

**A Week in the Horn of Africa
17th August 2012**

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The selection of the Somali Parliament has continued this week....

On Monday this week (13th August) , UN Secretary-General, Ban ki-Moon, was expressing serious concern about delays in the selection of the new Somali Parliament. A statement issued in New York said “The Secretary-General emphasizes that the work of the Elders must proceed in a manner free from intimidation, coercion and corruption....[and] the Technical Selection Committee must be allowed to perform its duties independently and impartially, without fear of reprisal. The outcome of its work must be respected.” The statement added that “Recent acts of intimidation and violence should not continue or be allowed to threaten the successful conclusion of Somalia's transition”. The Secretary-General's statement went on to say “[The Secretary-General] calls upon the Somali political leadership, the traditional Elders and other parties to rise above their differences and to act in the best interest of the Somali people.” It added that the Secretary-General was encouraged by the progress achieved in Somalia's political process, but stressed that this progress must not be lost. “The Somali people expect and deserve a credible, inclusive and transparent end to the transition, delivered in a timely manner, in accordance with the Garowe Principles, which is the only hope for a stable future for all Somalis.”

President Sheikh Sharif on Monday also urged the Elders' Arbitration Committee to try and resolve differences within clans over the selection of the MPs. He was meeting elders in Mogadishu before leaving for an official visit to Saudi Arabia. He said the elders were required to speed up their selection process to meet the 20th August deadline, adding that there would be no additional time to extend this. Garad Jama Garad Ali, chairman of the Elders' Arbitration Committee said the selection process would soon be concluded, and he told Radio Mogadishu that the first phase of the parliament selection had been completed successfully, and he was optimistic that the remaining parts would finish soon.

There were reports in the middle of the week that the Technical Selection Committee, which has the job of evaluating the applications for those applying to be members of parliament, had rejected over 70 former politicians. They apparently failed to meet the required criteria. The Committee made no statement about the rejections, but sources close to the Committee claimed that those rejected had a

previous history of inappropriate behaviour or of being associated with groups accused of participation in the destabilization of the country.

Ambassador Mahiga, the UN Secretary-General's Special Envoy to Somalia and Head of the UN Political Office for Somalia, reiterated this week that 'spoilers' seeking to block Somalia's transition to democracy would face stringent action from the Security Council if they continued to compromise the country's political progress. In an interview with the UN News Centre, he said: "We have sent warnings but they are definitely going to be followed by actions which are backed by the resolutions and decisions of the highest body in the region and in the world - that is the Security Council." No interference with the process of democratic transition would be tolerated. Ambassador Mahiga said on Wednesday (15th August) that the selection of Somalia's new Parliament was on track and it would, he said, usher in a new era of peace, stability and democracy for Somalia. He said he was "very optimistic" that the new Somali parliament would be selected by the end of the week. The presidential election by members of parliament and the end of the transitional period is due to take place on Monday 20th August. Ambassador Mahiga said: "After the 20th August, I expect Somalia to be more peaceful, more stable and more established in terms of democratic governance; [and] with the constitution in place this will be the basis for creating new institutions of governance."

Meanwhile, Eritrea remains the only country that continues to adopt a negative stance towards the political process in Somalia. Eritrea's Foreign Ministry, in a press statement this week, called the election a 'sham'. This comes particularly oddly from a country which has never held an election of its own and whose President says it will never hold an election in his lifetime. Denying that any progress had been made in Somalia, either politically or in security terms, and referring to what it calls "old, disgusting and repeated ploys," it even claims the elections are no more than "manoeuvres with a view to sabotaging aspirations for building a sovereign and united State of Somalia". It suggests those involved have been "creating the groundwork for extremism and piracy." The Eritrean view apparently is that all the recent progress towards bringing an end to the transition, producing a draft constitution, setting up a parliament and holding an election is a waste of time as it ignores such questions as whether a sovereign Somalia exists or is there a united and independent Somali nation? The answer for Eritrea is apparently - no. Therefore, under the circumstances, the main focus of activity should be "laying bare the sinister acts of those same quarters". It is apparently only this which can promote peace, stability and cooperation in the entire Horn region. Eritrea, of course, has been a repeated violator of the arms embargo on Somalia and has acted as a conduit for financing terrorist and extremist activity to destabilize the TFG over several years. It is perhaps the last state to be listened to when talking about the interests of the Somali people.

.....Deputy Prime Minister Hailemariam holds talks with Ambassador Mahiga....

Deputy Prime Minister and Foreign Minister Hailemariam Desalegn met Ambassador Mahiga, the UN Special Representative, on Friday last week (10th August) for discussions on regional security issues with particular emphasis on the implementation of the schedules agreed by stakeholders for the Somali peace process. They also exchanged views on possible mechanisms to effectively support the process to end the transition.

