

A Week in the Horn

19th September 2014

News in Brief:

- **Africa and the African Union**
- **Ethiopia**
- **Eritrea**
- **Kenya**
- **Somalia**
- **South Sudan**
- **Sudan**

Articles from page:

- **The 2014 Canada- Africa Business Summit in Toronto this week.....**
- **... and the Ethio-Canada Business and Investment Summit**
- **Discussions on World Bank support for the Horn of Africa Initiative**
- **The garment industry in Ethiopia: 'a far-flung investment frontier'**
- **Somalia: Reconciliation conferences in Kismayo and Baidoa.**
- **... and an international conference in London on Somali security**
- **South Sudan Consultation Forum on implementation mechanisms in Bahir Dar**
- **A new US State Department travel warning on Eritrea.**

News in Brief

Africa and the African Union

The first ever Canada-Africa Business Summit opened on Monday (September 15) in Toronto, Ontario. The four-day meeting centered on ways to explore Africa's investment and business opportunities and offered government officials, business people and stakeholders the opportunity to discuss ways to fill the finance gap, explore key areas of investment and lift business and investment ties between Africa and Canada. Ethiopia was a Country of Focus at the Summit. **(See article).**

Ethiopia

Prime Minister Hailemariam meets Russian Federation Foreign Minister, Sergey Lavrov

Prime Minister Hailemariam Desalegn met and held discussions with the Russian Foreign Minister, Sergey Lavrov, on Wednesday (September 17). Talks covered bilateral issues as well as regional and global matters. The two sides emphasized the need to scale up bilateral relations in various areas, particularly in the areas of energy, mining, railways, trade and investment. Prime Minister Hailemariam and Foreign Minister Sergey Lavrov considered ways to attract more Russian investors to Ethiopia and engage in increased investment. They also considered cooperation on Air Services in order to boost their trade relations, and agreed to work together on different regional and global matters. Mr. Lavrov expressed his admiration of Ethiopia's role in support of regional peace and security and pledged to help Ethiopia's continued involvement with Russia's support. Ethiopian and Russian cooperation has been increasing, and the Ethiopia-Russia Joint Commission on Economic, Scientific, Technical and Trade Cooperation has been working actively to strengthen economic and business ties. During his visit, Mr. Lavrov also held bilateral discussion on different bilateral and regional matters with Foreign Minister, Dr. Tedros; he also met with the Chairperson of the African Union Commission, Mrs. Nkosazana Dlamini Zuma.

Ethiopian Airlines, the largest airline in Africa, has won the passenger Choice Awards for “Best Airline in Africa” for the second time in a row at the APEX 2014 EXPO, held from September 15 - 18, 2014 at the Anaheim Convention Center in California.

The Ethio-Canada Business and Investment Summit also opened on Monday (September 15) in Toronto alongside the first Canada-Africa 2014 Business Summit. This showcased the value of doing business in Ethiopia aiming to bring the two business communities closer together. **(See article)**

The Ethiopian delegation to Canada, headed by KassaTekle-Berhan, Speaker of the House of Federation, met on Sunday (September 14) with Dr. Melaku Game, General Manager of the WGGGA Vision Specialized Eye Clinic in Toronto. The delegation also held meetings with the Ethiopian Diaspora community in Canada. **(See article)**

The Ethiopian delegation in Canada met with Hector Reyes, Jr, Founder of Legendary MegaCorp and with representatives of East African Metals Inc. an exploration company currently working in the Shire area of the Tigray Regional State, on Tuesday (September 16) on the sidelines of Canada-Africa Business and Ethio-Canada Business and Investment Summits.

Mr. Tewelde Gebre-Mariam, President and CEO of Ethiopian Airlines, in a keynote address to the Canada-Africa Business Summit on Wednesday (September 17) stressed the need for stronger partnerships between African airlines, and called for Canada to assist in safety expertise, security, training, infrastructure financing, sharing best experiences and commercial access. **(See article)**

Prime Minister HailemariamDesalegn met and held discussions on bilateral, regional and global issues with Russian Foreign Minister, Sergey Lavrov, on Wednesday (September 17). Mr. Lavrov who expressed his admiration of Ethiopia’s role in support of regional peace and security, also met with Foreign Minister, Dr. Tedros; and the Chairperson of the African Union Commission, during his visit to Addis Ababa.

Foreign Minister, Dr. Tedros, had a meeting with the departing Ambassador of Australia, Ambassador Lisa Filipetto and discussed the achievements, challenges and future engagements during the tenure of the Ambassador. Dr. Tedros thanked the Ambassador for her contributions to the opening of Ethiopia’s Embassy in Canberra, Australia.

State Minister, Ambassador Berhane Gebre-Christos held talks with the Director-General of the Global Green Growth Institute, Yvo de Boer on Monday (September 15) on the progress of the green growth economy in Ethiopia.

The Ethiopian Electric Service said on Wednesday (September 17) that Ethiopia was currently exporting 170MW of power to Sudan (100MW), Djibouti (60MW) and Kenya (10MW). The country’s current cumulative power generation capacity stands at 2370MW, enough to meet the national demand. The EES said any power disconnections that occur in the country arose from problems in the installation of power carrying grid.

Eritrea

The US State Department this week has issued a new travel caution for Eritrea, strictly warning its citizens of the risks of travelling to Eritrea. This replaces a previous caution issued in November last year over security concerns. **(See article)**

Kenya

The Cabinet Secretary for Foreign Affairs and Trade, Amina Mohammed, said at the weekend that a meeting between President Kenyatta and Somali President Mohamud would be held later this month in New York to discuss their maritime dispute. Somalia filed a case at the International Court of Justice last month, but Ms. Mohammed said Kenya preferred to settle the matter out of court.

