minister Hailemariam declared that Ethiopia has registered 10% real GDP growth, slightly less than the targeted 11% set by the Government. The Prime Minister said that his government was still satisfied “by the country’s sustained growth” despite some shortcomings of the economy affected by a reduction in export performance. According to the report, the manufacturing sector registered an overall increase of 11.4% over the previous nine months, with leather and leather products and textile and clothing achieving 12% and 14% growth, respectively.

During the past nine months of the fiscal year, agricultural exports however had only recorded a growth of 9%, the Prime Minister said as they had been particularly affected by the decline in global coffee prices. Coffee, of course, is the long-time leading foreign export item and still takes the leading share of exports. However, Prime Minister Hailemariam pointed out that other agricultural exports, including oilseeds, pulses, floriculture and fruits and vegetables had shown growth of 58%, 11%, 7% and 1%, respectively. The Prime Minister said the export performance had also been affected by the fall in the global market of gold, another major export item. The Prime Minister said the continued fall in coffee and gold prices in the global market was paralleled by a continuing surge in the price of oil, which meant the import bill continued to increase. Despite these difficulties, the Prime Minister said “Looking at the overall growth we have, what we have so far achieved is satisfactory.” He added that to counter the impact of the global markets, the Government would intensify follow-up and support efforts over the remaining three months of the fiscal year. He said efforts were underway to improve the quantity and quality of the export of coffee and gold.

The Prime Minister said that as a result of the Government’s tight monetary policy, inflation had remained at 7.5 percent. The Government expects that the bumper harvest forecast this current fiscal year, coupled with price stabilization in the global market, will ensure single digit inflation for the current fiscal year as well. He stated that controlling inflation was, of course, a significant contribution towards ensuring a stable macro economy.

Detailing the progress of the country’s major infrastructure developments, the Prime Minister noted that over 31% of GERD construction had now been completed, and he said the dam would be able to start generating power in a limited capacity next year. He added that Gilgel Gibe III, which will be able to generate 1,870mw, is 84% complete and it will begin power generation during the next Ethiopian year (2014/15) as well. A number of other wind and hydro-electric power plants are also under construction and are going according to schedule, the Prime Minister added.

During the fiscal year, the Prime Minister noted that there had been massive community mobilization in development activities, including soil and water conservation efforts, aimed to replenish denuded forest coverage. Much, he said, had been done in natural resource and irrigation development to realize **sustainable** agriculture production. He noted that the construction of the sugar development projects had been delayed due to financial constraints but the situation had now improved, he said, and further financing found. Seven of the projects would be able to go operational and begin production by the end of the plan period.

Referring to the Growth and Transformation Plan (GTP), Prime Minister Hailemariam underlined the need to speed up its implementation as it is a central element for boosting the less performing sectors. He particularly stressed the need to improve telecommunication services, energy supply and other basic service provisions during the remaining period of the plan which ends next year. Asked whether the current GTP performance is sufficient to meet the final plan targets, the Prime Minister said that many sectors were registering steady growth which would mean they would surpass the set goal; however there were some areas lagging behind the plan targets. He said more effort should be made to achieve those targets but equally, it was important to draw lessons from the problems and use these to input into the up-coming Growth and Transformation Plan II. He called for more concerted efforts to build up the capacity of governmental bodies to achieve the plan's goals in the remaining period.

The Tana High-Level Forum on Security in Africa discusses illicit financial flows

The Third High-Level Tana Forum was held in Bahr Dar, April 26 to 27, under the theme: Illicit Financial Flows and the Impact on Peace and Security in Africa. The Forum was attended by President Al-Bashir of Sudan, President Salva Kiir of South Sudan, President Abdiweli Mohammed Ali of Puntland and the former presidents of Nigeria, South Africa and Burundi as well as other distinguished participants.

