

A Week in the Horn

14th September 2012

- **Ethiopians celebrate the Ethiopian New Year**
- **Somalia gets a new President: President Hassan Sheikh Mohamud**
- **Pardon granted for the two Swedish journalists and 1,923 other prisoners**
- **Ethiopia's firm commitment to cooperation over the Nile**
- **Business delegations from China and Singapore visit Ethiopia**
- **2004 in Review**

News and Views (page 11):

- **EPRDF Council meeting begins**
- **New institution set up to coordinate activities of building "green economy"**
- **The Ethiopian Government is to form a company to develop oil, gas resources**
- **The Government holds preliminary talks with ONLF**
- **New Diaspora Association urges Diaspora to contribute to Ethiopia's renaissance**

Ethiopians celebrate the Ethiopian New Year

Ethiopians celebrated their New Year this week, *Enku'tatash*, on 1st *Meskerem* 2005 (11th September 2012) heralding the ending of *kremt*, the rainy season, and the coming of the dry season and a bright future. The calendar, which differs from Europe's Gregorian calendar by eight years between September and the end of December, and seven years from 1st January until September, is part and parcel of a rich cultural tradition which includes its own languages and alphabet, numbers and calendar months. Ethiopia is a federal state with over 80 million people of more than 80 different ethnic groups with diverse languages, cultures and religions living in mutual understanding and harmony.

The celebrations began with a speech from the President of the Federal Democratic Republic of Ethiopia, President Girma Woldegiorgis, the day before the New Year, on Monday 10th September, in which he wished the Ethiopian people a happy New Year. The President called on the Ethiopian people to renew their commitment towards the achievement of the nation's development goals. In his annual message, he also asked the public to realize the vision of their late great leader Prime Minister Meles, stressing the importance of understanding and appreciating the details of the country's renaissance and of its prosperity as laid out by the late Prime Minister. The President emphasized that implementation of the five-year Growth and Transformation Plan during the past two years had been doing well. The activities designated for the third year of the Plan, this coming year, 2005 (2012-2013), are already underway. President Girma expressed the hope that implementation of the Plan over the next three years would be as successful as it had been over the past two years.

The President urged the public to register new successes in the political, economic, social and diplomatic spheres during the Ethiopian New Year. He told the nation that the public should exert their utmost efforts to achieve the goals laid down for the next year. Agriculture, industry and urban development activities are to be intensified in both rural and urban settings across the nation. The private sector and educated members of the society need to actively participate in efforts to speed up development and build democracy, he added. The President further emphasized that the upcoming leadership should shoulder the responsibility of intensifying the on-going development activities and the building up of peace and democracy. He said the country has built a dependable defence force that can maintain the nation's peace as well as safeguard against any external attack. Coincidentally, the government has just approved the promotion of thirty-seven high ranking military officers, including three from Brigadier-Generals to the rank of Major-General.

As is traditional at the New Year, the Government also granted pardon to nearly two thousand prisoners. Pardons are given to prisoners who show regret for their actions and who demonstrate good conduct. The pardons are not given to certain categories including rapists or those convicted of corruption. This year those who benefitted included two Swedish journalists, Johan Persson and Martin Schibbye, who were serving 11 year sentences for illegally crossing the border and for supporting the ONLF over a year ago.

During the celebrations of the New Year, different government ministries, authorities and agencies, private companies and organizations as well as communities all across the nation have underlined their commitment to implementing the activities envisioned by the government for the coming year. Indeed, the entire nation has made clear its determination to carry out all the planned development goals.

New Year is the biggest holiday in Ethiopia. It is also the most important because this is a time to gather together from around the world with friends and family, as well as launch a new working spirit for the year. The Ethiopian New Year is celebrated by Ethiopians and Ethiopians of foreign origin at home and abroad; and those in the Diaspora took the opportunity to emphasize their determination to play their part in the development activities underway at home.

The celebration is a vivid demonstration of the many positive and deep-rooted traditions in Ethiopia's multi-faceted culture. All are always welcome to the enjoyment of the colourful traditional and cultural ceremonies for the New Year which include celebratory meals with their families. They were again this year, despite the recent sorrow and mourning for the death of a great leader. President Girma indeed thanked the Ethiopian people and the international community for their extraordinary and unprecedented response to the untimely death of Prime Minister Meles.

