

## **A Week in the Horn**

### **11<sup>th</sup> October 2013**

#### **News in Brief:**

- **African Union**
- **Ethiopia**
- **Djibouti**
- **Eritrea**
- **Kenya**
- **Somalia**
- **South Sudan**
- **Sudan**

#### **Articles from page 4:**

- **Dr. Mulatu Teshome elected President of Ethiopia.....**
- **..... as President Girma Woldegiorgis leaves office**
- **Prime Minister Hailemariam briefs the press**
- **US Assistant Secretary for Africa testifies to the US Senate on Somalia**
- **Somalia's oil and gas exploration and development plans....**
- **...and the next round of Somalia/Somaliland talks to take place on November 8**
- **Ethio-Kenya Joint Border Administrators meeting held in Adama**

#### **African Union**

The African Union is holding an Extraordinary Summit on Friday and Saturday (October 11 and 12) to discuss Africa's future relationship with the International Criminal Court (ICC). (See article)

The 7<sup>th</sup> Joint Annual Consultative Meeting between the African Union Peace and Security Council and the United Nations Security Council took place in Addis Ababa on Tuesday (October 8). The meeting discussed the Great Lakes Region, the Horn of Africa including Sudan/South Sudan and Somalia, the Central African Republic, the situation in the Sahel Region and enhancement of the AUPSC and the UNSC partnership.

The Security Council delegation in Addis Ababa on Tuesday (October 8) also met and held discussions with Prime Minister Hailemariam, the Chairperson of the African Union, on conflicts in the region particularly Somalia and the fight against Al-Shabaab.

#### **Ethiopia**

Dr. Mulatu Teshome was elected President of the Federal Democratic Republic of Ethiopia, by a joint session of the House of Representatives and House of Federation on Monday (October 7). (See article)

Departing President Girma Woldegiorgis in a farewell address said that during his two terms in office Ethiopia had made great strides in nation-building, ensuring equitable development and demonstrating an exceptionally fast growing economy and great strides in democracy. (See article)

Prime Minister Hailemariam held a press conference on Friday (October 4) following his return from the UN General Assembly in New York. (See article)

Foreign Minister, Dr. Tedros Adhanom, met with Algerian Foreign Minister, Ramtane Lamamra, the former Commissioner for Peace and Security of the African Union, Wednesday (October 9).

Dr. Tedros also met and held discussions with Ms. Cecile Hillyer of New Zealand's Aid Program on Tuesday (October 8).

A 15-member delegation representing seven American universities met with Foreign Minister Dr. Tedros Adhanom this week. Dr. Tedros told the delegation, led by Ambassador Tibor Najy, former US Ambassador to Ethiopia and current Vice-Provost for International Affairs at Texas Tech University, that higher education

was given top priority in Ethiopia's development agenda for the crucial role it played in the country's ongoing economic and social transformation process.

State Minister of Foreign Affairs, Dawano Kedir, headed a delegation of more than 70 Ethiopian business leaders which left for the US to take part in the Third Ethio-US Trade and Investment Forum being held in Chicago, October 8-13.

The Minister of Water, Energy and Irrigation, Alemayehu Tegenu, told a two-day symposium (October 9) that access to electricity in the country had reached 52 per cent, and 4 of the 18 mega power projects, had started to generate power. He said the Ministry plans to raise potable water supply coverage to 98 per cent in rural and 100 per cent in urban areas. 10 million people had benefited from clean water service in the last fiscal year.

The 28<sup>th</sup> Ethio-Kenya Joint Border Administrators and Commissioners Meeting was held from October 7 to 9, in Adama, Oromia Regional State, to discuss border related issues including the inspection and maintenance of boundary pillars, immigration, human trafficking, cross-border conflicts, cattle rustling, terrorism and other issues. (See article)

Allana Potash, a Canadian Company engaged in mineral exploration, signed a deal with the Ministry of Mines on Tuesday (October 8) to carry out exploration and production of potash for 20 years. Allana expects to produce 27 million tonnes of potash during this period, and to start exporting in two years.

The World Bank's "Africa Pulse" report, notes several countries within the "non-resource rich" country group achieved sustained high growth rates for over a decade, singling out Ethiopia, Mozambique and Rwanda for registering rapid economic growth during the last ten years.

The State Minister for Finance and Economic Development announced that the country had registered an annual average growth rate of 10.9 % over the last decade. The agriculture, industry and service sectors' annual average growth rate was 9.3, 12.2 and 12.4 per cent respectively.

## **Djibouti**

Djibouti's state-owned oil company and a Kuwaiti firm on Thursday (October 3) jointly agreed to set up a new company, the Djibouti Oil Supply Company, to supply Djibouti with refined petroleum products. Djibouti's Minister of Energy in Charge of Natural Resources, Ali Yacoub Mahamoud, said the deal will help Djibouti to position itself as a regional hub for the petroleum sector.