The meeting was opened by Prime Minister Hailemariam who noted that the Forum, now in its third year, remained a place where relevant and serious problems could be discussed with a view to helping inform the quest for African-led solutions to Africa's problems. The Prime Minister said illicit financial flows meant Africa was losing resources which could easily lift hundreds of millions of its people out of poverty. He cited the staggering estimate of US1.2 to 1.4 trillion dollars lost between 1980 and 2009. This loss exceeded what Africa obtained in Official Development Assistance and Foreign Direct Investment. It meant, he said that "Africa is a net creditor to the world if you take account of illicit financial flows."

The Prime Minister noted that these illicit financial flows could take different routes and forms, and in fact, Africa was losing more through international trade and multinational companies, for example, than through the more obvious matters of bribery and embezzlement. This was the result of weak institutional and human capacity that allowed companies to transfer much of their African profits out of the continent without recognition or tax. The result was a staggering illicit outflow of finance that seriously affected Africa's ability to improve the lives of its people, delaying achievement of development targets such as child mortality reduction or poverty eradication. Indeed, according to some estimates, said the Prime Minister, this could delay the realization of targets by more than twenty years. In fact, he added, if such outflows were checked Africa would be able "to adequately self-finance and strengthen regional and continental organizations and the processes that play the most important role in maintaining peace and security."

In order to curb this huge outflow of finance from Africa, Prime Minister Hailemariam recommended a first step should be recognition of the "pull and push" factors at work. Sharing Ethiopia's experience, he said that Ethiopia had recognized the urgency of **need to totally replace a rent-seeking political economy, of which such a massive loss of resources was just a symptom, with a productive and developmental political economy**. This needed continuous auditing of processes and practices to assess their vulnerability to rent-seeking behavior. Sectors such as the tax and land administration systems, trading regimes and public expenditure and procurement, had been identified as areas that needed corrective and preventative reforms. Once this had been started, the Government was able to improve its tax collection capacity. At the same time, he emphasized, the Government felt it necessary to work continuously to strengthen the legal and institutional frameworks for the detection and control of illicit financial flows. He stressed this needed the necessary knowledge and institutional capacity to address this challenge successfully.

Another problem related to the illicit financial flows, especially in Africa, said Prime Minister Hailemariam, was tax evasion, adding "this particular problem is bleeding African economies and needs to be tackled as resolutely as possible." He noted that significant resources that could have been used productively disappeared in the process of transfer and the response to this needed coordinated national and regional action. Indeed, in addition to action taken by individual countries, regional and international coordination was vital, he said. "Transparent financial, corporate ownership and public procurement systems at country level will not be effective when countries even in Africa are, wittingly or unwittingly, jostling to join the league of tax havens and offshore financial centers." That, he added, is where "coordinated regional and international efforts are needed; without coordination, countries might resort to some kind of 'race to the bottom', compounding the problem." The Prime Minister concluded by noting that "the more transparent

our workings are, the less the likelihood of our much needed resources falling through the cracks created by inefficient governance regimes will be.”

The Chair of the Tana Forum Board, the former Nigerian president, Olusegun Obasanjo, in his assessment of “the state of peace and security in Africa” said that even though the continent witnessed significant transformation over the last decade or two, recent developments and security threats in Mali, Central African Republic, Nigeria, South Sudan, Somalia and the Great Lakes were alarming. He classified the conflicts on the continent into seven types: post-colonial conflicts arising from agitation for liberation from the control of colonial settlers; boundary and territorial conflicts; conflicts linked to secessionist ambition; resource-based conflict; identity-based conflict including inter-ethnic or inter-tribal struggles; annexationist conflict; and conflict arising from poverty or denial of justice.

The legacy of colonialism and foreign interference in political transition and governance were international factors that could trigger conflict in Africa, but the number of interstate conflicts had, he said, substantially declined. At the same time there had been an alarming rise in the number of intra-state conflicts and “what some scholars refer to as new wars in their various forms and shades” were taking place.” There was the growing and menacing threat of terrorist activities and insurgencies were also growing in number even if their root causes and triggers were not necessarily new. Mr Obasanjo categorized the triggers of these conflicts as political, economic or social. Politically, he said, the key conflict drivers were poor governance, state building process including struggles for control of power and unconstitutional changes of government. Economically, the main factors for conflict were corruption, struggles for ownership, management and control of natural resources and unequal distribution of resources. Socially, the drivers were inadequate capacity for diversity management, real or perceived inequality, discrimination against minorities, and marginalization along ethnic and religious lines as well as alienation and consequent disillusionment of youth.

