

## A Week in the Horn

### 18<sup>th</sup> April 2014

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#### News in brief

##### The African Union

The 428<sup>th</sup> meeting of the AU Peace and Security Council took place on Friday (April 11) to discuss South Sudan (**See article**).

##### Ethiopia

Japanese Ambassador to Ethiopia, Kazuhiro Suzuki, and Ahmed Shide, State Minister of Finance and Economic Development, on Tuesday (April 15) held a grant aid signing ceremony for the provision of approximately 100 million birr for the provision of fertilizer to Ethiopian farmers. The Ambassador said Japan would continue to support Ethiopia's efforts to achieve the goals set out in the GTP.

The Ministry of Foreign Affairs held a Forum with members of the Diaspora on Wednesday (April 16) in Addis Ababa (**See article**).

The European Union (EU) on Wednesday (April 16) announced a €40.2 million grant to the Ministry of Health and UNICEF through the "Enhancing Skilled Delivery in Ethiopia" project. The funding will be used to **scale-up maternal health and new-born care** for a three year period (2014-2016).

The Ministry of Foreign Affairs Spokesperson, Ambassador Dina Mufti said on Tuesday (April 15) that Ethiopia's relations with the Arab world were shifting from the political to the economic. Ambassador Dina said countries like Saudi Arabia, Yemen, Kuwait and the United Arab Emirates wish to enhance relations in investment and trade.

The Indonesian Ambassador to Ethiopia has said the annual trade exchange between Ethiopia and Indonesia has risen from US\$70 million to US\$350 million within the last three years. A joint economic and technical cooperation agreement was signed last year to further boost cooperation and a number of business visits have followed.

Members of the Ethiopian Diaspora residing in the UK marked the third anniversary of the launch of the Grand Ethiopian Renaissance Dam (GERD) buying £20,000 worth of bonds to add to the £702,900 previously bought. Ambassador Berhanu urged compatriots in the UK to start organizing for the biggest bond sale event, to be held in June.

## Djibouti

The White House has announced that President Ismail Omar Guelleh will meet President Obama next month on his visit to Washington. The meeting on May 5 will highlight the role of Djibouti, which hosts a US Horn of Africa counterterrorism task force, in protecting regional security and preventing conflict. The White House said discussions will also cover security and counterterrorism, development, trade and energy cooperation.

The World Bank Group and the Government of Djibouti signed a US\$3.8 million grant to support the Government's Access to Quality Education Project at the weekend. The grant is designed to support the government's goal of improving teaching practices and facilities for primary education as well as renovation and construction of school buildings, and fund teacher training, student assessment and student materials.

The French Development Agency has signed an agreement worth US\$8.3 million (1.5 billion francs) to support education and vocational training in Djibouti. The project is due to start at the end of the month.

The Djiboutian government has handed 267 Eritrean refugees over to the UN refugee agency, the UNHCR. They include some prisoners of war taken in June 2008 when Eritrea attacked Djibouti. Djibouti officials say twenty-five wanted to return to Eritrea, but there has been no indication whether Eritrea would receive the would-be returnees.

## Eritrea

Ambassador Araya Desta, new Permanent Representative of Eritrea to the AU presented his credentials to the Chairperson of the AU Commission, Dr Nkosazana Dlamini Zuma, on Wednesday (April 9). He also delivered a message from President Isaias Afwerki to say that he actively supported reinforcing and developing the AU.

The National Confederation of Eritrean Workers and the Sudan's Federation of the Associations of Professional Workers in the Sudanese Red Sea Region held a joint meeting in Massawa and revised the professional agreements reached in 2008 to enhance relations.

## Kenya

Kenya and Turkey signed a security agreement last week at the end of President Kenyatta's visit to Turkey to enable the two countries' security forces to establish closer working ties by sharing skills between police forces. A statement from President Kenyatta's Office on Sunday (April 13) said the arrangement was part of "wider commitments on security and defense between the two governments that include closer cooperation on the stabilization and reconstruction of Somalia."

Kenya's Inspector General of Police David Kimaiyo took the Ambassadors from Tanzania, Uganda, the United Kingdom and the United States on a tour of Nairobi's Kasarani Stadium on Saturday (April 12), where hundreds of people have been detained in the ongoing security crackdown.

Kenyan police said on Wednesday (April 16) that they had screened more than 1,000 suspects from 14 different nationalities and were deporting 225 others following on-going security sweeps targeting illegal immigrants. The Kenyan police said the security sweep, "Operation Usalama Watch," had progressed well and was being intensified.

Kenya's First Lady Margaret Kenyatta participated in the London Marathon last weekend running the 42 kilometers in 7 hours and 4 minutes to raise awareness and funds for her 'Beyond Zero Campaign' aimed at improving maternal and child healthcare and elimination of new HIV infections from mothers to children. President Kenyatta was at the finishing line to greet her.

## Somalia

Somali President Hassan Sheikh Mohamud on Monday (April 14) received the new Burundian Ambassador to Somalia, Brigadier General Joseph Nkurunziza, who presented his credentials and pledged his country's continued support to the on-going efforts to stabilize Somalia.

President Hassan Sheikh Mohamud on Monday (April 14) attended a ceremony to mark the first anniversary of the deaths of Somali citizens in the terrorist attack on the Banadir Regional Court Complex in Mogadishu. The Chief Justice Eideed Ilka-Hanaf and the Minister of Justice and Constitution Farah Abdulkadir were among government officials present.

Somalia's Deputy Prime Minister and Religious Affairs Minister, Ridwan Hersi Mohamed, returned to Mogadishu on Wednesday (April 16) after a four-day official visit to Djibouti. He said he had met with President Ismail Omar Guelleh and discussed strengthening bilateral ties. The President, he said, had promised to send a second battalion of Djibouti troops to Somalia and to continue his support to the Federal Government.