Ambassador Mahiga noted that Somalia had laid down one of the basic foundations for the peace process when the National Constituent Assembly accepted the draft constitution and that the deadline for the end of transition in Somalia was nearing completion. Equally, however, a number of activities had not been completed on time, and it seemed that the plan to complete the transition on time was facing serious problems. He said substantial pressures by 'spoilers' including some politically affiliated merchants, warlords and Al-Shabaab officials trying to bribe and corrupt the elders with the aim of influencing the selection of MPs, and the elections of the speaker and deputy speaker and the president were creating a serious problem, and posing a potential threat to

completing the transition on time. He said his office had received reports that a revised mechanism, different from that prepared by the Technical Selection Committee on the preconditions that candidate MPs should meet, had been produced with the aim of including candidates who didn't meet the academic requirements. There were claims this had been produced by a "few TFG officials" to get their own supporters elected MPs. Ambassador Mahiga also expressed concern over the implementation of the commitment that 30% of the new parliament members should be women. This seemed to be unattainable as it had been difficult to find sufficient candidates, and even during the selection of members of the National Constituent Assembly it proved impossible to produce more than 24% of women members.

Ambassador Mahiga emphasised the need to take strong measures against any 'spoilers' in order to support the timely conclusion of the transition process. He urged the strong position decided at Consultative Group meetings should be given due emphasis. He underlined the need for all stakeholders to advise 'spoilers' "in clear terms" and "with one voice" that they will face serious actions if they do not stop their irresponsible activities. Ambassador Mahiga welcomed Ethiopia's continued contributions and support for the TFG in the fight against Al-Shabaab. He also requested that the Ethiopian government continue its support to the TFG, and to the joint operation, aiming to liberate Kismayo before 20th August.

Deputy Prime Minister Hailemariam Desalegn noted the successful adoption of a draft constitution harmonized with Shari'a law. He said Ethiopia believed that it was the right and responsibility of the Somali people to elect their leaders, and that the role of partners was to support their efforts to elect a new government and end the transition successfully. He noted that any effort to support or favour any particular candidate would put the entire process in jeopardy. Ethiopia, he said, did not support any candidate and it was ready to work with any new government in Somalia. He reiterated Ethiopia's readiness to work closely with other partners in supporting the transition, and said it would do its part in providing guidance and assistance to help the Somali elders screen out 'spoilers' and take measures against them. He also indicated Ethiopia's readiness to consider requests of support to the allied operation aiming to liberate Kismayo.

..... while AMISOM and Government forces advance towards Kismayo

AMISOM and Somali Government forces are reported to be closing in on Kismayo. Government and AMISOM officials have said they plan to take the city before the end of the transition period on Monday, 20th August. At the beginning of the week there were reports that AMISOM forces were advancing from Afmadow to the north and were about 60 kilometres from Kismayo. This week there were several reports claiming that Kenyan naval and air forces had bombarded the port, the last major stronghold of Al-Shabaab in Lower Juba region. Last weekend a bombardment was reportedly started by warships off the coast, and this was followed up by airstrikes by fighter jets targeting known military and residential sites of Al-Shabaab fighters and commanders. These were repeated during the week. The previous week there were also a number of reports of planes flying low over Kismayo, possibly conducting reconnaissance missions. The strikes came as the allied Somali troops, pro-government militias and the Kenyan wing of AMISOM forces began to advance towards the city.

One result of these claims has been that humanitarian agencies have begun to express increasing concern over possible increases in civilian casualties. The UN Resident and Humanitarian Coordinator for Somalia, Mark Bowden said in a statement on Tuesday (15th August) that he was "deeply concerned by recent reports of civilian casualties in Kismayo caused by naval gunfire and airstrikes"; adding that "as fighting for control of the town appears imminent, I reiterate my call for all parties to the conflict to make every effort to minimize the impact of conflict on civilians and to allow full humanitarian access to all people in need." NGOs are worried that "civilians may get trapped in between fighting forces, further restricting their access to life-saving support and humanitarian assistance in an area that is of great humanitarian need". Al-Shabaab has banned many

aid agencies from Kismayo, and general insecurity in the area has also impeded humanitarian access. The result is that humanitarian needs have not been properly assessed. Kismayo is estimated to have a population of 90,000, with another 77,000 living in surrounding areas. There have been reports of a lack of affordable food, of clean water and of health care as well as restrictions imposed by Al-Shabaab on people's movements, including attempts to stop people leaving the city. People have however been leaving for several weeks, largely because of a lack of humanitarian assistance rather than fear of fighting. There have been reports that the Al-Shabaab-controlled general hospital was admitting some 40 suspected cases of cholera every week. Omar Saleh, the World Health Organization's emergency health coordinator for Somalia said Kismayo has a lack of trained health personnel and there was a high risk of the spread of diseases like cholera and measles. He said priorities were increasing access to safe water and sanitation, and to medical supplies including emergency surgery and trauma kits, adding that a humanitarian corridor needed to be negotiated.

There were suggestions that the loss of three Ugandan helicopters which crashed on Mount Kenya in bad weather on Sunday en route to Somalia with seven of those on board killed, might delay operations. The three Mi24 attack helicopters were part of a group of four to support AMISOM, the first time that the mission was to be equipped with an air component. However, the Special Representative of the Chairperson of the African Union Commission for Somalia, Ambassador Boubacar Diarra, said that AMISOM would continue operations against Al-Shabaab. Ambassador Diarra, who paid tribute to the Government of Uganda for its continuing commitment to the cause of peace, security and reconciliation in Somalia, urged the international community to expedite the training and deployment of replacement helicopters and crew. "The deployment of these long awaited enablers, authorized under UN Security Council Resolution 2036, remains critical for operational, as well as logistical support and medical evacuation," he said.