Somalia

President Hassan Sheikh Mohamud opened the second stage of the Jubbaland reconciliation conference in Kismayo on Tuesday (September 16) in the presence of community and political leaders. He was met on arrival by Jubbaland President Sheikh Ahmed Mohamed Islam 'Madobe'. **(See article)**

Prime Minister Abdiweli Sheikh Ahmed Mohamed arrived in the Bay regional capital of Baidoa to open the southwestern state reconciliation conference on Sunday (September 14). **(See article)**

Prime Minister, Abdiweli Sheikh Ahmed; Minister of Defence, Mohamed Sheikh Hassan; Minister of Information, Mustafa Duhulow and other senior officials including the Chief of the Somali National Army, Major General DahirAdan Elmi "IndhaQarsho" attended an international conference aimed at rebuilding Somali National army and improving security in Somalia in London on Thursday (September 18). **(See article)**

An international conference aimed at rebuilding Somali National army and improving security in Somalia was held in London (September 18). The conference is hosted by the UK government and was opened by Prime Minister Cameron who said he hoped it would produce a long-term security plan to help Somalia build up its army, police and judiciary.

South Sudan

Another stage of the IGAD mediation process on South Sudan began on Tuesday (September 16) in Bahr Dar, capital of Ethiopia's Amhara Regional State with the opening of a Consultation Forum on implementation mechanisms of the agreed minutes of the Protocol on Transitional Arrangements. **(See article)**

The UK's Minister for African Affairs, James Duddridge, said on Wednesday (September 17) all parties in South Sudan must abide by their commitments to cease hostilities and allow full access to ceasefire monitors. He said IGAD and the AU were committed to apply punitive measures against those who obstruct peace, adding that "the region should now take steps to apply sanctions against those who do not abide by their commitments."

On Monday (September 15) the South Sudan Government announced that foreign nationals working with NGOs and private companies would have to leave by mid-October. On Wednesday, after fierce criticism from Kenya and Uganda, Foreign Minister BarnabaMarial Benjamin, said no foreign workers were being expelled whether they were Ugandans, Kenyans or Ethiopians, Eritreans or Egyptians."

Sudan

The head of the opposition Sudan Congress Party, Ibrahim al-Sheikh, released this week after three months detention said he was not prepared to enter into any deals with the government, and downplayed the National Dialogue process called for by President Omer Hassan al-Bashir, unless it involved annulment of restrictive laws, implementing the rule of law and enforcing the independence of the judiciary. A day later the authorities also released another 8 members of the Sudanese Congress Party.

The 2014 Canada- Africa Business Summit in Toronto this week.....

The first ever Canada-Africa Business Summit 2014 was held this week (September 15-18), in Toronto, highlighting the collective desire of African countries and Canada to extend and carry forward the spirit of a mutually cooperative partnership and to seek mutual advancement and development in the spheres of education, financial and insurance services, information and communications technologies, infrastructure, mining, and transportation. The Summit also helped Canadian and African Ministers, business leaders, decision makers, entrepreneurs, and delegations from Africa and international organizations to identify Africa's investment opportunities, discuss ways to close the finance gap and improve the efficiency of resource use through management of risk as well as find options for governments and the private sector to collaborate in legal, financial, operational, technical, institutional and human development.

The Summit featured a series of panel discussions, plenary sessions, documentaries, networking events, business-to-business meetings, and exhibitions. The deliberations demonstrated and displayed the wider picture of Africa's business and investment opportunities as well as details of the continent's growing economies, its rising middle class, increasing consumer demands and a growing youth population, and the consequent need for expertise, FDI inflows, know-how and technology from Canada. In addition, the sessions signaled the keen interest of Canadian economic leaders and decision makers to deepen and encourage business and trade ties. The Summit sessions revolved around seven broad topics: Finance, Energy, Infrastructure, Natural Resources (Oil and Gas), Education Information Communication Technology, and Agriculture. Extensive discussions took place on such specific topics as: the Rise of Africa; Project Financing; Risk Management; The New Investment Frontier; Canada's Capability in Renewable Energy for the Sustainable Development of Africa; Air Transportation; Air Transportation: Optimization and Security; Logistics: From the Coasts to Inlands: Ports and Railroads; Telecommunications and New Technologies; Public-Private Partnership; Maximizing the National Benefits of another Extractive Sector; Transparency for a Positive Developed Africa; Agriculture and Rural Development; Maximizing Opportunities and Successes for Canada-Africa Relationships; and Hydroelectricity in Africa: an Untapped Potential.

Opening the Summit, Mr. Nola Kianza, Founder and Director of the Canadian Council on Africa (CCAfrica), stressed that Africa was no longer a place where trouble, aid and disease preoccupied the minds of people. He said this first Business Summit highlighted the need for a comprehensive partnership between Africa and Canada to secure a better tomorrow. Mr. Kianza said that Africa was now a "most exciting growth opportunity," reiterating that six of the ten top fastest growing countries by GDP were African. He said that Africa's ascendance gave broader space to resilient and broad-based growth. Canadian Senator, Don Meredith, expressed his hope that the Summit would showcase the untapped investment opportunities available in Africa for Canadian business firms. He said the engagement of Canadian investors would inject a new impetus for poverty alleviation efforts and create enabling conditions for more comprehensive and closer cooperation between African countries and Canada. He also stressed that the Canadian economic diplomacy could be a major driving force to deepen and cement the business and investment ties of Africa and Canada and improve the future prospects and aspirations of the continent's young populations. The Senator noted that the Summit had identified Ethiopia as one of the African Countries of Focus, adding that Ethiopia had become an embodiment of business and investment opportunities endowed with a trainable and young population. He said the Government of Canada was committed to encourage and support Canadian firms to invest in and benefit from Africa.