Prime Minister Abdiweli Sheikh Ahmed arrived in Kismayo, the capital of the Interim Jubba Administration, on Saturday, April 11 for a three-day visit at the head of a delegation of ministers and members of Parliament. He was welcomed by Ahmed Mohamed Islam 'Madobe', President of the Interim Jubba Administration and other high-ranking officials. **(See article)**

The UK's Minister for Africa, Mark Simmonds, said on Tuesday (April 15) that the UK Government was committed to helping Somalia organize public presidential polls by 2016. Mr Simmonds was on a visit to Mogadishu where he met with Somali President Hassan Sheik Mohamud.

The UK Minister for Africa visited Somaliland on Wednesday (April 16) where he held talks with President Ahmed Silanyo and Somaliland ministers. Mr Simmonds, who said the UK travel ban advisory for Somaliland was partially lifted, said the UK would be contributing €95m annually to assist Somaliland through DFID support to various sectors.

Somaliland troops supported by an armed clan militia took over the district of Taleh in Sool region on Tuesday (April 15) as supporters of the self-proclaimed Khatumo administration were gathering for a meeting. Puntland, which also claims the area, accused Somaliland of being "provocative".

## South Sudan

The SPLM/A in Opposition claimed on Tuesday (April 15) to have seized the capital of oil-producing Unity state, Bentiu, and warned oil firms to pack up and leave within a week. The rebels also accused the Egyptian government of providing military support to the South Sudanese government. A South Sudan military spokesman said the government had "no restrictions on where to buy and where to get weapons."

## Sudan

Sudanese Defense Minister, Abdel-Rehim Hussein, told Parliament on Monday (April 14) that the Sudan lodges a complaint with the U.N. every year regarding its dispute with Egypt over the Halaib Triangle, an area of land on the Egypt-Sudan border which has been under Egyptian control since 1995. Sudan claims that Halaib is part of the Sudan. After a visit to Cairo in February this year, Hussein said the dispute would be resolved through dialogue.

The leader of the Sudan opposition Popular Congress Party, Hassan Al-Turabi, has said his party has agreed to an unconditional dialogue with the ruling National Congress Party, called for by President Omar Al-Bashir, in order to unify Islamic forces and maintain the cohesion of the country.

The rebel alliance of the Sudan Revolutionary Front (SRF) on Sunday (April 13) reiterated its rejection of President Al-Bashir's call for a national dialogue, claiming the government was escalating military operations rather than declaring cessation of hostilities and taking confidence-building measures. It claimed that the SRF did not reject dialogue but it must be based on a clear roadmap to "move from war to peace and from totalitarianism to democracy".

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## Ethiopia's House of Representatives ratifies the Ethio-Kenyan Special Status Agreement

The Ethiopian House of Representatives, on Tuesday (April 8), ratified the Special Status Agreement, signed in November 2012 by the late Prime Minister Meles Zenawi and former Kenyan President Mwai Kibaki. The aim of the agreement was to lift the already excellent existing relations between the two countries to new heights of partnership based upon mutual benefit and cooperation. The Agreement in fact aims to promote and encourage bilateral ties in all major priority areas, including trade, investment, infrastructure and sustainable development, with the intent to reduce poverty and transform the economies of both countries.

The Agreement has reached the point of reality as a result of the two countries' political commitment and their will to bridge the development and peace nexus, enhance trade links, increase investment, expand markets and draw on each other's strength for common development. The agreement attaches special importance to long-term mutual gains by both countries, including the intent to remove tariff and non-tariff barriers to trade and eliminate investment bottlenecks through bilateral arrangements which might encourage close co-operative public-private partnerships.

The deal is testimony to the role played by former President Kibaki and the late Prime Minister Meles, and to the dedication both countries have shown in realizing the Special Status Agreement and the determination to further reinforce their partnership in areas that have remained underdeveloped. Given their long-standing relations, common positions and common vision on regional and global affairs, the accord will certainly increase the volume of trade that reached US\$60 million in 2012, largely to the advantage of Kenya. Ethiopia's imports from Kenya were worth US\$55.9 million and exports were worth US\$4.3 million. The Agreement is firmly tied to boosting key investment opportunities and reducing challenges that hinder cross-border trade and business transactions. It also reflects the pivotal significance of the bilateral relations and their determination to pursue benefits within a spirit of reciprocity, a win-win outcome and the prospect of shared prosperity.

The Agreement sets out five priority areas for cooperation: trade, investment, infrastructure, food security and sustainable livelihoods and it will be applicable across all identified areas of cooperation. The Agreement allows for the establishment of a **Joint Private Investment Council** consisting of representatives from both governments and from the private sectors of each country. This will have the job of facilitating and promoting trade and investment in close collaboration with the national investment agencies. In addition, a **High-Level Joint Tripartite Council** will be established to direct and guide the planning, implementation, monitoring and evaluation of the relevant sectors of the Agreement.

The Agreement puts trade at the centre of bilateral relations with the aim of increasing contributions to the enhancement of mutual cooperation and in-depth development of already existing economic ties, to provide for the overall transformation of the business landscape and the improvement in the welfare of the two peoples. The Agreement allows the two countries to devise mechanisms and ways to elevate bilateral trade through joint trade promotional events, exhibitions and exchanges of visits and information. It gives permission to coordinate efforts for progressive tariff concessions, increased market access, harmonization of tariff lines and streamlining of standardization and quality assurance procedures for goods and services to flow along the economic corridor between the two countries. Additional trading facilities including warehouses and Inland Container Depots will be established on the basis of a principle of reciprocity within each other's areas of custom control.