On Friday (October 4), the EU Naval Force warship, the Spanish warship ESPS Meteoro, conducted a diving exercise with the Djiboutian Navy and Coastguard. The EU Naval Force is working with EUCAP Nestor as part of the EU's Comprehensive Approach to the Horn of Africa to strengthen regional maritime security and capabilities.

## **Eritrea**

Italian Prime Minister Enrico Letta announced on Wednesday (October 9) that the victims of last week's migrant-boat disaster off Lampedusa in which 363 people are feared to have died would be given a State funeral.

The Government of Eritrea issued a press statement on the Lampedusa tragedy on Wednesday (October 9) in which it said "the prime responsibility for the gross loss of human life" squarely rested on "the US Administration". The statement added that the Government of Eritrea extended "its condolences to the bereaved families."

## **Kenya**

Kenyan customs officers in Mombasa seized almost four tonnes of elephant ivory in two separate shipments, officials announced Wednesday (October 9). One, weighing 1,900 kilos, was found on Friday last week; two more tonnes were discovered in another container on Tuesday this week. Both shipments were bound for Turkey.

A church in the Kenyan port of Mombasa was burnt down on Friday (October 4) during clashes between Muslim protesters and the police. The demonstrations broke out after an Islamic cleric was killed by unknown gunmen in the city the previous day.

## **Somalia**

President Hassan Sheikh Mohamud of Somalia on Sunday (October 6) opened a 45-day training course for 450 police officers in Mogadishu. He told the trainees that police discipline was the prerequisite of public confidence.

US President Barack Obama on Tuesday (October 8) defended his decision to order commando raids in Libya and Somalia at the weekend, and said the United States would keep targeting al Qaeda-linked groups in Africa. A US Navy SEAL team failed to capture a senior Al-Shabaab figure, Abdikadar Mohamed Abdikadar, Ikrima, in Barawa in Somalia.

Somalia's Deputy Prime Minister and Foreign Minister Fowzia Yusuf Adam said on Monday (October 7) that Somalia welcomed the U.S. raid on an Al-Shabaab target in Barawa at the weekend, and said the U.S. did not have to ask permission for future action as "we are fighting a common enemy."

Somalia was re-admitted to the Inter-Parliamentary Union (IPU) Monday (October 7) at the opening of the IPU's 129<sup>th</sup> Assembly in Geneva.

The Kuwait News Agency reported on Monday (October 7) that the Kuwait Fund for Arab Economic Development signed a \$10 million loan agreement with Somalia for the construction of the Garowe Airport and Maakhir University in Sanaag region in Somaliland.

Leader of the Interim Jubba Administration, Ahmed Mohamed Islam Madobe, announced Monday (October 7) that he would not attend a Federal Government national reconciliation conference in Mogadishu later this month. He said his administration already visited Mogadishu for a reconciliation conference and according to the Addis Ababa Agreement the next gathering should be held in Kismayo.

## **South Sudan**

South Sudan President Salva Kiir issued an executive order on Monday (October 7) pardoning two opposition leaders: Lam Akol, the leader of Sudan People's Liberation Movement for Democratic Change and Peter Abdel Rahaman Sule, head of the United Democratic Front. He also amnestied several militia leaders including Major General Gabriel Tanginye, Major General Gatwech Dual, Major General Mabor Dhol and Major General Gatwech Jokl.

## **Sudan**

In a speech on Wednesday (October 9), President Omar Al-Bashir accused "bandits, traitors and saboteurs" of orchestrating the recent protests over the termination of fuel subsidies, in collaboration with "hostile media" with the aim of trying to topple the government. Clashes last month led to at least 70 deaths, according to official figures, and 700 arrests. The President said the government would not back down from implementing the austerity measures.

Thabo Mbeki, Chair of the African Union High-Level Implementation Panel for Sudan and South Sudan, met US Vice-President Biden in Washington on Tuesday (October 8). President Biden reaffirmed the US Administration's commitment to a durable and lasting peace between and within Sudan and South Sudan.

The Sudanese Oil Minister, Awad Ahmed al-Jazz, and Russia's Minister for Oil, Alexander Novac, met in Moscow on Monday (October 7) to discuss increasing Russian investment in Sudan's oil industry.

The International Monetary Fund (IMF) on Tuesday upgraded its projections for Sudan's economic growth in 2013. The World Economic Outlook shows Sudan's economy growing by 3.9% this year compared to a previous estimate of 1.2%, though it says the inflation rate for 2013 will remain at 32.1% before decreasing to 27.4% next year.