Mr Obasanjo warned that the “power of Africa's streets” both in violent and non-violent manifestations cannot be ignored. It was becoming common for young people to take to the streets to voice their feelings of exclusion. He therefore called for the necessary resolve and determination to make sure that these conflicts and their negative consequences on Africa could become a thing of the past. Recalling the African Union’s Solemn Declaration and Pledge to silence the guns by 2020, and not to bequeath a legacy of war to future generations, Mr Obasanjo urged leaders to show the ability to engage in hard collective thinking and “horizon scanning”, to inject flexibility into existing frameworks to respond to and resolve conflict at sub-regional, regional and international level.

Abdiweli Mohammed Ali, the President of Somalia's semi-autonomous Puntland State Administration suggested that the estimates of illicit financial flows underestimated the problem as these figures “do not capture money lost through drug trafficking and the loss of Africa's marine resources through illegal fishing.” He said that “Somalia loses between US\$800 million and \$1billion dollars through illegal fishing every year.” He said “this is money we cannot afford to lose, and something must be done about the illegal **international fishing cartels which are looting our marine resources.**”

Nuhu Ribadu, the former chairman of Nigeria's Economic and Financial Crimes Commission said that it was shameful that Nigeria took the lead in such unsavory behaviour, but he added it must be pointed out that Nigeria’s leaders had been trying to get back some of the stolen funds. “We have managed to recover billions that the former military dictator, Sani Abacha, stashed in banks abroad”, he said. Mr Ribadu said Africa needed honest and committed leaders who would set an example in eschewing corruption and closing avenues of illicit financial flows. He emphasized that “it is the seriousness and commitment shown by African leaders that will convince foreign countries to work with them towards recovering looted monies stashed abroad.”

According to a report: “The state of governance in Africa: the dimension of illicit financial flows as a governance challenge”, published by United Nations Economic Commission for Africa (February 2013), illicit financial flows perpetuate Africa's economic dependence on other regions and undermine the capacity of the African governments to articulate and implement a developmental state approach which could prioritize capacity-expanding , transformative and distributive economic and social development policies. The study, which demonstrates the enormity of the outflow, explains why donor-driven efforts to spur economic development and reduce poverty have not achieved their full potential in Africa. Indeed, it underlines the point that sustained illicit outflows have turned the continent into a net creditor to the rest of the world. As

former South African President Thabo Mbeki, Chair of the Commission on Illicit Finances established by the UN Economic Commission on Africa, put it: “Policy measures must be taken to address the causes of illicit outflows and also to impress upon the international community the need for better transparency and tighter oversight of the banks and offshore financial centers that absorb these flows.” Control of illicit financial flows, in fact, needs coordinated action both in Africa and across the world if it is to be successful in providing a resolution to what is now a major global problem.

Ambassador Kay calls for continued international involvement in Somalia

The Special Representative of the UN Secretary General for Somalia, Ambassador Nicolas Kay, recently spoke about the progress made in Somalia, and the continuing challenges of governance and security in the country. Speaking at the United States Institute of Peace in Washington, the ambassador, who also heads the United Nations Assistance Mission in Somalia (UNSAM), described Somalia’s growing success in bringing stability but emphasized the pressing need to consolidate and sustain the gains made. He used the phrase “progress in peril” to underline the way he saw the current situation.

The Special Representative of the Secretary General explained that there were still huge problems facing Somalia. He said Al-Shabaab still posed a threat to the country’s stability and remained “an enemy that is determined to derail international support and is determined to destabilize the government of Somalia.” The Ambassador added that weak state institutions and the low level of skilled capacity in state governance were problems that still posed a huge challenge for the government in its aims and efforts to provide services for its people, especially in the areas liberated from Al-Shabaab control. Somalia, he said, was still a country with large-scale poverty and with nearly a million people dependent on food aid. He listed corruption and clan factionalism, the results of two decades of absence of a viable political system and administration, as other major problems facing the government.