In addition, it has been agreed that one-stop border posts will be established to make cross-border trade move more effectively, allowing faster movement of goods, peoples, and services along the corridor. It will also permit free movement of commercial and tourist vehicles, transit cargo and axle weights in either country. The Agreement commits the two countries to ease the issuance of work permits, coordinate efforts in the promotion and marketing of tourism activities and participate in fields of capacity building, innovation and research as well as work jointly to identify key opportunities for the development of the service sector. The Agreement enables the two countries to empower the Small and Medium Enterprises and to assist their activities in the provision of skill development, sharing expertise, innovation and technology transfer. The emphasis will be on encouraging these Small and Medium Enterprises along the economic corridor.

With reference to investment, the accord commits the two countries to concluding agreements on the promotion and protection of investment, avoidance of double taxation, development of joint investment programs and the furtherance of partnerships in Information and Communication Technology to help

investors to access markets and to work for the shared benefit and inclusive development of the two peoples. Both sides are also expected to coordinate efforts in the fields of research and innovation to further stimulate investment potential and opportunities for the benefit of both peoples. The Agreement permits the two countries to enhance and deepen partnerships in other areas of investment in addition to the agreed priorities.

As might be expected, the Agreement emphasizes **infrastructure** as a crucial priority area to relieve their inter-connectivity deficit, ease the way for investors and traders to do business, and to address constraints on business along the economic corridor. It permits both sides to work on clean, renewable and affordable energy links and power trading, with the expressed intent of fuelling rapid economic growth and promoting manufacturing and industrialization in the corridor. In fact, the two countries have already concluded a **power purchase agreement, in 2011, providing for the sale of 400mw of power to Kenya.**

With regard to the transport corridor, the Agreement allows both sides to **intensify road and rail networks** to facilitate commercial and investment ties. They will **enhance increased cooperation between national shipping companies** to facilitate trade and business. The Agreement encourages cross-border cooperation and coordination to utilize **opportunities in the oil and petrochemical industry.** With regard to food security and sustainable livelihoods, the Agreement commits the two countries to making joint efforts for the development, management and utilization of trans-boundary natural resources in accordance with international law. It provides for cooperation in the fields of food security, establishment of legal livestock trading, development of irrigation, and agriculture to improve lives and livelihoods.

The ratification of the Agreement by Ethiopia is confirmation of the realization of both Ethiopia and Kenya that there is a real need for collective action and an imperative for linking efforts to advance their long-term partnership in investment and trade. There is no doubt about the importance of greater cooperation in advancing their respective and joint transformation agenda and in creating an enabling environment for their economies to shift from being predominately agrarian into something **grounded in industrialization and services.** Such shifts will help both countries create more jobs, diversify sources of growth, turn the current demographic dynamics into dividends, and properly address issues related to innovation and technology. The Agreement is indeed most timely and offers both countries a real chance to exploit key opportunities and respond effectively to the challenges that have the most impact on peoples, businesses and environment in our rapidly changing world.

Beyond the development of bilateral relations, the Agreement also **shows just how central regional integration is to the economic transformation of the economies of the two countries within the institutional framework of the Inter-Governmental Authority on Development.** It will enable them to accelerate the creation of an appropriate environment for private sector activity, provide for the development of infrastructure programs in support of economic growth and regional integration, promote inclusive and sustainable development and enhancement the region's interaction with other regions and development partners as well as improve peace and security. In this respect, the Agreement also focuses on the important aspect of the commitment of Ethiopia and Kenya to foster and promote regional integration as part of goal of development of the continent.

Ethiopia has already been working on ambitious infrastructure projects to strengthen its economic ties and elevate cross-border trade with its neighbors, though it has always attached special importance to its ties with Kenya, focusing on developments in trade, investment and business. Both sides are already working on the expansion of infrastructure to expand their economies and markets to attract international investors in various manufacturing areas. One example of this has been Ethiopia's support for the implementation of the region's largest infrastructure project, the **Lamu Port and Southern Sudan-Ethiopia Transport Corridor (LAPSSET).** As an adjunct to this, Ethiopia is pushing ahead with its plans for **construction of a railway and upgrading roads that will connect directly with the Lamu corridor. Once complete these links will open up much of the southern areas of Ethiopia for manufacturing and industrial projects and allow easy access to global markets. It will offer the real possibilities of foreign direct investment and trade inflows.** A South Sudan connection with Kenya will also allow Ethiopia to be a transit country for goods and services flowing to and from South Sudan.

## **The AU Peace and Security Council meets on South Sudan**

The Peace and Security Council met on Friday (April 11) with the situation in South Sudan on the agenda. The Director for Peace and Security briefed the Council on the latest developments in South Sudan and the representative of the Government of South Sudan presented his government's position on the on-going IGAD-mediated peace process. In this regard, he stated that his government was committed to signing the Declaration of Principles without the participation of the seven former detainees.

The representative of the IGAD Secretariat explained to the Council the efforts that have thus far been exerted by IGAD to find a negotiated settlement to the crisis. Other representatives of bilateral and multilateral partners who participated at the meeting expressed their deep concern at the worsening of the humanitarian situation in South Sudan. They emphasized that the crisis could only be resolved through peaceful means and expressed their strong support for the IGAD-led mediation initiative. In this connection, they called upon the parties to the conflict to negotiate in good faith. Furthermore, the Partners welcomed the launching of the intra-SPLM dialogue facilitated by the Ethiopian People's Revolutionary Front (EPRDF) and South Africa's African National Congress (ANC).

Ambassador Kongit Sinegiorgis, who spoke in Ethiopia's capacity as current Chair of IGAD, explained that since the outbreak of violence in South Sudan in December 2013, IGAD had been actively engaged in the search for a peaceful resolution of the conflict through political dialogue. She pointed out that the IGAD Assembly of Heads of State and Government had so far met three times in extraordinary session to deliberate on the situation in South Sudan. This, she said, was a clear demonstration of the seriousness with which IGAD regards the situation in South Sudan.