Somalia gets a new President: President Hassan Sheikh Mohamud

On Monday this week [9th Sep], Somalia's Parliament elected Hassan Sheikh Mohamud as President of Somalia for the next four years. The Speaker of the Parliament, Mohamed Osman Jawari, announced that Hassan Sheikh Mohamud came second out of 22 candidates in the first round of voting in which no candidate achieved a two-thirds

majority. Four candidates then qualified for the second round: Sheikh Sharif Sheikh Ahmed, Hassan Sheikh Mohamud, Dr Abdiweli Mohamed Ali and Abdulkadir Osole. Dr Abdiweli and Abdulkadir Osole then pulled out, and in the final vote, Hassan Sheikh Mohamud was elected President by the substantial majority of 190 to 79. 269 MPs were present for the vote. The new President was formally sworn in and made a short speech thanking members for electing him as the nation's leader. He asked the Somali people to collaborate with him on efforts to restore the country. He said that he had a real hope that the problems of Somalia would now come to an end and that Somalia "will now turn a new page and that page will be written with good history rather than bad history".

President Hassan Sheikh Mohamud will be formally inaugurated as President on Sunday and is expected to name a prime minister, who will form a council of ministers shortly. A number of names have been mentioned including two former prime ministers, Dr Abdiweli Mohamed Ali, and Mohamed Abdullah Mohamed Farmajo, both of whom were presidential candidates. The outgoing President, Sheikh Sharif Sheikh Ahmed, said he was "happy to see the first free and fair election happen in Somalia after 40 years". He congratulated the new president for a fair election, and declared that he was "fully satisfied with the results." Members of the international community have described the election of the new president as a key step for the transition of Somalia from a war-torn failed state to a nation with an effective government.

President Hassan Sheikh Mohamud, aged 56, is from the same Hawiye clan as his predecessor. An educational campaigner, he remained in Somalia throughout the years of conflict since 1991. He was born in Hiiraan region in 1955 and graduated from the Somali National University with a technical engineering degree in 1981. An academic and long-term civil society activist, Hassan Sheikh Mohamud has been described as "a moderate who could unite Somalia's deeply divided, largely clan-based, political groups." A teacher before doing an MA at Bhopal University, India in 1988, he joined the Ministry of Education, and after the collapse of the government in 1991 when Siad Barre was overthrown, joined UNICEF as an education officer. Described by many as "a man of integrity and humility" and a social entrepreneur he was one of the founders of Simad University in Mogadishu, one of Somalia's most successful higher education institutions.

He became very involved in civil society groups in the 1990s and gained a reputation for resolving clan disputes. He participated in the negotiations in 1997 that led to the removal of the infamous "Green Line" which divided Mogadishu into two areas controlled by rival warlords. In 2001 he joined the Centre for Research and Dialogue as a researcher in post-conflict reconstruction. He led the Somalia Civil Society Forum and later served as a consultant in the TFG Ministry of Planning and International Cooperation to establish the Somali Aid Coordination and Management Unit. Last year he set up his independent Peace and Development Party (PDP), the first political party to be set up in Mogadishu and became its first chairman in April 2011.

The new President was quickly congratulated by Somalia's neighbours including Ethiopia, Djibouti, Kenya, Tanzania and Uganda, as well as by the international community including the United Kingdom, the United States, the European Union, the UN and IGAD. The African Union called on Somali stakeholders to "further the peace and

reconciliation process", and UN Secretary General Ban Ki-moon urged "Somali and international actors alike to pledge their continued support, " and move quickly to appoint an inclusive government that can begin the work of peace building. The US said Somalia's leaders should now usher in a new era of governance that is "responsive, representative, and accountable." Al-Shabaab, predictably, said it rejected the election and vowed to continue its war against the government.

The election marks the end of the country's eight-year Transitional Federal Government and coincides with significant successes against Al-Shabaab including its expulsion from Mogadishu and the expansion by AMISOM, government and allied forces, into large areas of central and southern Somalia, offering the new President the chance to capitalize on the relative peace to start the process of rebuilding the country. With the transitional period at an end, the government will also be able to interact more formally with the international community.