The Deputy Prime Minister meets newly appointed ambassadors to Ethiopia

Deputy Prime Minister and Foreign Affairs Minister, Hailemariam Desalegn, this week met three newly appointed ambassadors to Ethiopia, ambassadors of the State of Israel, the Kingdom of Denmark, and the Republic of Namibia, who presented copies of their credentials accrediting them to Ethiopia.

Israel's newly appointed Ambassador to Ethiopia, Ambassador Belaynesh Zevadia is the first Ethiopian-born ambassador to have been appointed by Israel, and the Deputy Prime Minister, receiving her credentials, said he was "happy to see her coming back home". He noted that Ethiopia and Israel's historic bilateral relationship was excellent, and the appointment of Ambassador Belaynesh was a great opportunity to raise the relationship to an even higher level. The Deputy Prime Minister, emphasizing Ethiopia's desire to see increased Israeli investment in Ethiopia, underlined the need to step up relations in various areas. Referring to the technical support Ethiopia has been receiving from Israel, he expressed his hope that the Ambassador would further bolster this support, noting that "Israel's expert technical assistance is important to our development endeavours." He raised the importance of the two countries cooperating in mutual areas of interest including global issues such as the fight against terrorism and the need to deal with climate change. In addition, the Deputy Prime Minister underscored the importance of further developing the historic people-to-people relations between the two countries, a relationship marked by the pilgrimage of Ethiopians to Israel and the increasing flow of Israeli tourists to Ethiopia.

Ambassador Belaynesh said that after over twenty years absence from Ethiopia, her return as Ambassador was a long-awaited moment for her. She assured the Deputy Prime Minister that she would do her level best to further strengthen bilateral ties. She emphasized that the Embassy planned to contact select Israeli companies in a bid to introduce them to the wide array of investment opportunities available in Ethiopia and to encourage Israeli investment in the country.

The Deputy Prime Minister and Foreign Minister also received the copies of the credentials of the newly appointed ambassadors of Denmark, Stephan Schonemann, and Namibia, Mrs Anne Namakau Mutelo this week. Welcoming the ambassadors to Ethiopia, he noted Ethiopia's strong bilateral relations with both Denmark and Namibia, urging the respective ambassadors to promote further bilateral links. He stressed Ethiopia's need to strengthen its relationship with Denmark with reference to common issues including renewable energy, trade and investment, and tourism. In addition, the Deputy Prime Minister underlined the importance of technological support since Ethiopia is investing substantially in hydro-power resources. He applauded Denmark's support for AMISOM's activities in the effort to pacify Somalia.

Ambassador Schonemann said Ethiopia's double-digit economic growth was attracting Danish companies and he expected them to participate largely in investment in Ethiopia. Prime Minister Meles had visited Denmark in October 2011 at the invitation of the Danish government where he participated in the "Global Green Growth Forum," in Copenhagen. At the Forum, he had stressed the fact that green growth was not a matter of choice but a matter of necessity for Africa and outlined Ethiopia's national action for green growth. The Premier had met and held bilateral discussions with Danish high-level officials, including Queen Margrethe II of Denmark, the Danish Prime Minister, Helle Thorning Schmidt, the Foreign Minister, Villy Sovndal, and the Danish Minister for Development Cooperation, Christan Friis Bach. Both the Danish and the Namibian ambassadors emphasized that they would do their best to further strengthen bilateral ties.

Abune Paulos, Patriarch of the Ethiopian Orthodox Church, passes away

His Holiness, Abune Paulos, Fifth Patriarch and Catholicos of the Ethiopian Orthodox Tewahedo Church, Echege of the See of St Tekle Haimanot, Archbishop of Axum and one of the seven serving Presidents of the World Council of Churches passed away on Thursday (16th August) after an illness for which he had been receiving treatment here in Addis Ababa.

Abune Paulos was born Gebremedhin Woldeyohannes in 1935 in Adwa in Tigray region, and entered the Abba Garima Monastery as a young boy to train as a deacon, eventually taking monastic orders and being ordained a priest. He obtained his first degree in theology at Trinity College in Addis Ababa, and subsequently studied for a second degree and his doctorate at St Vladimir's Orthodox Theological Seminary and Princeton Theological Seminary in the United States. He wrote his doctoral dissertation on "Filsata: The Feast of the Assumption of the Virgin Mary and the Mariological Tradition of the Ethiopian Orthodox Tewahedo Church."

He returned to Ethiopia after the revolution in 1974, and was appointed a bishop, taking the name and title of Abune Paulos, and being given the responsibility for ecumenical affairs. He was subsequently arrested and spent seven years in prison. Released in 1983 he went into exile to complete his doctorate at Princeton. In 1986, while still in exile, he was raised to the rank of Archbishop by Patriarch Abune Tekle Haymanot. Following the overthrow of the Derg in May 1991, the then Patriarch of the Church, Abune Merkorios resigned. The Holy Synod of the Church authorized a new Patriarchal election. Abune Paulos was elected and was enthroned as the Fifth Patriarch of the Ethiopian Tewahdo Orthodox Church in 1992.

Abune Paulos was a renowned scholar and peace advocate who worked on reconciliation between Ethiopia and Eritrea, taking the initiative to organize a series of peace meetings between Ethiopian and Eritrean religious leaders during the war launched by Eritrea in 1998. He had earlier acquiesced, if reluctantly, in the breaking away of the Eritrean Orthodox Church when Eritrea became independent after 1993. Himself a victim, he continually championed the cause of the many victims of the Derg regime, presiding over the funerals of the 60 ex-officials of the Imperial government

murdered in 1974, of Crown Prince Asfaw Wossen in 1997, of Emperor Haile Sellasie in 2000, and his daughter Princess Tenagework in 2004.