Ambassador Kongit said that IGAD had been successful in bringing the two protagonists to the negotiating table and had facilitated the signing of a Cessation of Hostilities Agreement in January. The two parties had also signed the implementation modalities for the Agreement. These included a robust Monitoring and Verification Mechanism. She also pointed out the efforts made by IGAD to facilitate the release of many of the SPLM Senior Political leaders who were under detention. Ambassador Kongit detailed the outcome of the 25<sup>th</sup> IGAD extraordinary Summit held recently in Addis Ababa at which the leaders decided to deploy a Protection and Deterrent Force with a mandate to protect the Monitoring and Verification Mechanism and other infrastructures in South Sudan. She underlined the critical importance of the immediate deployment of the Monitoring and Verification Mechanism and the Protection and Deterrent Force. Ambassador Kongit reiterated IGAD's calls for the African Union and the United Nations to provide all the necessary support to the Mechanism and the Force to allow these to effectively discharge their mandate, and for these bodies to endorse IGAD's decision and authorize their deployment.

The PSC is scheduled to meet again on Wednesday next week (April 23) to discuss the situation in South Sudan again and to receive briefings from the Special Envoys of IGAD, who are facilitating the negotiation process.

Meanwhile, an IGAD statement issued on Friday (April 11) noted that the Monitoring and Verification Teams, who are to monitor the implementation of the Cessation of Hostilities Agreement, had commenced operations. The first team was deployed to Bor in Jonglei State (April 1); and there was another deployment to Bentui in Unity State (April 5). A deployment for Malakal in Upper Nile State is planned this week; and more teams are also to be sent to Nassir, Akobo and other areas in the near future. These teams are coordinated through the Monitoring and Verification Mechanism and overseen by a Joint Technical Committee drawn from representatives of the Parties to the conflict, IGAD member states, the AU, the UN and IGAD Partners. The Committee has its headquarters in Juba and reports directly to the IGAD Special Envoys. The MVTs and the Joint Committee will be responsible for assessing, monitoring, investigating, verifying and reporting on allegations of violations of the Cessation of Hostilities Agreement submitted by the Parties and by others.

## **The Ministry of Foreign Affairs' consultation forum with the Diaspora**

The Ministry of Foreign Affairs held a consultation forum with members of the Ethiopian Diaspora who are engaged in investment, businesses and professions in the country Wednesday (April 16). The day-long meeting aimed to discuss a range of issues concerning the Diaspora's engagement in the overall

transformation of the country. It was organized by the Ministry of Foreign Affairs and involved the participation of a number of federal and regional government administrative bodies and officials.

Opening the Forum, the Minister of Foreign Affairs, Dr Tedros, emphasized that the government believed that it was its responsibility to create favorable conditions for investment and for the engagement of members of the Ethiopian Diaspora in the country's development processes. This, the Minister said, was why Diaspora Affairs Departments had been established in the Ministry and in Ethiopian missions abroad, as well as in various federal government agencies and also in the various regional administrations. He added that the government had also enacted legislation to ensure the Diaspora's engagement and to protect its interests. That, he said, was another indicator of the government's commitment to encouraging Diaspora involvement in the development of the country.

Dr Tedros said that though the government and the Diaspora had different responsibilities for achieving the objectives stated in the country's Diaspora policy, the need for collaborative efforts was still present. Members of the Diaspora, he added, should actively participate in utilizing the vast investment opportunities available in the country and promote these to encourage foreign investors who could also provide for knowledge and technology transfers, increase the amount of foreign currency the country now receives, and help to build and preserve the country's national and historic values and support positive image building.

Ever since the Government prioritized economic and social development as the country's ultimate objective, government policies and legislative acts have been largely tuned to ensuring continuous capacity building of, and active participation by, the private sector. Building on the lessons learned and the political commitment of establishing participatory development, the government has consistently set out an inviting environment in order to make active participation of all Ethiopians in the processes of development both easy and possible. This has included the case of the Ethiopian Diaspora. The Government has done a great deal to firmly establish involvement of the Diaspora community in the country's affairs, ranging from keeping the Diaspora community abroad properly informed on developments in the country's economic, social and political environment, to working proactively to make the Diaspora active stakeholders in the country's renaissance.

This political commitment and the institutionalization of Diaspora policies have resulted in significant changes. In the economic sphere in particular, where participation is most visible and most substantial, Diaspora engagement is very encouraging. As of the beginning of 2014, nearly 3,000 members of the Diaspora community are involved in investment in different sectors. The amount of capital involved amounts to close to 23 billion birr. This substantial investment portfolio not only makes its own contribution to the overall economic growth of the country, it also, and as importantly, has created **more than 125,000 jobs** in the country.

The contribution of the Ethiopian Diaspora to the economy, however, is not limited to investment and job creation. Between July 2011 and March 2014 alone, Ethiopia received more than **5.6 billion US dollars** in the form of remittances from Ethiopians living abroad. Considering the significant current account imbalance of the country and the huge infrastructure projects being constructed under the Growth and Transformation Plan, these remittance receipts are indeed important. Equally, the amount of foreign money transfers is expected to increase in the near future.

At the same time, however, as Dr Tedros pointed out in his speech, it can be said that in comparison with the huge numbers of Ethiopians living abroad and the great potential they possess, the level of participation by the Diaspora in the country remains minuscule. Much more can be done. This Forum, organized by the Ministry of Foreign Affairs, was therefore part of an effort to provide the Diaspora community with more opportunities for dialogue and discussion on issues they considered to be relevant for more involvement in the country. There were two brief presentations on the progress in implementation of the Growth and Transformation Plan and on the activities of the Ministry's Diaspora Affairs Directorate-General, and then discussions focused largely on administrative hurdles faced by members of the Diaspora community.