Ethiopia's Speaker of the House of Federation, Kassa Tekle-Berhan, said the Summit was a testimony to the collective desire and determination to broaden and strengthen Canada- Africa relations for the betterment of the two peoples. He emphasized that sound and well-crafted policies and strategies coupled with the determination of the people and the commitment of the Government had made Ethiopia a preferred destination for international trade and FDI inflows in light manufacturing and agriculture. He said this Summit would help both Canada and Ethiopia advance and broaden their converging economic interests. He further noted that the Government of Ethiopia was firmly committed to sustain the nation's strong economic and political performance and bring about the necessary structural economic transformation. The nation's Growth and Transformation Plan, he said, was at the heart of this economic performance aiming to transform "the agriculture-based economy into a manufacturing one." He also said that Ethiopia's industrial strategy aimed to tap the potential of textiles, leather, agro-processing and other sectors. Effective Government support was available to back investors who were interested to invest in the priority areas of business. He said that 112 Canadian investors were already participating in Ethiopia's economic growth but added that much more remained to be done to scale up the economic ties of Canada and Ethiopia to new heights. He expressed his hope that the Summit would bring together business persons and investors to take advantage of the new and growing potential of Ethiopia and of Africa.

Following the opening session, Cameroon and Ethiopia, as Focus Countries of this year's Summit, presented on Monday their own Business and Investment Forums. These were designed to show their political and economic environment; the areas of investment and business opportunities; and the legal framework for investment and development as well as detailing the investment incentives.

On Tuesday (September 16), Ethiopia's Minister of Water, Irrigation and Energy, Alemayehu Tegen, addressed the plenary sessions on "The Rise of Africa," "Project Financing," and "Risk Management." In a keynote address, the Minister noted that the Summit was an important platform for both Canada and African countries to discover opportunities and turn them into tangible benefits. He underscored the importance of joining hands in commercial ties. These would help both Africa and Canada forge ahead in the pioneering spirit of a mutually beneficial cooperative partnership. He added that Canadian firms had already shown interest in engaging in Africa's key untapped investment areas. This, he said, would keep up the momentum of the successful economic trajectory now being witnessed in Ethiopia and other African countries. Minister Alemayehu also noted that Ethiopia was devoting significant time and energy to its economic take off, pointing out that the Government's commitment and people's efforts had resulted in a decade of double digit economic growth, massive infrastructural development, economic and political stability, improved quality of life, and emerging of FDI inflows as well as establishing industrial development zones. The economic development of Ethiopia, he said, was a critical contributor for the creation of a harmonious, stable and prosperous region, adding that the trade in energy power with neighbors was a major factor for the transformation of regional economic integration and intra-African trade.

Ms. Lisa Filiatranlt, Canada's Acting Assistant Deputy Minister for the Africa Branch of the Department of Foreign Affairs, Trade and Development, who addressed the Summit on Tuesday, extended a warm welcome to the participants. She underlined that the development indicators of Africa demonstrated the growth of an expanding middle class, broad-based change and double digit economic growth. She said Africa was emerging as a new growth pole of investment and business opportunity, and noted that Canada was committed to keep to its set course to provide assistance to African countries and the African Union, to promote peace and security, economic integration and democratic governance. She underscored the importance of strengthening the commercial ties between Africa and Canada with the aim of unlocking a new dynamism for mutual development.

Following the key note addresses, African and Canadian Ministers, renowned business persons and professionals as well as business leaders held extensive deliberation and discussion on ways to bridge Africa's financing gap in infrastructure and other sectors, improving the African business and investment climate and balancing opportunities as well as managing legal, financial, operational, technical, institutional and human capital risks. The sessions also featured the challenges facing the continent as well as the positive trends of Africa's economic trajectory demonstrated in the narrative of "Africa Rising".

During the second half of the Summit, (September 17-18), key note speakers shared their expertise and experience in the areas of energy, infrastructure, finances, natural resources, and agriculture. With reference to infrastructure, Mr. Tewelde Gebre-Mariam, President and CEO of Ethiopian Airlines, gave a presentation on "Air Transportation: Optimization and Security." He noted that the aviation industry was driving Africa's growth and integration, and itemised the challenges affecting the aviation industry in Africa. These, he said, included: high oil prices, taxes and charges, a limited infrastructure unable to keep pace with growing demand, the lack of economic integration, problems of immigration, bilateral air transport restrictions, the absence of a common African aviation policy, shortages of foreign currency, and the minimal cooperation among African airlines as well as poor ICT infrastructure. He also detailed the worrying trends of high fares, low connectivity within Africa, the weak competitive position in relation to non-African carriers and the record of value destruction. He suggested the importance of greater liberalization of African skies for African airlines, investing more in infrastructure, deploying the latest technological developments, employing more innovation, strengthening partnerships among African airlines, and ensuring safety and security as well as minimizing taxes, would help deal with the challenges facing African air transportation. Ato Tewelde also emphasized that Canada could assist African airlines with safety expertise, security, training, infrastructure financing, sharing best experiences and commercial access. Mr. Sameer Adam, the Director of Sales for Canada's Bombardier, also gave a key note address on air transport. He noted that Bombardier had an effective strategic and cooperative partnership with Ethiopian Airlines with the view to help support its important role in connecting Africa. He said that Bombardier was committed to contribute to aircraft safety and create a sustainable aerospace industry through empowering airline workforce. Other sessions during this half of the Summit featured energy, infrastructure, ICT, finances and natural resources.