He will still face a multitude of problems ranging from terrorism to piracy. He was given an early reminder of the problems still facing the country when Al-Shabaab attempted a suicide bombing at the hotel where he was staying only two days after his election. The attack came while he and Kenyan Foreign Minister Sam Ogeri were holding a press conference. President Hassan Sheikh Mohamud subsequently told journalists "First and foremost we will address the security issue. Priority number one is security and priority number two and priority number three." President Hassan Sheikh Mohamud will now be expected to move quickly on dealing with corruption, rebuilding effective and competent state institutions, on reconciliation to reach out to all those prepared to abandon violence, and on providing for overhauling the draft constitution and the government to allow for genuine decentralization.

Pardon granted for the two Swedish journalists and 1,923 other prisoners

The Ministry of Justice announced on Monday [9th Sep] that President Girma Woldegiorgis had granted pardon to two Swedish journalists and 1,923 other prisoners on the occasion of Ethiopia's New Year. The prisoners were freed later the same day. According to Ato Birhan Hailu, the Minister of Justice a total of 2,356 prisoners had requested pardon but it had only been granted in 1,925 cases. Pleas for pardon are presented to the Pardon Board and those qualifying for pardon under the Pardon Proclamation are then forwarded to the President whose right to grant pardon is laid down in the Constitution (Article 71(7)). The decision to grant pardon in these cases was taken while the late Prime Minister Meles was still alive and in office.

The case of the two Swedish journalists, reporter Martin Schibbye and photographer Johan Persson was, according to the Minister, no different. The two journalists were arrested in July 2011 on charges of illegally entering Ethiopia and supporting the terrorist activities of the ONLF in the Somali Regional State. They were detained by Ethiopian defence forces after a skirmish with militants of the outlawed ONLF and charged with illegal entry into the country and with supporting terrorism, an offence under Ethiopia's anti-terrorism legislation. The two pleaded not guilty to the crime of supporting terrorism though they admitted they had crossed into Ethiopia illegally. After a trial lasting more than four months the two were found guilty and they were sentenced to 11 years imprisonment. Observers made it clear the trial had been

conducted fairly and the suspects had been freely assisted by local and foreign lawyers and their rights fully respected.

Their detention in July last year predictably raised a hue and cry about journalistic freedoms among human rights and advocacy groups who promptly issued a series of demands that the two should immediately be released. The government's response was to ask everyone to respect the decision of the court and its sovereign authority.

The court case clearly demonstrated that the ONLF had arranged for the travel of the two journalists from London via Kenya. Their claims that they came to Ogaden to study activities of a Swedish petroleum company were shown to be implausible. A Week in the Horn noted at the end of the trial that: "Reporting is, of course, not terrorism and no one suggests it is, but the decision of the court aside, crossing illegally into a country with a group of armed terrorists on a terrorist mission hardly qualifies as responsible journalism particularly when one claims to be chasing a story about the operations of a Swedish oil company which certainly would deny any and all contacts with terrorists. Indeed, it has to be said that investigation into company activities by involvement with a terrorist group is hardly the most obvious approach to such a story. It is difficult to see any justification for taking such an approach to a business story of this kind when, by any standards, a far more effective and logical method would have been to approach the local administration and indeed the company itself either of which would have been prepared to cooperate. The two made no effort to contact the pertinent bodies for accreditation in the Somali region; instead, they started by opting for illegal means to enter the country. There have been claims that the decision to try the two was a deliberate attempt to deter journalists from trying to report on the alleged abuse of human rights in the Somali Regional State to which Human Rights Watch has made frequent, if unsubstantiated, reference. The two journalists, however, did not enter the region to investigate such allegations. On their own admission they were trying to gather information on the activities of a Swedish oil company. Equally, as any journalist knows, a terrorist organization like the ONLF believes it will benefit from the publicity provided by western journalists travelling under its auspices."