\*\*\*\*\*

## **Dr. Mulatu Teshome elected President of Ethiopia.....**

The joint session of the House of Federations and the House of Representatives elected Ambassador Dr. Mulatu Teshome as President of the Federal Democratic Republic of Ethiopia on Monday (October 7). President Mulatu Teshome was sworn in as the third President under the 1994 Constitution, replacing President Girma Woldegiorgis who had served two consecutive terms of office since 2001. The new President was sworn in by the President of the Supreme Court, Tegene Getaneh.

Dr. Mulatu Teshome is a man of wide professional experience. He has served his country as a successful diplomat and minister. President Mulatu Teshome was born in 1957 in Wollega, Oromia Regional State, in the western part of the country. He obtained a BA degree from Beijing University in Political Economy and Philosophy (1982), and added an LL.M in International Law and a PhD from the same university (1988). He went to the USA for further studies in International Relations at the Fletcher School of Law and Diplomacy, Tufts University (1988-1990) and acquired a Master of Arts in Law and Diplomacy (MALD) degree (May 1990).

In his career as a public official, Dr. Mulatu joined the Foreign Ministry as a counselor in 1991, and was appointed Ambassador Extraordinary and Plenipotentiary to Japan (1992-1994), as well as being non-resident Ambassador to Thailand, Vietnam, Indonesia, Australia and the Philippines. He was Ambassador Extraordinary and Plenipotentiary to the People's Republic of China (1994-1995), and was then appointed Vice-Minister at the Ministry of Economic Development and Cooperation (1995-2001). During this time he was in charge of international economic cooperation for bilateral and multilateral affairs, and delegations in numerous bilateral and multilateral negotiations and annual consultation meetings with Ethiopia's development partners. He was subsequently appointed Minister of Agriculture (2001-2002) and Chairman of the National Rural Travel and Transport Program. Elected as Speaker of the House of Federation in October 2002, he served there until 2005 when he rejoined the Ministry of Foreign Affairs as Ambassador to Turkey, the post he held until his election as President.

Following his swearing in at the opening of the new session of Parliament, President Mulatu outlined the priorities of the government for the current fiscal year. He started his speech with his own pledge of commitment to the nation: "It is with humility that I pledge before you to diligently and loyally carry out the responsibilities you have placed on me." He stressed that he counted on the full support of the two houses and of all Ethiopians in his endeavors to meet his obligations as President.

President Mulatu said the nation had entered a new phase of development that has earned recognition from the entire world. Summarizing past achievements, he noted that "the social and economic changes of these peaceful years had not only checked the country's downward spiral, but had, more importantly, set Ethiopia on a path of renewal and development." He commended the works undertaken in the area of environmental protection through popular participation in rural areas and emphasized that infrastructure work would continue apace including the expansion of surface, air and maritime transport, connecting various parts of the country as well as neighboring states.

In his speech, the President noted that in the past year there had been a 7.5% growth in agriculture, 18.5% in industry and 10.5% in the service sector, giving an overall annual growth rate of 9%. In the agriculture sector, the focus this year will be in scaling up best practices in small-scale development. In urban areas, the government will focus on small and micro enterprises. These created 1.2 million jobs last year alone. The public housing schemes had provided construction of 74,000 apartments that will be transferred to their owners this year, and another 65, 000 new apartments will be started. The Government will also give priority to fighting rent-seeking behavior, which has posed a serious impediment to urban development. Priority would be given to improving maternal mortality rates with reference to implementation of the Millennium Development Goals.

In relation to infrastructure development, the President noted that efforts will be made to expedite road developments linking woredas and zones to add to the 15,000 km of roads that were built connecting woredas to kebeles last year. Railway development would continue along the timeline set for projects. In the telecom sector, the government would work to double the current 23.5 million mobile phone service users and to improve quality of service. In energy development, the President noted that the construction of the

Gilgel Gibe III dam and the Grand Ethiopian Renaissance Dams would be given primacy and efforts made to address power blackouts through improved power distribution and power generation works.

The President also outlined the priorities of the Government concerning the overall economy. These included expansion of industrial zones to attract Foreign Direct Investment, support for state-owned projects in the metal industry, and for fertilizer and sugar plants which are seen as decisive for the country's industrial development. Other activities would be aimed at stabilizing the macro economy, including increasing savings, raising export earnings and providing for the self-financing of development. Areas of focus would include diversification of products to increase export revenue and the control of inflation, as well as lessening the effects on low-income households. Achieving quality education to support the industrialization process would also be regarded as a priority for the education sector, with focus given to vocational and technical education, enhancing the capacity of the universities in engaging in problem-solving research and in linking academic institutions with industries.