Multiple issues ranging from land allocation to electric power lines; from tax and customs administrations to unresponsive regulatory agencies were raised. Members of the Diaspora community engaged in investment in agriculture, manufacturing and services expressed their opinion that although the country's policies and the government's commitment to engage the Ethiopian Diaspora are crucial, the lack of understanding and

implementing capacity at lower levels of government have created problems in their respective areas of investment.

Representatives from the Ethiopian Revenues and Customs Authority, the Immigration and Nationality Affairs Authority, from Regional Administrations and the Addis Ababa Administration responded to comments and complaints made by those attending. A series of criticisms, not for the first time, were leveled at the competence and efficiency of the bureaucracy in many areas. Officials admitted there were some problems related to efficiency in service delivery, but emphasized that the government was committed to improving services. They also raised the point that there had been some cases of misuse and abuse of the privileges given by a few members of the Diaspora community. The Diaspora agreed they also needed to help in the process. Ato (Mr) Feisel Aliy, Diaspora Affairs Director-General at the Ministry of Foreign Affairs, said that the government's decision to enact a Diaspora policy was motivated by the desire to provide a clear framework to provide the basis for continued engagement between the Diaspora and the government.

In his concluding remarks, Dr Yinager Dessie, State Minister of Foreign Affairs, noted that the Forum was a platform, not only for dialogue and discussion, but also a means to create the necessary urgency and provide the necessary action to solve problems faced by the Diaspora community. He underlined the need for the Forum to become a continuous event to enable appropriate evaluation on progress to be made by all stakeholders. Noting the achievements of the past decade, the State Minister said that millions had been pulled out of poverty and millions had found new jobs as a result of the country's visible economic growth. All these recent positive changes, the State Minister said, were the result of collaborative efforts by the Government and the peoples of the country; the Diaspora community should make sure it continues to be part of this collective effort of the Ethiopian nations, nationalities and peoples.

### **Chatham House on Ethio-Eritrean relations**

Chatham House, the London-based research institution, last week released a briefing by the head of its Africa Program, Jason Mosley. Entitled "Eritrea and Ethiopia: Beyond the Impasse," it calls for a new perspective on the relationship between Eritrea and Ethiopia and suggests providing the impetus for a new kind of engagement to bring about normalization of relations between the two countries. Chatham House's effort, which involved the Institute in discussions with Ethiopian and Eritrean missions in London, deserves appreciation for bringing the issue back to the table for discussion. However, the briefing concentrates so hard on the issue of ways to improve relations that it ignores a significant number of important facts about the behavior of the Eritrean government, the causes of the conflict and the factors which have caused the subsequent stalemate.

The report quite rightly makes the point that any discussions should avoid a "narrow focus on the specifics of the border conflict", but it also stresses the conflict in 1998-2000 broke out over a controversy of the administration of Badme town. This appears to deliberately omit the fact that the war started because of unprovoked aggression of the Eritrean government, as was specifically pointed out subsequently by the Eritrean-Ethiopian Claims Commission. This is important as it ignores the fact that Eritrea's foreign policy both before and after the 1998-2000 war appears to have been based on aggression and destabilization. It has largely been based on militaristic behavior which assumes the only way to resolve problems is through war and conflict. This, it has to be said, has been characteristic of Eritrea's foreign policy since 1993 and it is far from clear that there has been any change in attitude.

Secondly, the Chatham House report accuses Ethiopia of continuing to fail to comply with the EEBC's border ruling. It largely ignores any reference to Ethiopia's acceptance of the border ruling (in November 2004, not 2006) in the five-point peace plan. This was far more than a mere passing rhetorical commitment to implement the decisions. It was a list of specific points to implement the border ruling and the EEBC accepted it as such. Ethiopia's position regarding the EEBC's [ruling], as it has repeatedly stated, is clear and consistent. It has publicly and repeatedly stated that it has accepted the decision, despite having serious doubts about some aspects of it, and has called on the other party to hold dialogue on the details of demarcation as is a normal requirement in such cases, e.g. the case with the Bakasi border demarcation between Cameroon and Nigeria. It is customary practice that demarcation of borders demands the two parties to open a dialogue before the position of boundary pillars involving people living along the borders are finalized. Ethiopia accepted the ruling in full compliance with the Algiers Agreement. Eritrea refused to accept the call for dialogue and took a stance which later led to the dissolution of the EEBC. Similarly, it was Eritrea which was responsible for forcing out the UN Mission to Eritrea and Ethiopia in 2008 (UNMEE) and

so effectively nullifying the Algiers Agreements. UNMEE was, of course, a central element in the demarcation, being responsible for security during the process. Blame over the implementation of the EEBC ruling cannot be laid at Ethiopia's door alone; and the report misrepresents Ethiopia's position, largely repeating the views of Eritrea.

The report suggests that certain inducements should be made to bring about a functional relationship between the two countries, starting with the lifting of UN-imposed sanctions on Eritrea as a token of "good will". In the first place this ignores why sanctions were imposed. They followed the provision of proof that Eritrea supported organizations affiliated to terrorist and extremist organizations in Somalia and was working to destabilize the region more generally than just Ethiopia, though this remains a major target of its activity. Similarly, sanctions were the result of Eritrea's own deliberate attack on Djibouti in 2008 (for the second time) and its continual refusal to admit either its aggression or that there was a problem, or to respond to efforts to mediate. The report makes no mention of Qatar's efforts in this direction, or of Eritrea's negative response to this. Lifting sanctions without any change of behavior by Eritrea defeats the very purpose of their imposition, and would certainly be seen by Eritrea as an endorsement of the regime's behavior.