The Summit bringing together almost a thousand high level executives and government officials, and with over 80 speakers, successfully built a bridge of cooperation and friendship to link African countries and business persons with Canadian public and private institutions on the basis of its aim of seeking a common development and creating a better tomorrow for all. The Summit could also be seen as a strong foundation on which to create a cooperative partnership that can shape and elevate future Afro-Canadian trade and business engagement into a new high. Most importantly, as Africa emerges as a growing region and a new frontier for FDI inflows, the Summit underlined the significant need for the expertise of Canadian companies and their know-how and technology to help sustain the growth narrative and tackle impediments on the road towards the African Renaissance. The Summit, organized by the Canadian Council on Africa (CCAfrica), in association with the Government of Canada and the World Bank Group, came at a critical time to cement a Canadian-African partnership' Participants were united in agreeing it had been a real success.

...and the Ethio-Canada Business and Investment Summit

The Ethio-Canada Business and Investment Summit was held this week alongside the first Canada-Africa 2014 Business Summit, which opened on Monday (September 15) in Toronto. The Summit focused on displaying the positive operating business and investment landscape available in Ethiopia, on selected areas of investment and the legal and institutional framework in the country. It showcased the value and importance of doing business and investing in Ethiopia. The Summit brought together representatives of the two business communities of Canada and Ethiopia as well as high-level government officials with the aim of building stronger, more comprehensive and closer bilateral ties based on mutual benefit and common prosperity, as well as deepening business-to-business ties through success stories. It provided the opportunity for networking events between business persons and industry experts and for briefing Canadian investors on Ethiopia's overall current and future economic trajectory.

This Summit was organized following the designation of Ethiopia as a Country of Focus within the auspices of Canada-Africa Business Summit. Among those attending were Ethiopia's Minister of Mines, Tolossa Shagie; the Minister of Water, Irrigation and Energy, Alemayehu Tegenu; Speaker of the House of Federation, Kassa Tekle-Berhan; the CEO of the Ethiopian Petroleum and Natural Gas Development Enterprise, Asfaw Dingamo; the Ambassador of Ethiopia to Canada, Ambassador Birtukan Ayano; Zemedeneh Nigatu, Managing Partner, Ernst and Young; Solomon Afework, President of the Ethiopian Chamber of Commerce and Sectoral Associations; as well as the Founder and Director of Canadian Council on Africa, Nola Kianza; Canadian Senator Don Meredith; and the Ambassador of Canada to Ethiopia and Djibouti and Permanent Representative to the AU, Ambassador David Usher;. Others present included high level African and Canadian government officials and business leaders and other stakeholders.

Ambassador Taye Atske-Selassie, Director-General of American Affairs in Ethiopia's Foreign Ministry, opened and chaired the Summit. He expressed his thanks to the organizers and participants for making the meeting a success for the continued growth of the bilateral relations of the two nations. Ambassador Birtukan Ayano welcomed the role of Ethiopia as a Country of Focus within the auspices of the Canada-Africa Business Summit. She said "Ethiopia is poised to become a new frontier for FDI in Africa," adding that this Summit would encourage and help Canadian investors to participate in Ethiopia's rapid and sustainable economic growth and tap the tremendous investment potentials of the nation for the betterment of all. She stressed Ethiopia had a lot to offer to Canadian development partners including a vibrant and trainable labor force, political and macro-economic stability, strategic location, access to wide market, competitive investment incentive packages, easily accessible and cheap utility services and a decade of double digit economic growth. Ambassador David Usher said that the Summit should be seen as a reflection of the need for a growing cooperative economic partnership. He noted Ethiopia's fast growing economy and said this underlined the need to renew the strategic partnership of the two countries. The current economic growth in Ethiopia, he said, was already generating an increasing business interest from Canadian companies.

On the occasion, Zemedneh Nigatu, Managing Partner of Ernst and Young, presented ten major reasons of investing and doing business in Ethiopia under the title "Investing in Emerging Ethiopia." Providing the greater picture of the global economic context, he explained the increasing and rising attractiveness of Africa for

investment and business in the world. With the optimism driving Africa's improving economic prospects, he said, Ethiopia was emerging as a preferred location for foreign direct investment and the home of the fourth largest economy and largest GDP with balanced growth in Africa. The reasons for investing in Ethiopia, he said, included Ethiopia's growing economy, its political and macro-economic stability, demographic advantages, rapid urbanization, its massive infrastructure and energy infrastructure development, untapped agricultural resources, growing tourist sector and favorable operating business environment as well as its strategic geographic position. He also mentioned that Ethiopia was emerging as one of Africa's top regional manufacturing centers with the lowest manufacturing costs and the cheapest electricity. He added that trends also showed that Ethiopia could become the second largest exporter of electricity in Africa. It had the third largest telecom market. There were also emerging oil and gas opportunities, and several international investors were exploring oil and gas possibilities. In addition, the mining and tourism industries were flourishing, he said, noting that the country was endowed with a rich cultural and natural heritage as well as historic, religious and archaeological sites.

In closing remarks, Solomon Afework, President of the Ethiopian Chamber of Commerce and Sectoral Associations, underlined the changes in Ethiopia's investment and business landscape, the "electrifying progress" and "resounding change" in the economic arena, the way the country was emerging as a destination of FDI inflows and its promising prospects to become a middle income country in the coming decade. He also emphasized that the private sector was at the heart of this transformation and that it was emerging as a vehicle for future development and national renewal. Referring to the long-standing bilateral relations between Ethiopia and Canada, he pointed out that Canada was Ethiopia's third largest donor. He stressed that this scene had to be changed into "a more comprehensive win-win approach based on trade and investment." He noted that the total trade volume between the two countries had only amounted to US\$39.2 million in 2013, with Canadian exports to Ethiopia worth only US\$21.3 million and Ethiopia exports to Canada standing at US\$17.8 million. This, he said, was far too small. Ato Solomon said the business communities of the two countries had an "irreplaceable role" to play in linking the two countries on the economic front. Ethiopia's delegation, he said, came to Canada to help fill this gap and to inform Canadian firms about exactly what Ethiopia could offer them.