Abune Paulos was responsible for building an impressive new Patriarchal office and residence, and for reforming the bureaucracy of the Patriarchate. He made the Church one of the major relief organizations in the country and showed keen interest in youth, women's issues and the problem of HIV/AIDS. He was the patron of the national programme on HIV/AIDS. Abune Paulos received the Nansen Medal from the UN High Commissioner for Refugees for his work for peace and humanitarian causes in 2000. He launched a project to build a University on Entoto that would help to commemorate the Ethiopian millennium. This is intended to provide a study and research centre at the Entoto Debre Hayl Saint Raguel Church.

Abune Paulos travelled widely, strengthening the ties of the Church with other sister churches. Notable among his visits was one to Egypt in 2007 to meet with Pope Shenouda III of the Egyptian Coptic Church, re-establishing the relationship of the two churches after a time of separation. A year later he travelled to India to meet Baselios Thoma Didymos I Catholicos of the East, strengthening the communion of Ethiopian and Indian Orthodox Churches. He also attended the 40th anniversary celebration of the enthronement of Pope Shenouda III along with Patriarch Mar Ignatius Zakka I, Patriarch of Antioch and all the East, and Catholicos Aram I, Catholicos of the Holy See of Cilicia of the Armenian Orthodox Church in November last year. Abune Paulos was a member of the central committee of the World Council of Churches (WCC) and the Faith and Order commission, and was elected as one of the seven Presidents of the World Council of Churches (Oriental Orthodox) in 2006. "He was a champion of many causes, and a fighter for the unity of Christianity".

The funeral will be held on Thursday 23rd August, at the Trinity Cathedral. The Ministry of Foreign Affairs offers its deepest condolences to the family and friends of His Holiness and to the faithful of the Ethiopian Orthodox Tewahdo Church.

The Horn of Africa at the London Olympics

Athletes from the Horn of Africa, especially Ethiopia and Kenya, are renowned for their middle and long distance running, and not just in the region. They are recognized and honoured not only by their own peoples and governments, but by millions around the world. They have a tradition of winning in athletic competitions everywhere including the Olympic Games. Demonstrating their courage, strength and endurance, the Horn of Africa's athletes have made their nation's flags and national anthems synonymous with international athletic victories including the Olympic Games. The London Olympics Games ended on 12th August after 17 days of eventful competition between athletes and the Horn of Africa athletes proudly upheld the honour of their countries, their region and of Africa before the world.

Ethiopian athletes demonstrated their ability in dazzling style, with Ethiopia finishing 25th in the medals' table, with three gold, one silver and three bronze medals. It came second in Africa to South Africa and 5th in the world in athletics. Tirunesh Dibaba, who won double gold medals in the women's 5,000 and 10,000 metres in the Beijing Olympics four years ago, was in exceptional form despite being plagued by injuries over the last two years, winning the gold medal once again in the women's 10,000 metres and taking a bronze medal in the 5,000 metres. Meseret Defar, winner of the gold medal for the women's 5,000 metres at the Athens Olympics in 2004, magnificently returned to form to win the gold again in London. Tiki Gelana's unexpected win in the women's Marathon brought Ethiopia its third gold medal. Bronze medals were won by Sofia Assefa in the women's 3,000 metres steeplechase, the first time Ethiopia has won a medal at this distance, and by Tariku Bekele in the men's 10,000 metres. Dejen Gebremeskel won a silver medal in the men's 5,000 metres. With Mohammed Aman (800 metres) and Abeba Aregawi (1,500 metres) reaching the finals in their

distances, Ethiopian athletes also showed they were beginning to challenge for shorter distances for the first time. The Athletics Team arrived back on Thursday (16th) and was welcomed at Bole International Airport and at Addis Ababa Stadium by crowds of people and by the Speaker of the House of Federation, Kassa Tekleberhane, and the Commissioner of Sports, Abdissa Yadeta.

Kenya also produced remarkable results in finishing 28th in the overall medal table with two gold, four silver and five bronze medals. Four years ago in Beijing it finished 13th, with six gold, four silver and four bronze medals. This time in London its two gold medals came from Ezekiel Kemboi in the men's 3,000 metres steeplechase and from David Rudisha in the 800 metres with a magnificent world record. Timothy Kitum took the bronze medal in the same race, with Botswana's Nijel Amos taking the silver. In the women's marathon Mary Keitany and Priscah Jeptoo took the silver and bronze medals and Abel Kirui and Wilson Kipsang Kiprotich also took the silver and bronze medals in the men's marathon. In the women's 10,000 metres Kenya's Sally Kipyego and Vivian Cheruiyot took the silver and bronze medals respectively, and Vivian Cheruiyot also took the silver medal in the women's 5,000 metres. Kenya got another bronze medal in the men's 10,000 metres with Pkemei Longosiwa.