The report suggests that Ethiopia believes Eritrea's isolation is in its interest. This is hardly accurate. Eritrea's continuous refusal to participate in normal diplomatic activity in the region may have a negative effect on the operations of the regional body, IGAD as Ethiopia is fully aware. It also inhibits the regional infrastructure development agenda to which Ethiopia has been committed for a number of years. Contrary to the claims of the report, Ethiopia is actively engaged in promoting regional integration, peace and stability. This arises from its development policies which the Government believes cannot be achieved in isolation and without the development of the region. It should be clear that Ethiopia has no interest in the isolation of Eritrea, as long as it stops being a negative force for the region's peace and stability and brings an end to its sponsoring of anti-Ethiopian terrorist organizations, and despite the assertions of the report these do still continue. Ethiopia has made it clear repeatedly that it is prepared to talk about any and all aspects of normalization of relations with Eritrea, anywhere, any time. Ethiopia firmly believes that regional peace is a prerequisite to sustainable development of the sub-region – the olive branch has been repeatedly extended.

The Chatham House report focuses on suggestions for economic incentives to improve relations: making suggestions about possible port and hydro-power interdependency, regional integration, reopening of the border and improving cross-border relations among the people of the two countries. This ignores the point that one reason for Eritrean aggression in 1998 was concern over the economic imbalance which Eritrea saw as growing in Ethiopia's favor. Today the economic situation of Eritrea is very much worse than before; and that of Ethiopia greatly improved. The disparity is now massive. The attempt to find new perspectives seems to have pushed the writer to gloss over the reality on the ground in Eritrea and the behavior of the regime. This implies a scenario in which the cart is being placed before the horse. The report, in fact, overlooks the fact that the economic incentives cannot really bring about any change while there is no fundamental change in the workings of the regime.

There has never been a shortage of mediation efforts to resolve the dispute between Ethiopia and Eritrea. All of them have failed. The reason has been the categorical refusal of the Government of Eritrea to hold a dialogue with Ethiopia over the border issue and ways to normalize relations. If, as the report, claims, Eritrea remains nervous about Ethiopia's policies towards it and the "threat" posed by its larger neighbors, then it would seem to be axiomatic that it should be prepared to open discussions about its concerns. It is Eritrea that has consistently refused to do so. The fundamental point is that any change in the relationship can only come from genuine acceptance on the side of Eritrea to abide by accepted norms of international relations and open talks. Ethiopia has made it clear it would welcome this.

This is not the place to discuss the report's analysis that "the vision of the political and military elite around [President] Isaias in Eritrea is of a unifying national identity that supersedes ethnic, religious and linguistic diversity, thereby diminishing any tensions related to these identities." It is, however, very difficult to agree with any such comment which ignores so much of the current reality on the ground, including the flow of refugees across the border at an estimated 4,000 people a month, mostly disenfranchised youngsters. The report also ignores the specific and central role in policy played by President Isaias himself and the importance of his own certainties. There is no indication of any change in either.

It is worth reminding the author of the report that sympathy for Eritrea, and it is hard not to be sympathetic towards it today, should not [extend to] distorting or omitting relevant facts about its government or policies. It is worth remembering that advocacy for a “soft approach” towards Eritrea ignores the interests of the suffering peoples of Eritrea. This effort to give a face lift to Eritrea by ignoring fundamental facts and reasons behind its relationship with Ethiopia remains flawed.

### **The Baidoa conferences: a six region or a three region Southwest state in Somalia?**

Somali Federal Government Prime Minister, Abdiweli Sheikh Ahmed, arrived in Kismayo, the capital of the Jubba Interim Administration, on Saturday, April 11 for a three-day visit. He was heading a high-level delegation of ministers and members of Parliament, and was welcomed by the head of the Jubba Interim Administration, Ahmed Mohamed Islam ‘Madobe’, and other high-ranking officials. During his visit, the Prime Minister highlighted the importance of encouraging on-going efforts to stabilize the region and promised that the Federal Government would oversee the preservation of peace in all areas. He held meetings with AMISOM officials to discuss enhancing security and toured facilities including schools, hospitals, the port, and other public structures, promising federal government assistance to the Kismayo General Hospital, and authorizing the Federal Ministry of Interior Affairs to provide immediate food aid to newly liberated areas in the region. He also visited the recently rehabilitated facilities of the Ministry of Interior and the Central Bank of the Jubba Administration and pledged to assist efforts to rehabilitate the port.

The discussions with Ahmed ‘Madobe’ centered on the need to implement the Addis Ababa Agreement within the agreed timescale. The Prime Minister said all parties should build on the Addis Ababa Agreement and he expressed commitment to the agreement’s full implementation. Together with Ahmed Madobe and his deputy, Abdullah Faratag, he also met with elders of the Gedo region to discuss strengthening security and their co-operation with the Jubba Interim Administration.

The Prime Minister’s visit underlined the Federal Government’s commitment to the success of the agreement, mediated by IGAD in August last year in Addis Ababa, between the Jubba Interim Administration and the Somalia Federal Government. That essentially allowed (pending an agreed “constitutional process”) for the Jubba Interim Administration of Gedo, Middle Juba, and Lower Juba to eventually become a Federal Member State of Jubaland. The Prime Minister’s visit, and his reassurance of the Federal Government views, was timely as the conclusion of the two opposed state conferences in Baidoa, the capital of Bay region, addressing the formation of a proposed Southwest federal state, had raised concerns in Kismayo about the future of the Addis Ababa Agreement and the Jubba Interim Administration.