In respect to good governance and democracy, the government would be making efforts to foster the growth of democratic institutions, and all necessary arrangements would be made in preparation for mass participation in the 2015 national elections. In reference to Ethiopia's journey of renaissance, the President said full public mobilization would be an instrument to deepen good governance and democracy. He also stressed that the Government would continue to encourage major mobilization to contain the danger of extremism as it had during the past year. He underlined the importance of fostering a culture of reconciliation for different interests and aspirations. With regard to fostering multi-party democracy in Ethiopia, the President said the government would continue to create enabling conditions for political parties which were committed to operating within the bounds of the Constitution.

In diplomacy, the President noted that Ethiopia has made significant achievements in forging strong ties with its neighbors and, as the Chair of IGAD, it had made great contributions in helping to bring peace in Somalia and between Sudan and South Sudan. He said that great efforts were being made to implement the principle of equitable utilization and distribution of the Nile waters among the lower riparian countries. He noted the establishment of the International Panel of Experts as a noteworthy effort to prove that the Grand Ethiopian Renaissance Dam would cause no harm to the downstream countries. He pointed out that Ethiopia had helped in crafting the fifty-year vision for the African Union and said its efforts would continue "with the same momentum." The country's diplomatic endeavors had helped in establishing strategic partnerships that will assist development, and the President assured the two Houses of Parliament that Ethiopia would continue to strengthen its positive and constructive role in continental and international affairs.

#### **.... as President Girma Woldegiorgis leaves office**

In his final speech as President of the nation, outgoing President, Girma Woldegiorgis called on all Ethiopian politicians to stand united on the basic issues of national interest. He said being united over the fundamental issues of the nation was not a sign of defeat or weariness but rather a sign of maturity and wisdom. He also noted that the diversity with which the nation is endowed was not a curse but real potential for development and for the nation's renaissance. The outgoing President stressed the need to fight the tendency of extremism which, he said, could erode tolerance and co-existence. He also urged the public to fight corruption and administrative malpractice.

He thanked all sections of the society for the efforts they had exerted and the share they had contributed to the nation's ongoing development process, a development which had resulted in double digit economic growth over the last decade. He said Ethiopia had now become an example for its fast and equitable economic growth and that this had made it possible for the country to have an active engagement and an important role in continental and global affairs. He gave credit to former Prime Minister, Meles Zenawi, for his indispensable role in Ethiopia's renaissance, and said that he considered himself lucky to have witnessed the great strides that Ethiopia had made under Meles' leadership.

Girma Woldegiorgis, who was first elected President of Ethiopia in October 2001 by the unanimous vote of the joint session of the two Houses of Parliament, and re-elected for a second term in October 2007, said he was proud to have played a direct part in the ongoing changes in Ethiopia, and he thanked Ethiopians for their role in nation building over the last two decades. In conclusion, he wished President Dr. Mulatu Teshome every success in his new position.

## Prime Minister Hailemariam briefs the press

Prime Minister Hailemariam Desalegn on Friday last week (October 4) briefed journalists on a variety of topics ranging from international relations to domestic issues and regional peace following his return from the UN General Assembly in New York

He underlined that Ethiopia has achieved its recent fast economic growth as a result of improved progress in the agriculture and industry sectors of the economy. In agriculture, he noted, the best achievements of model farmers in rural areas were being adopted by other households. Progress in the industry sector was encouraging and in addition, the overall performance of the service sector had kept up the momentum. On the maintenance of peace and security, he stressed that the last year had been one of peace. Ethiopia has successful strategic relationships with all the neighboring countries, with the exception of Eritrea, and it had been active in encouraging peaceful regional development. The Prime Minister noted that the Eritrean government had shown no interest in normalizing relations with Ethiopia; the ball was now in their court as Ethiopia had made its stance quite clear nine years ago and this hadn't changed. Elsewhere, the Prime Minister said, there had been some successful results registered, citing the agreements signed between Ethiopia, Kenya, Sudan and South Sudan, which can be expected to connect the trade and infrastructure of all these countries. The Prime Minister pointed out that relations with Djibouti, a country which plays a key role in facilitating Ethiopia's trade, were excellent. He also noted that Ethiopia was continuing to support the Federal Government of Somalia and he added that Ethiopian forces were contributing to the efforts undertaken by AMISOM and the Somali National Army to stabilize the country. This was another element in Ethiopia's efforts to help to maintain peace in the region. The Prime Minister also indicated that the celebration of the Golden Jubilee of the OAU/AU had been a great success. He recalled that the transformation agenda for Africa, aiming at achieving structural transformation and ensuring sustainable development for the next fifty years, had now been set.

Following his briefing, the Prime Minister responded to questions focusing mainly on macro-economic issues, questions of public service delivery, domestic and regional security and Ethiopia's stand over the International Criminal Court.