One of the more unexpected results was Stephen Kiprotich's impressive victory for Uganda in the Marathon. It was the first Olympic medal to be won by Uganda in the marathon and its first gold medal in forty years. All the other countries in the region participated, Sudan, Djibouti, Eritrea and Somalia. They failed to win any medals but Somalia's participation after two decades of conflict was particularly notable. Somalia sent a two person athletics team, Mohamed Mohamed for the men's 1,500 metres and Zenzem Mohammed Farah for the women's 400 metres, to realize the dream of participation in the Olympic Games for two athletes who have spent much of their lives running to avoid bullets in a brutal civil war. The best known Somali runner, however, was Mohamed Farah, the Somaliland-born British gold medalist in both the men's 5,000 and 10,000 metres, emulating the feat of Ethiopia's Kenenisa Bekele in Beijing four years ago.

The Horn of Africa as a region and Africa as a continent won fewer medals in London than in Beijing, and there were fewer African countries in the medals table. Nevertheless, many of the performances of Africa's sportsmen and women were among the world's best and some, notably Kenya's David Rudisha, Uganda's Stephen Kiprotich, and Ethiopia's Tiki Gelana, Meseret Defar and Tirunesh Dibaba really stood among many great racers.

On the final day of the London Olympic Games one other event must be mentioned. On the afternoon of 12th August a small group including Ethiopia's greatest distance runner, Haile Gebreselassie; Brazil's football legend, Pele; and the Somaliland-born British double gold medal winner, Mohamed Farah gathered at the UK Prime Minister's office in Downing Street with other Prime Ministers, ministers, business leaders and heads of international agencies. The meeting was called to discuss what could be done to help the many children who are permanently damaged by lack of proper food in early years of life. The meeting was co-hosted by UK Prime Minister David Cameron and Brazilian Vice-President Michel Temer, whose joint statement declared: "As current and future hosts of the Olympic Games, we share a passion to unlock everyone's potential. This starts with good nutrition and disease control in early childhood. This is why today we challenge governments, civil society organizations and the private sector to go faster to reach the 170 million children around the world affected by malnutrition."

The aim was to look at the problem of constant, every day hunger, rather than the more visible problems of famine and starvation, to raise the profile of a neglected issue and focus was on practical solutions, particularly on technical solutions that would yield high returns for relatively little cost. The aim is to provide a lasting legacy from the London Olympic Games in response to the problems of hunger and malnutrition: "Every hour of every day, 300 children die because of malnutrition, often

simply because they don't have access to the basic, nutritious foods that we take for granted”, says Save the Children. The aim of the summit was to build on the momentum generated by President Barack Obama’s increased commitment to nutrition and smallholder farmer productivity announced at the recent G8. “Long-term investments in agriculture by the private sector, governments, and the wider development community can help build self-sufficiency for millions of poor farming families.”

Ethiopia’s Growth and Transformation Plan – nearing the half-way mark

Ethiopia’s economy is growing very fast, in fact, it is the fastest growing non-oil economy in Africa and one of the top ten fastest growing economies in the world. Ethiopia’s GDP has been growing with an average of 11.2% for the last eight consecutive years and much faster than average annual growth in Africa as a whole (nearly 6 per cent). Ethiopia’s per capita income has more than doubled over the same period. According to the Economist, Ethiopia is forecast to be the third-fastest growing country in the world over the next five years, after China and India and at this early stage of the GTP implementation, the country has begun to see encouraging improvements in all aspects. According to ranking of The World Bank’s 2010 “Doing Business” Ethiopia ranks higher in doing business than three out of the four BRIC countries with only China higher.

Ethiopia’s remarkable growth can be attributed to a number of policy successes, not to mention favourable external conditions. Ethiopia has seen a significant decline in its fiscal deficit (from 4.2 per cent of GDP five years ago to 1.3 per cent). Better regulatory and institutional frameworks, such as improved business registration procedures and requirements, have helped strengthen investor confidence. Large investments in infrastructure relative to the economy’s size, which reached about \$6 billion (20 per cent of GDP), have helped fuel domestic demand and enhance the economy’s productive potential. Positive external factors include rising remittances. Moreover, rising international commodity prices and a range of special incentives have helped exports grow at an average annual rate of 10.5 per cent between 2004 and 2009 and contributed to the economic boom.

To maintain this economic growth and to transform it rapidly, the country has implemented the five year Growth and Transformation Plan (GTP) for the period 2010/11-2014/15. It is directed towards achieving the Millennium Development Goals (MDGs), Ethiopia’s long term vision and sustaining economic growth. The overriding development agenda of the GTP is to sustain a rapid, broad-based and equitable economic growth path witnessed during the past several years and to eventually end poverty. The GTP envisages an average annual economic growth of 11 to 14.9% over these years. The Second year of the Five-Year Growth and Transformation Plan (GTP) is fully on track. In two years of GTP implementation the socio-economic development trajectory of the past seven years has been maintained. The two years of the GTP period has also witnessed greater enthusiasm and participation of citizens in the overall implementation of the plan. The successful implementations of this plan will double the GDP of Ethiopia by the end of 2015. This for sure will elevate Ethiopia’s 2010 GDP (PPP) to \$86.123 (International Dollars), the 10th largest into the 5th largest economy in the African continent (both north and south of the Sahara).