The two were not, incidentally, in an area which is closed to journalists, independent or otherwise, though the Regional Government, hardly surprisingly given previous experience, is fairly unenthusiastic about such visits when journalists and others have such an obvious and outright agenda of their own. Not surprisingly, the authorities would like to see some evidence of a commitment to such journalistic values as balance, accuracy and competence. These, it might be noted, have been in remarkably short supply in much of the reporting, or indeed in the supposedly authoritative commentaries on Ethiopia in recent months.

A year passed while the detainees were serving their term in jail. In the meantime according to the Minister of Justice the two forwarded a pardon plea admitting they had committed a crime and asking for pardon from the Ethiopian government and people, and "vowing that they will respect the Constitution and the laws of the nation." The pardon plea was presented to the late Prime Minister Meles Zenawi. The plea was reviewed then by the pardon board and finally approved by the President. Consistent in its position, the government also demonstrated its adherence and respect to the laws of the nation.

Martin Schibbye and photographer Johan Persson were released on Monday and left Ethiopia on the same date. In a brief interview they had with ETV both said what they did “was a big mistake in their life.” They told the reporter that, cognizant of their mistakes, they asked for pardon instead of appealing. Both also thanked the Ethiopian government and people for accepting their pardon pleas. Sweden’s Foreign Minister Carl Bildt noted: “I warmly welcome the fact that the Ethiopian authorities have now released Martin Schibbye and Johan Persson and allowed them to leave the country.”

Ethiopia’s firm commitment to cooperation over the Nile

Ethiopia’s commitment to cooperation over the Nile waters is longstanding. Its promotion of the principles and mechanisms of cooperation based on equitable and reasonable utilization of the Nile waters is well known and incontestable. At the same time, Ethiopia has never subscribed to a view that some countries are entitled to hegemonic control of the Nile. Nor has it ever accepted the status quo established on the basis of archaic agreements that purported to exclude not only Ethiopia, but all other upstream countries.

Ethiopia has always been committed to expanding mutual understanding in order to enhance cooperation in the Nile Basin. It promoted and actively participated in the 2002 Nile Conferences, from 1993 to 2002. Ethiopia keenly participated in the establishment of the Nile Basin Initiative and its subsequent development. Along with this, it has emphasized that this cooperation must establish robust legal and institutional foundations. This is necessary to guarantee durable and credible cooperation. Ethiopia’s constructive contributions toward the drafting and conclusion of the Nile Cooperative Framework Agreement (CFA) were therefore as significant for Ethiopia as for all the Nile riparian countries. The CFA is unequivocally an instrument meant to safeguard the water security of the Nile for all riparian countries.

Ethiopia firmly believes in the immense potential for greater cooperation and ever-growing mutual benefits from the Nile. It has, therefore, strongly supported and played an active role in attempts to set up Joint Multi-Purpose Projects for the three Eastern Nile Countries of Egypt, Ethiopia and Sudan.

In this regard the construction of the Grand Ethiopian Renaissance Dam (GERD) on the Abay River (Blue Nile) will undoubtedly benefit Ethiopia as much as it will the two downstream countries, Sudan and Egypt. GERD provides an opportunity for renewed cooperation between the three countries. Through such cooperation, the three riparian nations will not only overcome any historical tensions, but they will also be able to make themselves permanent partners for cooperative development and sustainable peace in the region.

The GERD can enhance sustainable socio-economic development, prosperity and peace in the Eastern Nile Basin in the 21st century, and it can be used as a platform for broader regional cooperation on economic development and environmental protection. Indeed, it can be taken as a concrete case of upstream-downstream cooperation for equitable utilization of the shared water resources, and as a means of sustainable benefit-sharing among the Eastern Nile Basin countries, and as an example for the other riparian states.

Ethiopia's role in the family of the Nile Basin nations has been active and positive. The commitment for continued cooperation in the water sector will remain unchanged and unswerving. The late Prime Minister Meles Zenawi was an advocate and a torch-bearer for cooperation, peace building and mutual security in our region. We would emphasize to all our friends and everyone else that Ethiopia will continue with its policies of cooperation, and especially as regards the Nile. Ethiopia regards itself as duty bound to honour the commitments and the legacy of the late Prime Minister. It holds fast to a sustained effort to realize his vision of a regionally integrated, prosperous, peaceful and secure Nile Basin.