During the Ethio-Canada Business and Investment Summit, panel discussions, question and answer sessions and consultations considered Ethiopia as a Country of Focus. The program included sessions on "Doing Business in Ethiopia" as well as a documentary "Ethiopia: the Promising Future" and various networking events. The Summit was co-organized by Wafa Marketing and Promotion PLC, the Ethiopian Embassy in Canada and Ethiopian Chamber of Commerce and Sectoral Associations in collaboration with the Canadian Embassy in Ethiopia, Ethiopia's Ministry of Mines, TFO Canada, and CCAfrica.

During their stay in Toronto, the Ethiopian delegation met with the heads of a number of Canadian companies including the WGGAVision Specialized Eye Clinic, the Legendary Mega Corp, East African Metals Inc., Allana Potash Company, and others, discussing the importance of continuing their partnership. The delegation also held meetings with Ethiopian Diaspora communities in Toronto in which discussions covered current affairs, national renewal activities, and the successes and challenges facing the nation.

Discussions on World Bank support for the Horn of Africa Initiative

The seven governments of the Horn of Africa region (Ethiopia, Djibouti, Eritrea, Kenya, Somalia, Sudan, and Uganda) and the European Commission jointly launched the implementation of a regional strategy for the Horn of Africa at a meeting in April 2007 under the name of the 'Horn of Africa Initiative'. The objective was to engage the seven Horn countries in a process of dialogue and cooperation that would ultimately facilitate cooperation in regional integration, trade and economic partnership, infrastructure improvement, peace and security and overall development for the region.

Two years later, in 2009, IGAD Member States adopted a 'Minimum Integration Plan' with the aim of accelerating regional economic cooperation and integration. Increased cooperation and investment on key regional infrastructure projects were identified as key aspects of that plan. To that end, the IGAD Member States and development partners, with the European Union playing a supporting role, encouraged the development of regional interconnectivity among the countries of the region. This led to a number of efforts to encourage cooperation, development and integration in the Horn of Africa in various sectors. The 'Millennium Integration

Plan was put in place primarily to clarify priority areas and goals, assess potential and define joint cooperation mechanisms. On the basis of the plan, the IGAD member states and development partners have been actively supporting the development of regional interconnectivity, the re-establishment of areas and peoples suffering from the results of conflict, and economic and trade cooperation as well as overall contributions to regional peace, growth and development.

In December 2009 at an IGAD Ministerial council, the member states officially endorsed the Horn of Africa Initiative (HOAI) priority projects; and in their Nairobi Declaration of July 13, 2010, the IGAD Finance Ministers decided to transpose HOAI commitments into national plans and policies in order to ensure ownership of the HOAI at the national level. The Ministers also reached a consensus to “work together towards a donor or investment conference on financing the HOAI projects.” The declaration was an important milestone on the road to regional integration and for infrastructure development in the IGAD region.

The member countries of IGAD since then have shown their interest and concern to work on these areas of development and for the HOAI. Ethiopia, for example, has demonstrated its commitment to the Initiative and put a lot of effort into advancing the geo-politics of the region, aiming to stimulate regional integration and diversify regional cooperation.

Last week (September 8) Ethiopian Foreign Minister, Dr. Tedros Adhanom hosted a meeting of World Bank delegates and IGAD officials. This was to consider a World Bank proposal to support and coordinate with the Horn of Africa Initiative. Colin Bruce, World Bank Director of Regional Integration in Africa, and Ambassador Engineer Mahboub Malim, Executive Secretary of IGAD, discussed the possibility of a strengthened partnership covering areas of diplomatic, economic and regional integration to intensify peace and development in the Horn of Africa. The meeting reviewed proposals presented by the World Bank for working in collaboration with Ethiopia on four major areas: regional connectivity, addressing the problems of internally displaced people, cross-border issues, and extractive industries.

Dr. Tedros welcomed the ideas of the World Bank and the proposed approach of addressing the issues by working in cooperation. He mentioned the ongoing efforts and achievements in regional integration and in economic and social ties noting the similarities existing between Ethiopia and the Horn and more widely with the Great Lakes and the Sahel region. Dr. Tedros said the region had the potential to change its challenges into opportunities by integration and cooperation not least because it was so inter-dependent. He emphasized the need to work together to alleviate poverty and speed up developments since as he stressed, poverty was the root cause for many of the problems.

Mr. Colin Bruce praised Ethiopia’s efforts towards regional integration and the key role it was playing, including assistance to re-establish refugees and its own developments. He noted the importance of the priority cooperation areas of connectivity; ICT and road transport; extractive industries and of re-habilitating displaced people in the region, and the need to work further on these. Discussions also covered ways to cooperate in addressing problems related to gender and health infrastructure, the private sector, the building up of the capacity of the IGAD secretariat and the bringing of sustainable peace and development.

The meeting agreed on the need to bring on board other stakeholders and partners in the region in the near future, and on the importance of holding summits and high-level discussions in the near future in order to encourage and cement partnerships in Eastern Africa. A meeting is now planned for October 27 to allow for further discussions on the Initiative with the UN, AU and World Bank. Among those expected to attend are Dr. Dlamini-Zuma, Chairperson of the AU Commission and Donald Kaberuka, President of African Development Bank Group as well as a World Bank delegation, and the Foreign Ministers of the IGAD. Prime Minister Hailemariam is also expected to meet those attending. The aim is to make further significant progress identifying specific contributions to regional integration, economic cooperation and infrastructure development and re-building of conflict-affected infrastructure, especially in Somalia and South Sudan. Following the meeting in Addis Ababa, attendees will also visit Mogadishu, Nairobi and to the CAR to discuss the initiative with the Heads of Government and various other decision-makers and stakeholders.