The Prime Minister confirmed the government's policy of prioritizing the agriculture and manufacturing sectors of the economy and he emphasized that the government had "made adequate capital available to finance private sector projects in these priority areas". Asked if there might be delays in some of the country's large scale 'mega projects' that are currently under construction because of a shortage of foreign currency, the Prime Minister said: "We secured ample foreign currency when we planned for the fiscal year." He said all the projects, with the exception of the Grand Ethiopian Renaissance Dam, were being carried out with foreign aid and loans, and there should be no concern about any shortage of foreign currency. He added that the construction of the Renaissance Dam, which is being funded by Ethiopia "would never be slowed down, under any circumstance." The Prime Minister pointed out that the Ethiopian government was a government which advocated, prioritized and vigorously pursued development, and he confirmed that all the development projects of the government would be maintained. He also reaffirmed the government's determination to continue to fight against corruption.

Concerning extremism and terrorism, he said that people wrongly associated religion with extremism. "Terrorists", he said, "have their own political agenda. Radical and extremist forces cover their agenda under a pretext of religion consciously to confuse the faithful. In doing so, they try to make the faithful their instrument of destruction." He added, "For me, combating religious radicalism and fundamentalism is a political struggle." The Prime Minister emphasized that freedom of religion was guaranteed by the Ethiopian Constitution. At the same time, however, he stated firmly that the government had drawn a red line which people were not allowed to cross. Those that tried to do so would face the full might of the law. The Prime Minister said that extremism ended in terrorism, and he wanted to seize the opportunity to convey the message to youth of the need "to detach themselves from extremists".

He said internal efforts made to combat terrorism had been successful due to the impressive cooperation of all members of the society with the security apparatus. At the same time, he pointed out that terrorism has now taken an international shape, and as a result each country, developing countries as well as developed ones, were prone to its threats. The complex nature of terrorism today, he said, now requires the collaboration of all nations to dismantle it. "The atrocity witnessed recently in Nairobi is not only the issue of Kenya and Kenyans," he said "it is also our issue." So, he said, Ethiopia would work more closely and strongly

with East African states in order to prevent such inhumane acts occurring anywhere else again. The Prime Minister noted that the Horn of Africa region was prone to terrorism and it demanded a response involving the joint work from all nations in the region.

In response to questions over the International Criminal Court, the Prime Minister said Ethiopia had never signed up to the Rome Statute as it viewed the ICC as having many flaws from the outset. He said it had repeatedly pointed out the way it operated had left "a very bad impression in Africa." Instead of promoting justice and reconciliation and contributing to peace and stability, the ICC appeared to have become a political instrument targeting Africa and Africans, and the Prime Minister underlined the serious and growing concern over the continent's relationship with the ICC.

In answer to questions about the recent opposition rallies that have taken place, the Prime Minister said those opposition parties involved were practicing their constitutional rights. He also noted that the questions that had been raised on these occasions had already been answered by the government.

On the disruption of public services, the Prime Minister said he recognized the public's frustration over the problems that had occurred in the supply of water, electricity and mobile phone network coverage in Addis Ababa. He pledged that the administration would resolve most of these issues very shortly. He said there was, in fact, no problem over availability of water in general but the difficulty had been in the supply chain. To tackle this, he said studies had been undertaken and a project was now underway with World Bank support. Another project, the Gerbi dam, which would handle forty per cent of the future water supply of the capital, is also being studied. This, he pointed out, would provide a lasting solution for the city. Similarly, the Prime Minister noted, that there was actually no problem with electricity production. However, power overloads had been creating outages in the capital, and one reason for this was that in some residential areas, excessively high power-consuming machines for non-residential facilities had been installed illegally. "In addition", the Prime Minister said "some individuals who work at the Ethiopian Electric Power Corporation also deliberately created power cuts," and investigations were now being carried out. With regard to the disruption of mobile services, he said that the installation of the latest infrastructure should rapidly resolve the problem.

### **US Assistant Secretary for Africa testifies to the US Senate on Somalia**

Linda Thomas-Greenfield, the US Assistant Secretary, Bureau of African Affairs, testified on Somalia to the Senate Foreign Relations Committee, Subcommittee on African Affairs this week, emphasizing that during her tenure as Assistant Secretary, Somalia would remain a top foreign policy priority for the Department of State and for the Administration. She noted that the past year had marked significant changes in Somalia and in US bilateral relationship with Somalia. The election of President Hassan Sheikh Mohamud had been a welcome signal that room for political progress in Somalia was opening, and this had been made possible, in part, by the international community's support of the Djibouti Peace Process and the leadership role of the US's regional partners, notably the African Union and the Intergovernmental Authority on Development. On January 17, the US had formally recognized the Federal Government of Somalia.