Business delegations from China and Singapore visit Ethiopia

During the first week of September, a Chinese business delegation led by Mr Tang Guozhong, Deputy Chair Person of the Chinese People's Political Consultative Conference (CPPCC), Guangdong Provincial Committee, visited Ethiopia. It was accompanied by Ato Gebremichael, the Ethiopian Consul-General in Guangdong. An Ethio-Chinese (Guangdong) Investment and Business Forum was held in the Hilton Hotel on Tuesday 4th September. Among those attending were Ambassador Berhane Gebrechristos, State Minister for Foreign Affairs, Ato Tadesse Haile, State Minister for Industry, Ambassador Seyoum Mesfin, Ethiopian Ambassador to China, the Chinese Ambassador to Ethiopia and the President of the Ethiopian Chamber of Commerce and Sectoral Association.

In his opening remarks, Ambassador Berhane said that the presence of the Guangdong delegation at this time was a testament to the keen interest Chinese business people have in cementing and further strengthening the longstanding business relationship between the two countries. Ethiopia and China have a relationship that is continuing to evolve. Relations are based upon four fundamental pillars: party-to-party, Government-to-Government, people-to-people and business-to-business links. This business promotion seminar will allow Ethiopia to re-affirm its long-standing relationship and enhance these pillars. Ambassador Berhane noted that Ethiopia was pre-occupied with the fight against poverty and was currently in the process of implementing the five-year Growth and Transformation Plan. The Plan focuses mainly on power generation, telecommunication expansion, transport improvement (road and railway development) and enhancement of access to education and healthcare. Realization needs participation of foreign investment and foreign investors. This forum aimed to provide all the information needed about business and investment opportunities available in Ethiopia.

Ambassador Berhane noted that Ethiopia has substantial and untapped potential for investment, trade and tourism, a wide range of still largely unexploited and unused natural resources and different agro-industrial possibilities as well as the growing availability of cheap and clean energy. There were opportunities in agriculture (the production of food crops, beverage crops, cotton, horticulture, livestock and fisheries) and in manufacturing (food and beverage processing, tannery and leather products, textiles, glass and ceramics, chemicals and paper products) as well as in mining, tourism, infrastructure and services. The country had the second largest population in sub-Saharan Africa and a potentially huge market. The Ethiopian government was setting up industrial zones for priority sectors, and was ready to assist investors.

Ambassador Berhane said the country also wanted to promote trade with China. He believed the economies were complimentary. There was much Ethiopia could profitably sell to China, particularly agricultural products, and there was much to import. Although trade cooperation is positive, the volume hardly reflects the potential. He said Ethiopian and Chinese economic cooperation should aim to revitalize existing ties, stressing that the Ethiopian Government was fully committed to encouraging and assisting the Guangdong business community in every way possible in Ethiopia.

Mr Tang Guozhong said both countries had experienced friendly relations with visits at the highest official levels. The Chinese Government was encouraging local and regional authorities to maintain good relations with Ethiopia. China was well experienced in infrastructure and telecommunication, and had great potential in agricultural processing. He thought Ethiopia could attract tourists, and promised his government's cooperation in this area. He believed Ethiopia had a bright future in urbanization, industrialization and internationalism and it would succeed. Ato Tadesse Haile, State Minister for Industry, said business-to-business relations with China were going well. Ethiopia had great potential in agriculture, in livestock, in milk processing and other areas, and a suitable climate for any crops. It was more than ready to support and expand the environment for investment. It would like to concretize the excellent relations already existing between Ethiopia and China.

On departure, the Guangdong delegation said they had been impressed by the hospitality and the huge business potential available in Ethiopia. They said they would like to engage with Ethiopia in the sectors of transport, telecommunications, agro-processing, leather processing, mining and tourism. They invited Ambassador Berhane and other senior officials to visit Gouangzhou.