On the security front, however, the Ambassador was full of praise for AMISOM and the Somali National Army for carrying out effective operations against Al-Shabaab forces and reclaiming a number of towns in a very short period of time, eleven in the last couple of months. The Special Representative said it had been in June last year that the UN had realized that AMISOM was becoming too stretched by a lack of resources and it was becoming less effective. The Security Council had then approved 4,000 additional troops for AMISOM, as well as the provision of ‘enablers and force multipliers’ and authorized the UN to provide non-lethal logistical support for the Somali National Army. This, Ambassador Kay said, had made the offensive that started in early March of this year hugely effective. He added that the recent offensive had also benefitted particularly from the Ethiopian forces “now being incorporated into AMISOM as part of the operations”. The offensive had achieved impressive results and the Government had now been able to extend its authority over significant areas of the country. This, he said, would help in the provision of services. It also meant that Al-Shabaab had been deprived of many of its sources of revenue, especially the taxes it used to collect from the towns and villages it had controlled. Equally, driven out of the towns, Al-Shabaab had retreated into the countryside and resorted to attacking transport corridors and disrupting food supplies to Somali populations in the recaptured towns and the AMISOM forces protecting them. It was proving difficult to deal with this.

On the political front, the Special Representative said the items on Somali Government’s necessary to-do list, which included the creation of a functional federal structure, organizing the final draft of the constitution for a referendum, and holding general elections by 2016, were highly ambitious, perhaps too much for any government, not least for a country that had been two decades without a functioning state. Ambassador Kay also mentioned that the dispute between the supporters of a ‘three-region’ federal state for Southwest Somalia, composed of Bay, Bakool and Lower Shebelle regions, and those who were pressing for a six-region state which would mean the dissolution of the Interim Juba Administration and the disruption of the agreement between the Federal Government and the Interim Juba Administration last August. Despite this issue, overall the Ambassador remained relatively optimistic on the future, saying that his office and the UN believed that there was a good chance that the Government would have a workable map of what the future federal state would look like by the end of this year.

Ambassador Kay also noted that the Somali Federal Government had been making some progress towards establishing a functioning financial and economic regulatory framework. He said there were visible signs of an improved financial governance system and public finance management. This, he said, was encouraging for the possibility of creating a better and stable economic and financial environment.

The biggest risk facing Somalia's progress, according to the Special Representative, was the possible waning of international interest and attention. A diversion of international concentration could easily lead to resource depletion and more importantly might create an environment which would allow Somali leaders to resort to their previous and less productive ways of conducting politics. As an indicator of the dire consequences that a drop in international attention could pose, the Special Representative pointed to the humanitarian situation inside the country. This, he said, was an area in which international interest had most clearly fallen. Compared with the situation two years ago when more than five hundred thousand people died because of the famine, Somalia was now far better off and had improved food security. However the Special Representative warned that the situation was currently showing worrying signs and indicators of potential food insecurity again. The consolidated appeal for Somalia's humanitarian efforts for this year had called for US\$933 million, but as of April 21, the committed fund amounted to no more than a meager US\$111 million, he said. He emphasized that the country was now facing a "dire situation" adding that 'in two or three months' time we may be faced with a severe food insecurity issue".

Answering to a question relating to Somalia's relationship with its neighbors, Ambassador Kay said that Ethiopia and Somalia were both committed to achieving Somali-led stability and to an effective Somali-led government. Ethiopia, he underlined, considered it very much in its strategic interest to have a strong and stable Somalia. He added that Somalia's neighbors were all very actively working towards its stability. He praised IGAD's involvement in Somalia's peace building as "very helpful" and lauded its supporting role for the country's political stability.