Ms. Thomas-Greenfield said the successes of the African Union Mission in Somalia, of AMISOM troop-contributing countries, and strategic partners "to combat and eviscerate Al-Shabaab" demonstrated the strength of an Africa-led model. Equally, A-Shabaab, an al-Qaida affiliate, remained a dangerous presence. The terrorist attack on the Westgate Shopping Mall in Nairobi was a chilling example of the challenges Somalia and the region still faced. The attack in fact suggested that violent extremism in the Horn of Africa might be evolving; and it also made it quite clear that Al-Shabaab presented a threat to U.S. partner nations in East Africa, to American citizens, and to U.S. interests. Al-Shabaab, she said, must be stopped. The Federal Government of Somalia must increase its capacity to counter Al-Shabaab, unify a fractured political system, and provide basic services to the Somali people. And in all this, the government of Somalia needed US support and "much more of it." Ms. Thomas-Greenfield said the primary US interest in Somalia was to help the people of Somalia build a peaceful nation with a stable government, able to ensure civil security and services for its citizens. This would prevent terrorists from using Somali territory as a safe haven. Equally, she said, the Department was working closely with regional partners on counterterrorism efforts, and was currently reviewing internally what additional resources might be offered to further support AMISOM, secure the borders of Somalia and its neighbors, and contribute to the international effort to shape the Somali National Army into a cohesive, professional, and effective force.

Ms. Thomas-Greenfield said that, prior to US recognition of the Federal Government of Somalia, primary elements of US policy were: support for AMISOM and AMISOM's strategic partner, Ethiopia, to combat Al-Shabaab and provide political space for the government to operate; responses to humanitarian crises; initiation of stabilization where possible; and promotion of the "dual-track" policy. After recognition, the US continued to support AMISOM as the primary stabilizing force in Somalia and to expand assistance to the Somali National Army to build up its institutional and operational capacity. From 2007 to 2013, the US had provided approximately US\$512 million for AMISOM in addition to its contributions for the UN logistics support package for AMISOM; and another US\$170 million to the Somali National Army to counter al-Shabaab. Secondly, the US had shifted its focus from humanitarian crisis response to concentrate on security and stability, laying the foundation for economic recovery through development-focused programming. In 2012 and 2013, it had provided nearly US\$140 million to support Somalia's stabilization, democracy, and economic growth. Thirdly, Ms. Thomas-Greenfield noted that the dual-track approach had concluded with the successful completion of the Djibouti Peace Process and the recognition of the Federal Government of Somalia. The US had underscored the importance of outreach and engagement with the regional administrations to form the federal framework, and it would now continue to fund humanitarian assistance and civil society programs in Somaliland and Puntland, with the objective of improving regional collaboration towards federalism. She also said US assistance emphasized human rights and accountability, child soldier prevention, countering human trafficking, budget transparency and fiscal management.

Ms. Thomas-Greenfield emphasized that building political cooperation among Somali regions and clans in support of the Federal framework was essential if democracy, economic growth, and security were to take hold in Somalia. This, she said, was a message that President Hassan Sheikh Mohamud had emphasized during recent Washington meetings with Secretary of State Kerry, Secretary for Defence Hagel, and National Security Advisor Rice. She said that the US saw budding signs that President Hassan was meaningfully engaging with regional administrations, quoting the Jubbaland; accords on August 22; the Federal government's introduction of a roadmap to the 2016 elections with a focus on political inclusion and security; and the Federal government and Somaliland agreement on regulating air-space. This, she said, was a step towards wider reconciliation.

The Assistant Secretary for African Affairs said the US would eventually need to establish a permanent U.S. diplomatic presence in Somalia, but security conditions would dictate when this was possible. This wasn't yet the case, but the Nairobi-based diplomatic team was able to travel to Mogadishu and other key regions as security conditions permitted for the moment.

### **Somalia's oil and gas exploration and development plans....**

On Monday (October 7), an oil and gas investment conference on Somalia was held in London. The meeting was sponsored by a British company, Soma Oil and Gas Exploration, set up this year specifically to pursue oil and gas exploration opportunities in Somalia. Soma has signed an agreement with the Federal Somali Government to assist in the development of the country's hydrocarbons sector. It plans to invest about \$20 million in seismic research over 18 months starting early next year and says it believes its agreement would provide significant momentum for the oil and gas sector in Somalia.

Somalia's Minister of Finance and Planning, Mohamud Hassan Suleiman, told potential investors at the conference on Monday that Somalia was investment-friendly and it wanted to "seize the opportunity" to encourage foreign investment. The Minister said the government was working to improve the investment climate. It had recently revised the Investment Law to ensure this. The Minister said "the discovery of oil and gas in Somalia opens up an array of hope and opportunities for the new Somalia; enabling it to influence the pace of economic recovery and the future stability of the country." He added that the potential for oil and gas to positively contribute to the well-being of the people would only be realized if this is "fully integrated into the Somali Compact just signed in Brussels." He said this would link the industry to other productive and service sectors of the economy and become a catalyst for rapid economic growth and sustainable development. "It is important", he said, "that Somalia gets a fair share of the profit which in turn contributes to economic growth of the new Somalia and improves the livelihoods of our war affected people."