The two competing conferences led by various Digil/Mirifle (Rahenweyne) clan leaders have been taking place in Baidoa for a number of months. The first conference, deliberately ignoring last year’s creation of the Jubba Interim Administration, aimed at the creation of a six region Southwest state comprising the regions of Bay, Bakool, Lower Shebelle, Gedo and Middle and Lower Jubba (SW6). The second conference, accepting the existence of the Jubba Interim Administration, supported the idea of a three region Southwest state of Bay, Bakool and Lower Shebelle (SW3).

The SW6 process was launched in December 2012 and in January this year 781 out of 789 delegates approved a constitution providing for a two-house parliament of which an Upper house or *guurti* would be made up of 73 elders. At the beginning of March, delegates elected Madobe Nunow Mohamed (Digil/Merifle) as their president. A few weeks later, the SW3 conference of over 700 delegates also agreed a constitution and elected Mohamed Haji Abdinur as president. With tension rising in Baidoa between the two groups, Federal President Mohamud arrived in Baidoa, supported by a large delegation including cabinet ministers and parliamentarians from the area as well as government officials and military commanders, to try to resolve the situation and persuade people to accept the Federal Government’s view of the way forward. Originally, the Federal Government appeared to endorse a six-region state, but after the agreement on the Jubba Interim Administration last August, the Government made it clear it preferred to see a three-region state of Bay, Bakool and Lower Shebelle. The President was greeted with protests from SW6 supporters, with banners reading; "Federal Government shouldn't meddle in our affairs", and "Our own aspirations will determine the future." Supporters of the three-region state also held a rally in support of their option and of the Jubba Interim Agreement.

Support for this option also came from the Puntland State Government which has strongly backed the creation of the Jubba Interim Administration, both being largely Darod clan structures. Puntland promptly congratulated Mohamed Haji Abdinur on his election as president and a press statement from Puntland State House said the “Puntland Government conveys warm congratulations to southwest state of Somalia's people on their role in crowning an autonomous state.” The statement said the Puntland Government fully supported the formation and the development of the southwest state of Somalia, adding that Puntland was ready to provide technical and experience support to the new federal state. The Puntland authorities urged the Federal Government of Somalia to speed up the federalization process.

The Special Representative of the Secretary General and head of the UN Somali Office, Nicholas Kay also made clear UNSOM's support, noting it would “continue to support the Federal Government of Somalia's consultations with political and traditional leaders in Baidoa.” Mr Kay had underlined this when addressing the AU Peace and Security Council last month. He called on all parties “to work constructively with the Government to find a peaceful and inclusive solution and avoid any actions that could pose a security threat or undermine stability. He said UNSOM would continue to work closely with international partners, particularly AMISOM and IGAD to foster reconciliation and state formation processes under the leadership of the Federal Government.”

The SW6 process runs counter to other state formation processes, most obviously the SW3 conference in Baidoa and the discussions last year producing agreement over the Juba Interim Administration for Gedo, Middle and Lower Juba regions. The issue is also complicated by the fact that leading regional Rahenweyne politicians are by no means in agreement. There is general support for inclusivity, but there are also fears that some of the activities are exacerbated by former warlords and frustrated politicians.

One of the problems with the formation of federal states is that there is still considerable constitutional ambiguity and lack of consensus about the federalism process, within regions as well as between the regions and the central government. There is a need to create a consensus around the meaning of federalism or how it should be implemented in accordance with realities on the ground. While the Federal Government has prepared a concept paper outlining a hypothetical seven federal states, there is a need to make progress on the issue of federal states.

The draft constitution makes clear (Article 48) that all regions have to merge to form states while Article 49 specifies that the number and boundaries of the Federal States shall be determined by Parliament and that these boundaries should be based on the boundaries of the administrative regions as they existed before 1991. The article states (49.6) that “Based on a voluntary decision, two or more regions may merge to form a Federal Member State.”

In September last year, President Mohamud convened the **Vision 2016 Conference** to outline the steps needed to strengthen and rebuild government institutions and prepare for elections in 2016. Over 200 delegates attended to consider the main themes for the future: constitutional development and its review, oversight and implementation; models of federalism; good governance and reform; electoral process and party politics; and political outreach, public engagement, reconciliation and justice. Among other things, the Conference recommended that parliament form a Boundaries and Federation Commission within 60 days, as well as a Truth and Reconciliation Commission and a Land and Property Commission. It hasn't done so, though in an interview this month, the Deputy Chair of the parliamentary National Security and Internal Affairs Committee said that the national Boundaries and Federation Commission has been set up. However, Parliament has yet to enact any legal basis for its responsibilities.

In fact, regardless of these problems and the reluctance of some to accept it originally, federalism in Somalia today has essentially become operative though much effort is needed in implementing the necessary legal elements.

## **Ethiopia's Experience of Federalism**

The Ethiopian federal experiment was both a political necessity and the expression of the Ethiopian peoples' desire to close a chaotic chapter of poverty and conflict and start a peaceful and prosperous new journey. The federal system that Ethiopia adopted in 1995, labeled then as over-ambitious and impractical, has withstood the test of time with achievements far greater than originally anticipated. The adoption of the Federal constitution was intended to break with an imperial and centralizing tradition of government in

Ethiopia dating back to the second half of the nineteenth century and indeed far longer. In particular the federal system would redress the multi-national and regional imbalances that had become acute during the 'Imperial' regime of Haile Selassie and the 'Marxist' military regime of Mengistu Haile Mariam.

The Constitution of the Federal Democratic Republic of Ethiopia (FDRE) opened a new and different chapter of political history for the nation. It laid down the human and democratic rights of the Ethiopian nations, nationalities and peoples for the first time in their history. The preamble of the FDRE constitution starts with the phrase: "We, the Nations, Nationalities and Peoples of Ethiopia". It recognizes, in fact, that the nations, nationalities and peoples are the real owners and beneficiaries of their own constitution; and that they are strongly committed, in the full and free exercise of their rights to self-determination, to building a political community founded on the rule of law and capable of ensuring lasting peace, guaranteeing a democratic order, and advancing their economic and social development and that of Ethiopia.