Table 1. Growth rate of Real GDP in 2010/11 (per cent)

Sector	Base Year(2009/10)	2010/11 Fiscal Year	
		Planned	Actual
Over all real GDP	10.6	11.0	11.4
Agriculture and allied activities	7.6	8.5	9.0

Industry	10.8	14	15.0
Services	13.2	12.5	12.5

Source: MoFED

During 2010/11, the country registered 11.4% real GDP growth rate, surpassing the GTP target of 11 per cent. In particular, the agriculture and industry sectors have registered growth rates above their targets set for the year. Clearly, more effective implementation of prudent macroeconomic and sectoral policies has contributed to this faster and broad-based growth. Furthermore, rapid economic growth and remarkable social development have contributed positively to the creation of employment and improvements in the standard of living and in poverty reduction. In the fiscal year, a number of new job opportunities have been created in cities and urban areas. Thus, the urban unemployment rate has declined to 18 % from the level of 18.9% in 2009/10. Per capita income has also increased to 392 USD from the level of 377 USD in 2009/10. Chronically poor rural areas were supported by the productive safety-net programmes which contribute to achieving better food security. As a result of developments in the economic and social sectors and better implementation of welfare programmes, the absolute poverty index has declined from 38.7 per cent in 2004/05 to 29.6 per cent in 2010/11 and that of the food poverty index has declined from 38 to 33.6 per cent. The same trend is observed for rural and urban areas, with both the total and food poverty head count and the gap declining. While income inequality also declined from 0.44 in 2004/05 to 0.371 in 2010/11 in urban areas, it increased marginally in rural areas (from 0.26 to 0.27) leaving the overall inequality unchanged over the same period. This sustainable growth rate of real GDP explains the availability of prudent macro-economic conditions and sectoral policies and indicates that Ethiopia will achieve MDG targets.

The fast and sustainable economic growth that has been registered during the years under review has continued to be broad based and hence equitably beneficial to the society. However, inflation has posed a critical challenge starting from the second half of the first year. In an effort to control inflation and the rising cost of living, the government has been taking various measures including imposing tight cash controls on government expenditure, and basic food items (wheat, edible oil and sugar) have been imported using Governments own resources, temporarily introducing price caps on selected goods (which have been lifted except on a few consumables). Furthermore, maintaining sustainable and broad based economic growth with a particular focus on improving agricultural productivity and accelerating the growth of the manufacturing sector are major policy directions that have been followed in order to control unemployment and the inflation challenge in the long term.

The Government of Ethiopia, being aware of the central role and contribution of infrastructure to the political and socio-economic transformation of the country as well as to the integration of the Horn of Africa region, has made the development of infrastructure one of the key priorities of its economic development strategy. To this end, the Government has been investing heavily in the development of the power sector; telecom/IT; roads; irrigation and water supply; housing; and social services such as education and health by mobilizing resources both from own treasury and from international partners since mid-1990s.

Generally, the GTP emphasizes enhancing the growth of the manufacturing sector to ensure it plays a significant (leading) role in the nation's overall development endeavours. In terms of sector specific plans, the GTP envisages among other things improved use of best practices and investment in rural roads; an increase in electricity generation capacity from the current level of 2,000 MW to 10,000 MW; and construction of a 2,395 km railway network. Major achievements have been recorded in the two years of GTP in the country's infrastructural development in roads, power generation, railways and telecommunications. With regard to railway infrastructure development, mega projects have

been contracted out to contractors and some of them are under construction. The plan would be to complete the construction of this network through phases, and segment by segment.

During 2010/11, power generation, transmission and distribution activities were executed. Many hydro-electric power plants were completed within two years and the construction of other power generating plants are well in progress. 57% of Gilgel Gibe III HEP construction is completed. Above all, the Grand Renaissance HEP project was one of the biggest projects started in the 2010/11 fiscal year and the construction has been well advanced. Ethiopia has the potential to become the electricity generation hub of the Eastern Africa Power Pool. The country is bestowed with abundant hydro-electric generation potential. In addition, Ethiopia also has several renewable energy resources such as geothermal, wind and solar. The country is now connecting more than 300,000 new consumers (about 2 million people) every year by expanding its rural grid network. In areas that are too remote, Ethiopia is providing solar-based electricity to institutions such as schools and health centres.

Special attention has been given to the manufacturing sector which is believed to be the base for national development, contributing significant roles. That's why building ten new sugar plants and ten new fertilizer plants is part of it. The construction of all sugar plants is well under way at an estimated cost of around ETB80 bln.

During 2010/11, encouraging achievements have also been recorded in investment and domestic savings. This growth in investment could be attributed to the adoption of a conducive investment climate, application of incentive schemes at various levels, and acceleration of privatization and improvements in land delivery. Furthermore, huge capital spending by the government on a range of public infrastructure has greatly contributed to the expansion of investment.

In the GTP, an important priority is given to improving and ensuring the quality and efficiency of education at all levels through a programme called General Education Quality Improvement Package (GEQIP). Accordingly, various activities have been implemented under this package, including designing standards for general education, standards of science and quantitative education and secondary education. Synchronizing of TVET trainings in line with the need in the industry sector has been undertaken. Furthermore, in higher education with a view to increasing the intake capacity of both undergraduate and graduate programmes, efforts have also been taken to increase the number of total government universities to 32. As a result, higher education intake capacity has increased during the years under review. In 2010/11, in undergraduate and post graduate programmes 75,348 and 6,300 students have graduated, respectively. The remarkable results that have been recorded during the year indicate that the national MDGs targets are very likely to be attained in 2014/15.