Somalia's National Resources Minister, Abdirizak Omar Mohamed, told the conference that Somalia's government was working on new petroleum legislation, including, he said, a change to the constitution regarding natural resource ownership. The nation's parliament would have to ratify the proposals, which would enforce the Federal Government's authority. He also said that oil exploration licenses issued by

regional governments in Somaliland and Puntland were invalid: “Any contract that was given or awarded by a federal member state is not valid,” adding that companies holding those licenses “should start negotiations with the federal government.”

The Government of Somaliland and the Puntland State Administration have agreements with international oil companies. Somaliland, which declared its independence from Somalia in 1991, has a signed agreement with Genel Energy. Genel which had been working in Somaliland for eighteen months and was due to start the first phase of major exploration work, abruptly stopped work and left in early September. It claimed the reason was security concerns, but Somaliland officials, describing it as a breach of its contract, suggested the reasons appeared to be political. Genel is a jointly owned Turkish/British company and Somaliland officials noted that Turkey and Britain were the two principal coordinators of the efforts of the federal Government of Somalia to attract investment. Somaliland officials also suggested the incident runs contrary to the agreements already reached in the talks between the Governments of Somalia and of Somaliland. The Office of the Somaliland President said Somaliland might reconsider continued participation in the Somalia-Somaliland dialogue in these circumstances.

The administration of the Puntland State of Somalia has signed deals for oil exploration with Africa Oil Corporation, and Ophir Energy, though their work has been slowed down by security concerns in Puntland. Canada’s Africa Oil claimed that its “legal contracts” with Puntland had also been acknowledged and recognized by the Somalia Transitional Federal Government. The company drilled a well last year but found no oil or gas. It has currently halted activities to see how the situation develops. The Puntland administration itself said in August that it was suspending cooperation with the Somalia Federal Government. One reason, it claimed, was disagreement with the Government in Mogadishu over sharing of resources.

At the London conference, Abdirizak Omar, urged major oil companies including Shell, Exxon Mobile, Eni SpA, BP, Conoco Phillips, Chevron Corp and others that stopped work at the start of the civil war in 1991 to return to Somalia. A number of these companies signed concessions in Somalia before 1991. Instability caused them to declare force majeure and suspend onshore and offshore exploration. The companies claim their contracts remain valid. Shell “has engaged with the government of Somalia in discussions of a preliminary and exploratory nature,” and has “expressed interest in appraising opportunities for future projects in Somalia.” It said talks with the government of Somalia “are of a preliminary and exploratory nature. Any future progress would be dependent on advancing discussions as well as progress on the security and operating environment in and surrounding Somalia.” BP has “had some discussions” about Somalia concessions while Eni’s chief executive met with Somalia’s president last month. The Minister said that the companies rights would be honored “but we [would] also like to change the terms of their contracts” to production sharing agreements from concessions. “The country is becoming safer now. We want them to come and explore.” Somalia plans to start seismic exploration next year and hold a tender for licenses after the survey is completed. Somalia plans to sub-divide its existing 25 oil and gas exploration blocks and create 300 areas of 5,000 square km each. It aims to sign up to 30 oil and gas production contracts over the next year. Although it has no proven reserves, it is assumed Somalia has similar geological formations to Yemen across the Gulf of Aden.

There has been some criticism of the government’s deal with Soma. The East African Energy Forum has indicated that it is concerned by the Seismic Option Agreement between the Federal Government of Somalia and Soma, claiming the agreement is inconsistent with the Extractive Industries Transparency Initiative to which the Government has committed itself. The Forum says Soma lacks the expertise or the capacity to conduct the seismic activity. It also argues that the Government has abandoned its stated position that it will not award contracts until after natural resources provisions of the draft federal constitution have been settled and it had begun discussions with the regions. It also says the Government should not be entering into resource deals when reconciliation and security should be its focus.

Somalia’s Natural Resources Ministry says these criticisms are misleading as no ‘contracts’ involving a grant of petroleum development rights will happen for some time, during which constitutional provisions will be developed; that the Government is actively pursuing its reconciliation and security agenda and the development of resources will certainly involve a long period; and that the Somalia Provisional Constitution provides that existing laws in Somalia continue to apply – the Transitional Federal Parliament enacted a Petroleum Law in 2008. In any case the Government is considering an update to this law to address new constitutional and other circumstances of the Government and regional member states. In addition, the Minister emphasized that the deal will benefit the public: “It is a first step in the process of assessing

whether Somalia possesses valuable oil and gas, and a sign to other oil and gas companies and to the world that Somalia is open for business.