The same week a business delegation from Singapore, representing over 14 companies and led by Christina Tan, also met State Minister, Ambassador Berhane. It was the first time a Singaporean business group had visited Ethiopia. Ambassador Berhane briefed the delegation on the advantages of Ethiopia: its stability; an 80 million diverse population living in social harmony; one of the fastest economic growths in the world, registering double digit growth for the last eight years; huge domestic market potential; membership of the COMESA regional block; and relative proximity to Asian, Middle East and South European markets. The Singaporean business delegation expressed their interest in working closely with Ethiopia in trade and the economy. They indicated interest in becoming involved in the areas of agricultural equipment, producing heavy machinery for construction, agriculture and oil processing. Mrs Christina Tan told her Ethiopian counterparts that the Growth and Transformation Plan has inspired the delegation to consider investment in Ethiopia. Ato Tadesse Haile, State Minister of Industry, who also attended the meeting, emphasized the favourable environment for manufacturing and agro-processing, the different incentives available, and the conducive environment provided by the country's macro-economy.

2004 in Review

The Ethiopian year 2004 (2011-2012) has given us much to reflect on, not least the death of Prime Minister Meles Zenawi on 20th August. A visionary leader, he dedicated his entire life to the fight against the brutal military Derg regime and then to the battle to lift the people of Ethiopia out of poverty. He also led his country into a new chapter of

development, peace, and democracy and will be remembered as a champion of the cause of Africa in international fora. All Ethiopia mourned him and his loss will be deeply felt for many years.

Others who died this year included Abune Paulos, the Patriarch of the Ethiopia Orthodox Tewahedo Church; artist Maitre Afework Tekle, Ethiopia's greatest artist; the iconic singer, Asnakech Worku; and writer Sebhat Gebre-Egziabiher, all of whom have left their mark on Ethiopia's culture and history.

There has been no change this year in relations with Eritrea. In January five tourists were killed, two wounded and four others kidnapped and eventually released, in an attack orchestrated by Eritrea near Erta Ale in the Afar Regional State. Ethiopia responded in a carefully calculated, proportional attack on three Eritrean military bases where training for the cross-border attack had taken place. It was the first such action for more than a decade. The government reiterated that it was always ready to hold dialogue to resolve any disputes, but it would continue to respond proportionally to any more attacks from Eritrea.

Ethiopia's fiscal year ended in June. The economy was marked by a growth rate of 11.4% despite external sector shocks, though the overall macroeconomic environment remained subject to a substantial inflation rate. Efforts to cut this brought it down to 20 per cent by the end of the year. An International Monetary Fund (IMF) delegation visiting in June, said the major causes were monetary expansion, international prices, uncompetitive markets and a surge in domestic demand. At the beginning of the year, the 2nd year of the five-year Growth and Transformation Plan, the Ministry of Finance and Economic Development (MoFED) allocated some 117 billion birr to various programmes, up from 72 billion birr the year before. By the end of the year the Gilgel Gibe III Dam was 62% complete and 7% of the Grand Ethiopian Renaissance Dam had been built.

The Development Bank of Ethiopia, which had agreed to let seven Micro Finance Institutions sell bonds, surpassed its target of selling bonds by 44% in the first nine months of the fiscal year. The minimum paid-up capital for a new entrant bank has also been raised to 500 million birr after remaining at 75 million for many years.

In a bid to implement an effective multimodal transport system, the Ethiopian Shipping & Logistics Services Enterprise (ESLSE), an amalgamation of Ethiopian Shipping Lines (ESL), Ethiopian Maritime Transit Services (EMTS) and Dry Port Service Enterprise (DPSE) was set up in September 2011. It aimed to streamline shipments from Djibouti Port to avoid warehouse fees in foreign currency and the confiscation of imported goods.

On 17th August, the first Ethiopian Boeing Dreamliner landed at Addis Ababa Bole International Airport. Ethiopian was the first African airline and the third in the world to operate the jetliner. Earlier it joined the Star Alliance Group, an elite group of airlines, which offers more than 21,555 daily flights to 1,356 airports in 193 countries. It was the third African carrier to do so. In June 2012, the Ethiopian Civil Aviation Authority announced that it had prepared the country's first Air Transport Policy which will allow foreign investors to own up to a 40% stake in domestic airlines.