With regard to the health sector, during 2010/2011, the number of health extension workers that are deployed in rural Kebeles has reached **34,382**. Similarly, during the same year, the number of urban health extension workers has reached 3,916. This has taken the national health extension service coverage to **75.2%**. In order to enhance the accessibility of health services, several activities have been undertaken. Accordingly, during the fiscal year, family planning services reached 29%, antenatal care coverage 1+ (at least one visit) increased to 82.2 per cent and postnatal care coverage increased to 42.1 per cent. During the year under consideration, maternal mortality declined to 470/100,000. Infant and under five mortality rates have declined to 59/1,000 and 88/1,000, respectively. Remarkable results that have been recorded in the health sector signify a promising prospect in achieving the MDGs by the end of 2014/15.

Ethiopia's economic growth is being witnessed by different international institutions and economists. Deputy Managing Director of the International Monetary Fund (IMF), Naoyuki Shinohara, issued the following testimony at the conclusion of his visit to Ethiopia from 1st to 3rd

March 2012. "I was impressed by the authorities' strong determination to transform Ethiopia into a vibrant middle-income economy. I am happy to say that the authorities welcomed IMF engagement in support of their efforts to address current macroeconomic challenges and implement economic reforms and poverty reduction programmes in Ethiopia. There has been significant progress over the past 10 years towards putting in place sound and sustainable economic policies to deliver robust growth. Most recently, the Ethiopian authorities have implemented a base money nominal anchor and important tax administration reforms. These measures have started bearing fruit as inflation is progressively declining and fiscal revenues are on the rise."

The Five-Year National Growth and Transformation plan will enable Ethiopia to double agricultural production and general economic growth by registering 14.9 per cent growth on average. The plan will also facilitate the industry sector taking the lead in the country's overall development activities. The GTP aims at achieving the Millennium Development Goals (MDGs) targets by 2015, and the long-term vision of Ethiopia is to raise its GDP and the standard of living of its population to a level of a middle-income country by 2020-2023. While a lot still needs to be done, Ethiopia's economy has already shown sustainable double digit growth over the last several years. And, if recent trends in economic development, such as attracting large volumes of FDI, evolving and adopting reforms in the business operating environment and large investments in infrastructure continue, not only the GTP but also Ethiopia's goal of joining the ranks of the middle-income emerging market economies, in the next 15 to 20 years, is achievable.

News and Views

"Dreams Become Destinations!" Ethiopia's first 'Dreamliner' aircraft

The first Ethiopian 'Dreamliner' landed at Addis Ababa's Bole International Airport this morning, Friday 17th August. Its first flight for Ethiopian Airlines will be "The Dream Tour," on Saturday (18th) when it will carry out a sightseeing flight to Mount Kilimanjaro in East Africa, for around 270 invited guests, including Ministers, Ambassadors, other VIPs and the media. Ethiopian Airlines is the first airline to operate the Boeing 787 'Dreamliner' outside Japan. Ato Tewolde Gebremariam, Ethiopian's Chief Executive said "Ethiopian Airlines is a truly indigenous African airline, which has been pioneering African aviation for the last 67 years and it is only natural for us to deploy our first B787 in Africa." Underlining the airline's commitment as Africa's flagship carrier, he said "we are naming our first B787 'Dreamliner' "Africa First" ". Ethiopian Airlines has announced it will be using the plane to fly to different destinations primarily in Africa. From Sunday (19th August) it will be in service flying on rotation to various destinations in Africa, including Mombasa, Nairobi, Harare, Lusaka, Entebbe, Lagos, Johannesburg, Abuja, Malabo, Douala, Lomé, Accra, Maputo and Luanda as well as to Dubai, Mumbai, Rome, London and Frankfurt. The delivery date for the airline's second 'Dreamliner' will be announced shortly.

Deputy Prime Minister hands out degrees to military graduates

Deputy Prime Minister and Minister of Foreign Affairs, Hailemariam Desalegn, has called on the army to continue to contribute what he called its indispensable role in the on-going efforts of the Ethiopian Renaissance. He was addressing members of the Defence College at a degree graduation ceremony on Sunday 12th August. The Deputy Prime Minister said the government was giving due attention to equipping military officers graduating from the various military institutions with the necessary military science skills and ensuring that they had full knowledge of the Constitution and of the country's development policies. He urged the graduates to develop their skills and transfer them to others. The Dean of the Defence College, Colonel Alemseged, said the graduates had developed various related skills apart from the regular academic education given during their time at the College. The College graduated 50 military officers this year.

Abyei Joint Oversight Committee agrees on peaceful co-existence

On Saturday 11th August, the Abyei Joint Oversight Committee (AJOC) signed an agreement on highlighting the necessity to strengthen social ties and to restore and promote peaceful coexistence between the Dinka Ngok and the Misseriya and on the need to continue dialogue between the two groups which have rival claims in the region. The agreement, reached at the sixth meeting of the Abyei Joint Oversight Committee (AJOC), included reference to the mutual respect and the historic relations between the two communities, and the need to restore these. The two sides agreed to communicate the agreement to their respective communities prior to convening a reconciliation conference. Al-Kheer Al-Fahim, representing the government of Sudan expressed the commitment of the ruling National Congress Party to reaching a deal on the formation of an administration and civil institutions in Abyei. The Co-Chair of the Abyei Joint Oversight Committee, Luka Biong Deng Kuol, representing South Sudan, described the agreement as "an indication of the commitment of South Sudan's President Salva Kiir and his Sudanese counterpart President Al-Bashir to resolving disputes". He noted that the recent agreement on oil "would give a major push to on-going efforts to resolve remaining controversial issues including Abyei". The agreement was welcomed by representatives of the African Union and the UNISFA Force Commander.