The garment industry in Ethiopia: ‘a far-flung investment frontier’

All nations have their own ways to climb out of difficult conditions, economic, political or social, and provide for development and improved conditions. They make decisions about engaging in priority sectors based on realities at home or globally. These can range from agriculture, through education to manufacturing and industrial development as targets for investment of resources to generate development and accelerate growth. Industrial development is one of the major areas for a country's transformation. Industrial development and new manufacturing processes can provide large-scale employment, technological advancement, greater production and productivity, increased investment and a general economic revival.

Ethiopia is a country that has been working hard to expand industrial development and within that general framework, the textile sector has been identified as a priority area both by local investors for foreign direct investment. The country has a long history of manufacturing traditional textiles using hand-spun yarn and handlooms for weaving. The sector has also been a major source of employment for both rural and urban areas. It was in line with this background that the Growth and Transformation Plan 2010–2015, earmarked the textile and garment industry as the first category under medium and large industrial development. The sector also touches a wide spread of Ethiopian sub-sectors, with the capacity to maximize cotton production, creating an even larger source of employment and being able to induce industrial modernization, as well as considerably raising foreign exchange export earnings. As such, the Government believes the sector can lift its aggregate production value to US\$2.5 billion by the end of 2015.

Along with this implementation of the industrial development strategy, the Government also established the Textile Industry Development Institute on June 7, 2010 (Council of Ministers Regulation No. 180/ 2010.) The institute has the objectives of facilitating the development of textile and apparel industry technologies, and enabling the industry to become competitive and develop rapidly.

Other encouragements and supports have been put in place to boost the textile industry sector and facilitate the involvement of foreign investors in the wide-ranging prospects available for development. The Government has underlined its commitment and placed special emphasis on the textile industry that it hopes will export more than a billion dollars worth of apparel by 2016.

In response to Government encouragement, investors from various countries and major global brands are investing or relocating factories to Ethiopia. One reason for this is that since labor has become one of the more expensive components in textile and garment in developed countries, this, like other labor-intensive industries, has found it necessary to move to developing countries to minimize costs. A number of African countries are using the opportunity as a means to enter into the global market and enhance their levels of development. Ethiopia is one of the most convenient possible destinations. It has a number of government incentives firmly in place, including priorities for developing the textile and clothing industry across the value chain, a viable business environment and duty free market access to both US and EU. As a result, Ethiopia is now beginning to attract international buyers and investors. All the indications are that the textile and garment industry will be a wide-ranging and well-supported sector and will soon be able to provide for products labeled 'Made in Ethiopia' ready for the global and African markets.

A number of garment companies from Turkey, India and other countries have now registered in Ethiopia, including such western high-street stores as AYKA, H&M, Primark and Asda and have started production. Other major companies and conglomerates are studying the opportunities and the potential to invest in the country's garment and textile sector. TUSKON (Turkey), Phillips –Van Heusen (US) and Jiang Lianfa Textile (Chinese) have all paid visits to investigate the possibilities. President Dr. Mulatu Teshome held talks early this month (September 2) with a Chinese company delegation headed by Mr. Kong Xiangjun, Board Chairman of Jiangsu Lianfa Textile Company Limited. Mr. Xiangjun told the President that the company had finalized a pre-investment assessment to build a major textile factory in Addis Ababa at a cost of over US\$500 million. He said the company had decided to invest in Ethiopia after making similar pre-investment assessments in Kenya, Uganda, and Tanzania. The factory, he said, would create more than 20,000 jobs when it goes operational. President Dr. Mulatu, who said textile development was one of the priorities of the Ethiopian Government, added that the Government would provide all necessary support for the company. The company plans to open four vertically integrated (value chained) factories, starting with cotton production. According to the Ethiopian Textile Industry

Development Institute (TIDI) Ethiopia has more than 3 million hectares available to grow cotton but only about 6-7 % of this resource is currently utilized.

Somalia: Reconciliation conferences in Kismayo and Baidoa

Somali President, Hassan Sheikh Mohamud arrived in Kismayo on Tuesday (September 16) and was welcomed at Kismayo airport by the leader of the Interim Jubba Administration, Ahmed Mohamed Islam Madoobe, AMISOM officers, Somali ministers, IGAD officials and civil society groups. The President came to open the Jubba Reconciliation Conference being held in the southern port of Kismayo, part of the effort to end the clan-based conflicts that have been hindering the Jubba region's peace and stability. In his opening address, the President noted the need for the conference to be an ongoing process with the participation of all warring sides and of all those responsible for the wars that had ravaged the region's tranquility. He called upon the "Interim Jubba Administration to continue the peace and reconciliation process and to allow the inclusiveness of all sides." The President said it was necessary to persuade all, including those who had rejected the idea of the conference, to join in and accept the peace process." The President, referring to the fact that some of the regional warlords were boycotting the conference, called for patience from all sides. Every peace process, he said, had its own challenges but effective management could resolve these. He said no conference started with a specific number of people attending and ended with the same number. There will always be people joining, he added.

The Deputy Special Representative of the UN Secretary-General (DSRSG) for Somalia, Fatiha Serour, welcomed the start of the conference, describing it as a positive step towards consolidating peace in the region and furthering Somalia's state-building process. Speaking at the opening ceremony, she said "The people and leaders of the Interim Jubba Administration clearly desire peace, and this reconciliation process is a manifestation of those wishes." She urged participants to create an environment that allows the conference "to develop resolutions that are inclusive of all stakeholders - particularly women, youth and elders, regardless of social or economic status - and contribute to Somalia's wider peace- and state-building processes." The Deputy UN Special Representative said the conciliation process was important as an avenue to develop a roadmap for the Interim Jubba Administration to continue to build its capacity. She underlined that there were milestones that must be achieved in order to move forward with the state formation process. MS. Serour thanked the Federal Government, the Leader of the Interim Jubba Administration, Sheikh Ahmed Islam Madobe, and his administration, as well as international partners, including IGAD, Japan, the European Union, Turkey and Italy, for making the reconciliation conference possible.