In conclusion, the Special Representative insisted that the UN remains committed to standing its ground in Somalia and it is determined to support the aim of recreating a functional and effective administration. He said the UN is about to relocate various UN agencies and funds from Nairobi, Kenya back to Mogadishu. In conclusion, he called on UN member states and other international organizations to maintain their presence in Somalia and to ensure that the progress made was not put at risk.

An Africa Logistics Capacity Development Seminar held in Addis Ababa

The US Africa Command and the Africa Center for Strategic Studies held a three-day seminar this week (April 28-30) on Africa Logistics Capacity Development. The aim of the seminar was to strengthen strategic leadership in the design, management and implementation of the logistics systems needed to support security interventions, peace support operations or humanitarian assistance in East Africa. The seminar highlighted such elements as the critical importance of effective logistic strategies in addressing security issues, analyzing the gaps in recent peace support and humanitarian operations, identifying the domestic and external resources required to improve logistics capacity, and the key elements for a framework to improve resourcing and enhance effectiveness. The draft framework will form the basis for strategic engagement in improving the logistics capacity, the strategy and management of the strategic sector.

There is little argument that most countries in the region lack a clear or adequately-resourced logistics strategy to support effective national or regional operations for security, peace support of humanitarian activities. The increasingly multi-faceted nature of existing and emerging security challenges, and the wide areas involved, underlines the growing importance of logistical capacity. If any interventions are to be effective, this is an area that must be improved. There is a real need to invest time and resources to supplement human capacity, to update techniques, improve connections and relationships. The seminar is intended to be a step in this direction.

The over fifty participants, from both the civilian and military sectors, included current and recent military commanders, logistical experts, policy makers and directors of strategic planning. The opening session was addressed by Michael Garrison, the Acting Director of the Africa Center for Strategic Studies, by Ambassador Taye Atskeselassie, Director General for the Americas in the Ministry of Foreign Affairs, and a keynote address was given by the US Africa Command Deputy Operations Commander, Lt. General Steven A. Hummer.

Ambassador Taye, who welcomed participants to Addis Ababa, underlined the importance of the seminar in the face of the immense logistic challenges that face African Peace Operations and humanitarian intervention. He noted the critical importance of logistics for any such operations and the substantial resources, effective coordination and adequate time needed, and emphasized the importance of the assistance of partners for any effective logistics supply structure. He also stressed the disappointing frequency of violent inter-state conflicts in Africa in the form of ethnic, tribal or religious violence, organized

crimes, or the activities of local terrorist groups disinterested in or impatient with political discourse. Other equally serious problems, of course, could transcend national borders - international terrorism, piracy and extremist religious or ideological efforts.

Ambassador Taye said that while much of what was necessary was well known, equally, security threats in Africa were highly diverse and needed a variety of responses. This was where capacity building, on-going training processes and the provision of logistical support were so critical. The fact remained that many, indeed most, countries in Africa lacked adequate training necessary. They were also constrained by lack of resources and of an effective logistics strategy and capacity. This, he suggested, had been demonstrated by Africa's recent inability to deploy peacekeeping forces in a timely way in several conflict areas. He also noted that even in Somalia, where AMISOM had been remarkably successful, there were still significant logistic problems, including a lack of engineering equipment, force multipliers, vehicles, generators, fuel and rations. This restricted the efforts of AMISOM and the Somali Federal Government in consolidating gains and affected their ability to launch further military operations. In other words, said Ambassador Taye, elements like transportation, communications and IT, engineering expeditionary construction, operations and maintenance, distribution supply chains and medical support were all indispensable components for any peace, security or humanitarian operations.

The seminar featured a series of roundtable discussion sessions which analyzed logistic challenges, national and regional logistic protocols and the lessons to be learned from various operations. These also considered the possible resources to be deployed and the weaknesses and problems that could arise, and concluded by carrying out a number of exercises to "plan for success". These clearly identified the common logistical elements needed to support operations, formulated a strategy to address gaps and political will, established a community of interest on the problem of logistics strategy and capacity and developed a framework of the future.