Devolution of power from the highly centralized unitary state to the periphery also fulfilled one of the pillars of the constitution, that is, the recognition of the right to self-determination of the nations, nationalities and peoples of Ethiopia. Ultimately designed to make the numerous Ethiopian nations the owners of their own political and economic destiny, the federal structure has been successful in providing a functional system of conflict resolution, governance institutions fit for the exercise of the political autonomy reserved for the nations and nationalities, and provision of the resources to pursue their economic aspirations.

One of the most pressing imperatives for the adoption and implementation of a federal structure as the government system in 1995 was the multi-national diversity of the Ethiopian state. That fact alone made it necessary to have a political system, that not only accorded the various ethnic groups the necessary administrative autonomy to determine their own fates, but also to provide a platform for the sharing of political power. The political and state restructuring that came about through the federal arrangement created, for the first time in Ethiopia, the constitutional foundations for ethnic equality across the entire political spectrum. Ethno-linguistic groups previously at the margins of state power were able to become active participants and stakeholders in political deliberations and in the decision-making processes.

The successful devolution of power from the center to regional governments, and the empowerment of the various ethno-national groups implied in that devolution, has also brought highly visible results in developmental terms as well. Granting the regional and local governments the political power to prioritize and articulate their own needs and desires, in tandem with their respective local realities and cultural and historical values, has made substantial improvements possible in their living conditions. Equally, it has to be noted that establishing the Ethiopian federal system and the associated economic and social developments, including granting historically marginalized groups the requisite political autonomy to decide on their own fate, and the right to self-determination, was not just a matter of efficacy. It also provided an answer to the question of adequately addressing the desire for unity in diversity.

Ethiopia's federal experiment, with its successful implementation of federalism to meet its political, social and economic needs and aspirations, has captured the attention of a number of other countries, not least when it successfully hosted the 5<sup>th</sup> International Conference on Federalism in December 2010. Although federalism is not always a panacea for ethnically and culturally diverse states and countries endowed with different languages, religions, beliefs and traditions, several countries with a history of conflict have shown interest in learning from Ethiopian experiences of the effectiveness of its federal system in encouraging development and prosperity. Recently the Speaker of the House of Federation, Kassa Tekleberhan, visited Sudan at the invitation of the Sudanese government to attend an experience-sharing forum to provide insights into the federal system of Ethiopia and its achievements. An intensive discussion was held following the presentation of papers on "Federalism and State Building in Ethiopia"; "Constitutional Framework and Implementation"; and "Democratic and Economic achievements registered". According to Speaker Kassa, the visit successfully explained the origin of Ethiopia's economic growth, which lay in the inclusive economic participation of the people and the effectiveness of the federal system. It provided the Sudanese government with a concrete example of achievement that could be used as an input into the constitutional reforms that the Sudan is considering.

Most recently, a 50-member delegation from the Yemen, comprising members of parliament, academic institutions, senior officials, and representatives of different political parties and civic associations, as well as women and youth associations, paid an official visit to Ethiopia with the aim of sharing the experience of the federal system and political administration in Ethiopia. The delegation was briefed by members of the House

of Federation on the structure of the Ethiopian federal system, on the country's constitution and the structure and duties of the House of Federation itself as well as the operation of federalism in practice, the distribution of wealth within the system and on the operation of conflict resolution. The delegation visited Ethiopia just as Yemen endorsed the idea of introducing a federal system in Yemen, and one of the obvious options is to use the Ethiopian example as a model.

Speaker Kassa told the delegation that Ethiopia today was in a far better position than it had been in 1991 because of the introduction of a federal system which was specifically based on the country's nations, nationalities and peoples. Since **every Ethiopian took part in the process of adopting the Constitution**, he stressed, the country was able to achieve faster and greater growth and promote internal peace. Yemen, he suggested, needed to focus on issues that could offer the prospect of unity regardless of religious, political, cultural or gender differences. The Speaker underlined that it was the introduction of federalism that allowed this, ensuring the unity and peace of the country and thus bringing about economic growth and peaceful coexistence among its peoples. If Yemen aspired to build effective federalism, he said, it must be prepared to accommodate all parties in the adoption and implementation of the process. Ethiopia's federal system, he said "is based on democratic order, the rule of law and socio-economic advancement; and nowadays, all Ethiopian nations, nationalities and peoples enjoy equal rights as stipulated in the Constitution." The Speaker added that Ethiopia and Yemen in many respects shared a common history, culture and other links; and Ethiopia would fully support and assist the Yemeni people in moves towards democratization and federalism.

Members of the delegation indicated that the current situation in Yemen in many respects resembled that of Ethiopia in 1991 when there were a number of armed factions and groups raising the issue of secession and threatening to plunge the country into crisis. They noted, however, that once the Ethiopian constitution was adopted and federalism introduced, the country managed to resolve its crises and resolve the various demands of the people. They saw those achievements as a useful and appropriate lesson for Yemen, as it was currently faced with similar challenges to those Ethiopia went through on its way to introduce a federal system. The delegation suggested the two countries could work together in development and in building a democratic and federal system. Ethiopia's federal system, they said, was an exemplary model for Yemen as it ensured the rights of all nations, nationalities and peoples fairly and equally. The Yemeni delegation has visited a number of other countries as well as Ethiopia on a similar mission, but they felt that the lessons offered by Ethiopia were more appropriate and important for Yemen because of the geographic, historic and cultural bonds between the two states.