In November, the Ethiopian Ministry of Mines announced that it had suspended issuing minerals exploration licences in order to deal with a backlog of applications. In January 2012, the Ethiopian Ministry of Mines and South West Energy (SWE), the first Ethiopian oil and gas company, signed a petroleum development and Production Sharing Agreement (PSA) to allow the company to prospect for oil and gas reserves in the Gambella basin, near the Sudanese border.

In June BPH Billiton, the largest mining company in the world, announced it was pulling out of its Dalol potash project in the Afar Regional State for operational business reasons, though other companies, including Alana Potash have continued to expand their operations there. In July, the Ministry of Mines announced that it had revoked the petroleum production licence it granted to the Chinese oil and gas company, PetroTrans. Earlier in the year Derba MIDROC Cement, a major cement factory, started production. It has an installed capacity of 2.5 million tonnes of cement a year and quickly had an impact on cement prices.

This year the Ethiopian Electric Power Corporation (EEPCo) inaugurated the Ethio-Djibouti power transmission project, and projects for power transmission with Sudan and Kenya have also been signed. The Corporation announced in June that it was revising its 25-year power sector master plan, aiming at raising power generation to 37,000MW by the end of the plan period.

Addis Ababa hosted a number of important conferences during the year. The International Conference on Aids and STIs in Africa (ICASA) was held in December. The World Economic Forum for Africa in May attracted a host of international businesspersons and politicians including Bill Gates and the Nigerian billionaire, Akilo Dangote, together with the president of Walmart, Doug McMillon. Ethiopia also hosted the AU Summit in January as usual. The main AU agenda was the advancement of regional economic integration of the continent. The plan to have a continental free trade area up and running by the year 2017 was discussed. Ethiopia also hosted the July Summit as well after Malawi pulled out. The new Chinese-built and funded AU Conference centre was inaugurated this year.

Ethiopia and Kenya have signed a memorandum of understanding to form the Ethio-Kenya Corridor Development Commission. The African Development Fund has approved loans to Kenya and Ethiopia to link Addis Ababa, Moyale, Nairobi and Mombasa by 2016. This is part of the trans-African highway project to promote trade and regional integration through highway infrastructure development.

The Ethiopian Railway Corporation (ERC) signed a USD 1.7 billion contract agreement with Turkish company Yapi Merkezi Construction Industry Inc. to construct 389km of the Awash–Woldia/Hara Gebeya Railway Project. It is expected to complete the project within 42 months.

The London 2012 Olympics, which was held from 27th July to 12th August, provided Ethiopia with three gold medals: for the women's marathon winner, Tiki Gelana; for the women's 5,000m Meseret Defar; and women's 10,000 metres, Tirunesh Dibaba. Overall Ethiopia collected three gold, one silver, and two bronze medals, ranking 24th in the world.

News and Views

EPRDF Council meeting begins

A two-day EPRDF Council meeting began on Friday (14th September) in Addis Ababa. The EPRDF secretariat announced that the 180-member council will be agreeing on a chairman and deputy-chairman for the Front following the death of Prime Minister Meles Zenawi. The meeting is also expected to decide on a number of related matters and it will be deliberating on political and organizational activities that will be carried out over the next year. The Council will examine a document on leadership building and draw up directions to enable the organization to continue with the renaissance started by its late, great visionary leader. With regard to the Growth and Transformation Plan, the Council will briefly discuss a document summarizing the performance of the plan so far, and looking at areas of focus for the next year. The Plan is currently at the half-way stage. The EPRDF's council is composed of 180 members drawn from its four constituent organizations, the Amhara National Democratic Movement, the Oromo Peoples Democratic Organization, the Southern Ethiopian People's Democratic Movement, and the Tigray People's Liberation Front.