The conference has been organized by the regional Interim Jubba Administration as part of the Jubba reconciliation process. It is building on the Addis Ababa Agreement signed in August 2013 and is a continuation of the Jubba Reconciliation Conference held in Mogadishu in November 2013. It is being attended by Somali government officials, representatives from IGAD, community elders and members of civil society as well as groups from Lower Jubba, Middle Jubba and Gedo regions which make up the Juba Administrative area.

Earlier in the week, AbdiBalleh Hussein, the chairman of Interim Jubba Administration reconciliation committee urged politicians, intellectuals and society groups from the region to participate in the conference. Earlier, the administration of Ahlu Suna wal Jama'a in Southern Somalia welcomed the conference and said the organization would attend. Ahlu Suna spokesman, Sheikh Isaak Al-Qadi, stated that the group would support and attend the second phase of Jubba reconciliation conference. Ahlu Suna wal Jama had previously boycotted the peace process in the region but had now decided to support the conference aimed to resolve the political tensions in the Jubba communities. Last week there were also reports that the conference, the second phase of the Juba reconciliation process, might be delayed as former Defence Minister, Colonel BarreAdan Shire's participation seemed in doubt. He had expressed some doubt about the date of the conference, indicating he thought it should not be opened until the beginning of October.

Before the conference opened the Kenyan troops of AMISOM and the Interim Juba Administration security forces were placed on high alert. Security operations were carried out in parts of the city especially in areas which Al-Shabaab have infiltrated in the past and used to fire rockets into the city. A number of suspects had been arrested. A spokesman for the Administration said "We are trying to make sure that no security problem happens during this conference. We need the delegates to converge peacefully and the conference to end in peace." Interim Jubba Administration security forces and AMISOM troops patrolled major roads around the conference

venue; businesses and schools were closed and traffic movements restricted for security purposes. Two days earlier, on Sunday (September 14), another reconciliation conference for the south western regions opened in Baidoa, the capital of Bay region. The opening was attended by Prime Minister Abdiweli Sheikh Ahmed who arrived in Baidoa accompanied by a group of MPs from the region. He was met at the airport by the Speaker of Parliament, Mohamed Sheikh Osman Jawari, MPs and ministers. The conference, expected to last for at least a month and a half, has as its main agenda reconciliation and the creation of a unitary non-partisan administration for south-western Somalia for the regions of Bay, Bakool and Lower Shabelle. Elders, youths, women groups and religious leaders are among those who are attending.

In his opening remarks, the Prime Minister called on the delegates to work together to achieve peace and unity among communities in south western regions of the country. He said the federal government would support the outcome of the conference and the creation of an inclusive regional state for Bay, Bakool and Lower Shabelle regions. The Prime Minister hailed Speaker Jawari for his courageous and tireless efforts to find lasting solutions to the political standoff in south western regions, between the supporters of a three state region and those that had backed a six state option. The two groups had earlier held their own separate conferences. Speaker Jawari underlined the importance of unity and said the conference was to bring together the large population of south-western Somalia.

... and an international conference in London on Somali security

An international conference aimed at rebuilding Somali National army and improving security in Somalia was held in London (September 18). The conference is hosted by the UK government and was opened by Prime Minister Cameron who said he hoped it would produce a long-term security plan to help Somalia build up its army, police and judiciary. The conference is being attended by Somali Prime Minister, Abdiweli Sheikh Ahmed; Minister of Defence, Mohamed Sheikh Hassan; Minister of Information, Mustafa Duhulow and other senior officials including the Chief of the Somali National Army, Major General Dahir Adan Elmi "IndhaQarsho". Prime Minister Abdiweli is providing details of security developments including the successes of government forces in seizing areas from Al-Shabaab and underlining to international partners the need to build strong Somali forces capable of taking over security from the more than 20,000 AMISOM forces. Somalia's Minister of Information said the conference came at the right time as the Somali National Army, with the support of AMISOM, was in the middle of Operation Indian Ocean, an operation aiming to clear out the remaining strongholds of Al-Shabaab. He said one of the objectives of the meeting was to ensure the optimization of donor support to the SNA to enable it to bring long-term stability in the country. The Somali Government of Somalia will outline its vision for the development of the SNA and the pathways for integration of regional militias, compliance with the arms embargo, fiscal planning and human rights compliance. The expected outcome of the conference include an agreed path for development of the SNA up to 2019, a commitment to focus donor support on the SNA's operational capability and a commitment between Somalia and the UK to continue to work as partners in order to convince the international community to support the development of the SNA. Somalia is also expecting donors to outline additional support.

South Sudan Consultation Forum on implementation mechanisms in Bahr Dar

Another stage of the IGAD mediation process on South Sudan began on Tuesday (September 16) in Bahr Dar, capital of Ethiopia's Amhara Regional State. The South Sudan warring parties, the South Sudan Government and the SPLM/A-in-Opposition, together with the SPLM (Former Detainees), faith based organizations and civil societies began a Consultation Forum on implementation mechanisms of the agreed minutes of the Protocol on Transitional Arrangements. This is part of the process underlined by the summit of IGAD Heads of State and Government at its last Extraordinary summit on August 25 in Addis Ababa.