The main Sudan/South Sudan talks are in recess until the end of Ramadan, and during the recess Thabo Mbeki, head of the African Union High Level Implementation Panel (AUHIP) mediating the negotiations, is preparing a draft comprehensive agreement aiming to narrow differences between Sudan and South Sudan over the issues of border demarcation, security arrangements and Abyei. He has said he is seeking to achieve a breakthrough on these issues before the UN Secretary-General Ban Ki-Moon presents his report on the negotiations to the UN Security Council on 2nd September. The Council will then consider its response to the failure of Sudan and South Sudan to meet the deadline of 2nd August set by Security Council resolution 2046 (2012).

US congressional delegation visits South Sudan

A US congressional delegation was in Juba, South Sudan, on Wednesday this week (15th August). Led by Congressman Jack Kingston, the delegation of ten, five Republicans and five Democrats, met with President Salva Kiir and Vice President Riek Machar as well as various ministers. They were briefed on the current status of the Addis Ababa negotiations on the outstanding issues between Khartoum and Juba. They also discussed the status of Abyei and the on-going talks to resolve differences and allow the region to conduct its referendum on self-determination. The talks in Addis Ababa are expected to resume next week, to continue discussions after the recent deal on oil transport fees. The Sudan government has said security on the common border is crucial to implementation of the oil deal. The Congressional delegation also expressed concern over the situation in the South Kordofan and Blue Nile States and the role South Sudan could play in helping Khartoum to resolve the conflicts there. Last month, South Sudan President Salva Kiir pledged to facilitate the settlement of the conflict between the SPLM-North rebels and the Khartoum government. The delegation said it wanted to assess the humanitarian situation of the refugees who had fled fighting from Sudan's South Kordofan and Blue Nile and crossed over to South Sudan. The United States is one of the main providers of humanitarian assistance to the refugees through its support to the World Food Programme.

Ministry of Health's plans to strengthen Ethiopia's health system

Ethiopia's Minister of Health Dr Teodros Adhanom has detailed the Ministry's plans to sharply increase the number of health professionals in the country over the next "three to four years" in order to save the country's public health system. This has been losing doctors and specialists to internal and external migration, while failing to meet the demand because of infrastructural and

material gaps. Now, says Dr Teodros, the country is "implementing strategies to increase the current numbers of medical doctors and retain them in public hospitals". At the moment, the numbers have fallen below World Health Organization standards. Already, the enrolment rate in the country's medical schools has risen to more than 3,100 a year; a tenfold increase over the less-than-300 enrolled in 2005. Dr Teodros said "in the next two, three to four years, the country's enrolment rate for health professionals could go to six or eight thousand." Once these students start to graduate, the problem regarding shortage of physicians in the country "will [have] considerably stabilized". A draft of the country's Human Resource for Health Strategic Plan shows an intended increase in the number of physicians to **1 per 5,000 by 2020**. The plan seems on course. The government is also allowing doctors to work privately during off-hours and at weekends. This is helping to provide them with additional sources of income, reducing their interest to go elsewhere and encouraging them to remain in Ethiopia.

Addis Ababa to hold Symposium of African Mayors

Addis Ababa's 125th Anniversary Coordinating Office has announced that the city will host a symposium of African mayors in connection with the anniversary being celebrated this year. Head of the Office, Ato [Mr] Tatek Kassa says that the symposium will bring together mayors from all African capital cities. He also noted that discussion forums are being organized for residents of Addis Ababa to discuss ways to encourage the city's development. A number of research papers covering various aspects of Addis Ababa's development and its 125-year existence will be presented. The anniversary will continue to be marked until November with various sporting events and musical concerts as well as exhibitions and bazaars. According to Ato Tatek, various development projects including new roads and housing projects will also be inaugurated in connection with the anniversary.

Lions photographed in Ethiopia's wild coffee forests for the first time

For the first time, lions have been documented and photographed in montane rain and cloud forest. Normally they prefer open woodlands and thick bush, scrub and grassland areas, offering cover for their hunting. Now scientists with Germany's Nature and Biodiversity Conservation Union (NABU) have recorded lions in the Kaffa Biosphere Reserve in south-western Ethiopia. The Kaffa reserve is characterized by moist rain and cloud forests, the place of origin for coffee. NABU is involved in preservation of the wild coffee forests of Kaffa and in developing management of the reserve, as well as implementing a large-scale forest and climate protection project in the area. The reserve is on an important migratory route for lions, and it appears they may have been passing through the area during the dry season. Recent surveys indicate that there are now 39,000 lions left in Africa, of which up to 1,500 live in Ethiopia. Both their numbers and range have declined significantly in recent decades, due to loss of habitat, human population growth and the reduction of prey, as well as direct persecution and hunting. In line with the Regional Conservation Strategy for the Lion in Eastern and Southern Africa, the Ethiopia Wildlife Conservation Authority recently adopted a National Action Plan to work to restore the country's lion population.