New institution set up to coordinate activities of building "green economy"

On Monday (10th September) the Government launched its Climate Resilient Green Economy Facility (CRGE). The launch, presided over by State Minister of Finance and Economic Development, Ahmed Shide, was attended by participants from the Prime Minister's Office and other government bodies, UN Agencies and development partners. The Facility is to coordinate the activities of various government bodies to ensure the continuity of "green growth" in the country, as envisioned by the late Prime Minister Meles Zenawi. It will be headed by Neway Gebreab, chief economic advisor in the Prime Minister's office. It will provide a credible instrument to meet international fiduciary standards and strong Measuring Reporting and Verification (MRV) requirements, ensuring consistency of governmental goals and actions in line with the nation's green growth vision. The institution is mandated to coordinate the activities of line ministries and different government bodies in economic and social spheres both at the level of the federal government and of regional state governments. It is also tasked with raising funds for implementation of the green economy strategy and distributing these to stakeholders. The State Minister said it "will put in place a strategy that ensures all developmental activities in federal and regional level are free from causing pollution", and enable a "programmatic approach to policy, technical and financial support to climate change activities". UK Ambassador, Greg Dorey, noted that "the world-wide low carbon market is currently worth over 3 trillion pounds and it will double in the next decade. We want the UK to benefit commercially from that....and we would like Ethiopia to benefit too."

The Ethiopian Government is to form a company to develop oil, gas resources

The government announced on Thursday (13th September) that it is planning to establish a Petroleum Development Enterprise to develop oil and gas resources in partnership with private companies. Sinknesh Ejigu, Minister of Mines, said the state-owned company would "bolster and enhance development," adding that the "private

sector is the engine of development, provided they are developmental.” The Minister also said that a public enterprise would be established to extract mineral resources such as precious metals, tantalum and potash. In July the government cancelled five production-sharing agreements with the Hong Kong-based PetroTrans Company because of a lack of progress. It had expected PetroTrans to provide financing of as much as \$5 billion for the projects. The minister said last month after cancelling the contracts that the government could develop the gas fields in the Somali Regional State. Its production-sharing accords with PetroTrans were for 10 blocks in the Somali Regional State and included the natural gas resources. The Ethiopian-based company, SouthWest Energy, has said it hopes to strike oil in the region by next year.

The Government holds preliminary talks with ONLF

Representatives of the Ethiopian government and of the Ogaden National Liberation Front (ONLF) held talks on 6th and 7th September in Nairobi. The discussions were intended to set a framework for negotiations aimed at bringing an end to the Front's insurgency in the Ogaden area of Ethiopia's Somali Regional State. In the two-day meeting, both sides agreed to specific goodwill and confidence-building measures ahead of formal negotiations. They also agreed on the modalities for the negotiation process, the general principles that would be the basis for resolving the conflict, and the initial agenda. According to ONLF's Abdirahman Mahdi, an unspecified date has been agreed for further talks facilitated by the Kenyan government. Ethiopia's Government Communications Minister Bereket Simon described the talks as “a very positive step.” The talks occurred after the ONLF indicated that it wanted to take the “peaceful avenue” and it was in this spirit that the talks started, the Minister added. He said “the government will pursue negotiations up to the last and try to bring all concerned in that area into the constitutional framework.” The government signed a peace deal with another faction of the ONLF in October 2010.

New Diaspora Association urges Diaspora to contribute to Ethiopia's renaissance

The Ethiopian Diaspora Association (EDA) has said it will continue to strive in an organized manner towards the success of on-going development activities in the country. The Ethiopian Diaspora Association (EDA) was established on 6th September, here in Addis Ababa at a conference that gathered together members of the association. Association Board Chairperson, Dr Ababu Minda, said on the occasion that EDA “will strive towards the full realization of the vision of the late Prime Minister, Meles Zenawi.” The Diaspora has so far invested some three billion dollars in various development projects in different sectors including agriculture, industry, construction, hotel and tourism as well as mining, providing job opportunities to fellow citizens. The Chairman said the “the establishment of EDA will enable the Diaspora to discharge its responsibilities through engaging in various development activities in Ethiopia.” He said the Association could play a key role in knowledge and technology transfer in an organized manner. It would also exert efforts to ensure the rights of Ethiopians employed in the Middle East. During the conference, members of the Association stressed that it was time for Ethiopians in the Diaspora to mobilize and direct all their resources, knowledge and experience, join forces and unite with the Ethiopian people and government for the full realization of Ethiopia's renaissance.