### **...and the next round of Somalia/Somaliland talks to take place on November 8**

Last week, Somaliland confirmed that the governments of Somaliland, Somalia and Turkey had agreed to reconvene in Istanbul on November 8 for their fourth round of talks. This followed an official visit by President Ahmed Mohamed Silanyo to Turkey where he had meetings with Prime Minister Erdogan. Somaliland and Turkey have now agreed to open liaison offices in Hargeisa and Istanbul respectively.

Speaking at the UN General Assembly meeting in New York last month, Somali President Hassan Sheikh Mohamud said his government, through the good offices of the Government of Turkey, had “continued our dialogue with the authorities in Somaliland, underscoring our determination to preserve the unity of the country, not by force and coercion, but through dialogue, mutual respect and understanding. He said “Somali unity must be more than a rhetorical device: it must preserve and promote the dignity, equality and legitimate aspirations of all Somali citizens. By adhering to such principles, we are confident that our dialogue with Somaliland will not only continue, but will eventually bear fruit.”

Last month, Somaliland’s Foreign Minister, Mohamed Behi Yonis, explaining why Somaliland did not attend the “New Deal for Somalia” conference in Brussels, said Somaliland had declared its independence from Somalia in 1991, “after a civil war in which 50,000 Somalilanders were killed, and the capital, Hargeisa, was reduced to rubble by bombs.” He said this independence had been “strongly endorsed by a referendum in 2001 and by the results of five democratic nation-wide elections since then”. He went on: “We have built a separate state, which meets in full the criteria of customary international law for statehood, and which our peaceful and hard-working citizens are proud of. We will not cooperate in attempts to rebuild the former unified state of Somalia, if it purports to include Somaliland. Nor can we cooperate in any effort to use aid as a lever to force Somaliland to become part of Somalia.”

Somaliland’s Foreign Minister said there had been three rounds of talks and underlined that for Somaliland the objective was to clarify the future relationship with Somalia, and in the short-term to cooperate on issues like security and trade. Somaliland wished to settle its differences with Somalia peacefully and without outside pressure. He said Somaliland supported the New Deal, and hoped to be able to work with the EU to build not only a strong, stable and democratic Somalia, but also a strong, stable, democratic and independent Somaliland as well.

### **Ethio-Kenya Joint Border Administrators meeting held in Adama**

The 28<sup>th</sup> Ethio-Kenya Joint Border Commissioners and Administrators meeting [was held] from October 7 to October 9 at Adama in Ethiopia’s Oromia Regional State. The Ethiopian delegation was led by Ato Getachew Hailegiorgis, Director of the Main Department for Immigration and Nationality Affairs of Ethiopia and the Kenyan Delegation was headed by Mr. Ernest Muryi, Regional Coordinator of the North Eastern Region of Kenya. The meeting opened with a one minute silence in remembrance of the victims of the terrorist attack at the Westgate Mall in Nairobi, on September 28. The meeting also condemned in the strongest possible terms this cowardly terrorist atrocity and affirmed the need to further cooperate on issues of security at bilateral, regional and international levels.

The Joint Border Commissioners and Administrators meeting then agreed to set up border sub-committees composed of local administration officials, community leaders and representatives from their respective security and immigration offices and other relevant offices to facilitate prevention of conflict and provide the ability to respond quickly to outbreaks of violence. The two sides commended the boundary pillars inspection and maintenance work that has been carried out by the Joint Technical Boundary Committee around the Turkana/Dasenech areas. It called on the Joint Technical Committee to continue to inspect and maintain the boundary pillars in the remaining sectors. The joint meeting also agreed to develop policies and legal instruments and to conduct proper sensitization work to discourage the proliferation of firearms and light weapons along the border, and protect against their use.

With regard to border trade, the meeting appreciated the signing of the Special Status Agreement by the two governments in November last year. It agreed to finalize an agreement on border trade protocol. The meeting also raised issues related to public health and livestock development in the border areas. It

welcomed the joint disease surveillance work carried out by the respective health bureaux along the common border with the aim of preventing communicable diseases. The meeting also agreed on the need to undertake joint activities to control the smuggling of livestock and livestock drugs, to strengthen the exchanges of information on livestock diseases and surveillance as well as on food security and early warning systems.

The meeting also discussed human trafficking, immigration, ethnic cleansing and terrorism and agreed to share information and work closely in addressing these common challenges. They agreed to jointly deploy security personnel on both sides of the border in the Turkana and South Omo areas, and to work to bring to [justice] any persons responsible for cross border criminal activities. They also agreed to introduce and encourage cross-border cultural activities that would contribute to the entrenchment of peaceful and friendly coexistence between the communities on both sides of the border. The meeting concluded with a welcome for the exemplary spirit demonstrated in the sharing of resources including health and education facilities along the common border. It called for further close cooperation and continued mutual support.