At that meeting, the summit of IGAD Heads of State and Government expressed its disappointment that there had been no progress seen in the formation of a Transitional Government of National Unity within the 60 day framework originally laid down. It called upon stakeholders to negotiate and complete the arrangement protocol within a 45 days schedule. The Assembly also underlined that the two conflicting parties alone could not solve the overall crisis in South Sudan, and that a solution required an inclusive mechanism.

The current Consultation Forum is now expected to bring an inclusive and broad based approach to the negotiations and it is also expected to pave the way for all stakeholders in the IGAD-led mediation and peace process to produce a lasting solution to the crisis as well as enable the warring parties to honor their repeated commitments to an inclusive approach.

The Consultation Forum is also expected to discuss on the country's humanitarian situation, the Cessation of Hostilities Agreement, and other issues in preparation for organizing transitional arrangements. It is expected to encourage the warring parties and other stakeholders to address the underlying causes of the conflict by considering the failures of the warring parties to carry out their pledges. It will also address the challenges to the IGAD-led peace process, discuss the steps that ought to be taken to help advance the cause of peace through a negotiated political settlement and chart the way forward for a lasting peace and a just solution to the crisis in South Sudan.

The fifth session of the summit of IGAD Heads of State and Government Summit on South Sudan last month underlined the determination of IGAD Member States and of the international community to help all parties of South Sudan urgently find a lasting solution to the conflict and chart the way out of the still deteriorating humanitarian, political and security situation in South Sudan. The Assembly endorsed the signature of the warring parties to the Implementation Matrix of the Cessation of Hostilities Agreement and its addendum, which obliges the parties to bring the conflict to an end. It also firmly stated that it resolved "to take action against those who obstruct the attainment of peace in South Sudan" and stressed those who did would "be held responsible for their actions and denied participation in the future governance arrangements for South Sudan."

Ambassador Seyoum Mesfin, Chairperson of the IGAD Special Envoys, also threatened "robust and decisive action" by IGAD. Any violations, he said, would be met by robust and decisive action by IGAD, "which will take all measures in its power to prevent the humanitarian crisis from deepening." As the IGAD Assembly noted, one immediate and absolute necessity is to implement the Cessation of Hostilities Agreement in order to enable humanitarian agencies to provide the necessary aid to the more than a million people facing famine, and this remains entirely in the hands of the South Sudanese parties.

A new US State Department travel warning on Eritrea

The U.S. Department of State issued a revised warning to U.S. citizens on the risks of travel to Eritrea on Friday last week. This replaces the November 2013 Travel Warning for Eritrea, and has been issued to remind U.S. citizens of the ongoing security concerns in Eritrea. The warning strongly recommends U.S. citizens not to travel to Eritrea pointing out that there is an "increasing possibility U.S. citizens will not receive the requisite exit permit from Eritrean authorities." It notes the Eritrean government-controlled media has, repeatedly broadcast anti-U.S. rhetoric ever since December 2009 when the United Nations Security Council first imposed sanctions; and says there have been incidents of Eritrean officials refusing to issue exit permits to U.S. passport holders even if they were born in the United States and entered Eritrea on visas issued by the Eritrean government. The State Department says Eritrean-U.S. dual citizens may be at risk of arrest in Eritrea, and that once arrested they may be held for extended periods without charge. Prison conditions are harsh with prisoners held in cramped conditions "without access to restrooms, bedding, food, or clean water." It also adds that the Eritrean government does not tell the US Embassy if it arrests U.S. citizens, particularly dual nationals, nor does it normally allow consular access.

The State Department goes into some detail about the restrictions on visitors. It notes the Eritrean government continues to restrict the travel of all foreign nationals, requiring all visitors and residents, including U.S. diplomats (who must apply 10 days in advance) for permission to travel 25 kilometers outside Asmara's city limits. Permission is usually granted to areas such as Massawa and Keren, which are known tourist destinations; however, requests to areas near the borders and regions not frequently traveled by diplomats are normally turned down. Therefore the U.S. Embassy cannot guarantee to provide consular assistance outside of Asmara. It also stresses that travelers should be aware that travel permits are only valid for the approved final destination and do not allow for additional stops along the way to the approved destination. Travel to religious institutions, such as monasteries, requires separate travel permission. Foreign visitors that do not adhere absolutely to the terms of travel permits risk being detained by law enforcement authorities and their drivers jailed.

The warning notes that in 2012, the Government began to form citizen militias that patrol at night with orders to check individuals for documentation. The U.S. Embassy warns U.S. citizens to use extreme caution when encountering armed citizens who round up individuals without the necessary identity and military status documentation. It says that crime in Asmara has increased as a result of deteriorating economic conditions accompanied by persistent food, water, and fuel shortages, and rapid price inflation. The combination of forced, open-ended, low-paying, national service for many Eritreans and severe unemployment has led them to flee their country. Modern telecommunications are limited in Eritrea and international cell phone service plans do not work; the local cellphone service is tightly controlled by the government, and difficult to obtain. When available, international cell phone calls are extremely expensive. There is a substantial number of Internet cafés but they often lack power; the service is limited and slow. They do not generally support Voice over Internet Protocol services

U.S. citizens that do go to Eritrea are strongly advised to avoid travel near the Eritrean-Ethiopian border and the Southern Red Sea region because of the presence of large numbers of Eritrean and Ethiopian troops along the Eritrean-Ethiopian border and the existing political and military tensions between the two countries. It notes that in October 2013 riots broke out in Eritrean refugee camps close to the Eritrean-Ethiopian border during a memorial service dedicated to the victims of the October 3 Lampedusa boat sinking. It notes that Eritrean troops have withdrawn from Djibouti whose border area they invaded in 2008, but tensions remain high along the border, now patrolled by Qatari troops.

The State Department also advises US citizens not travel through Eritrean waters or to attempt to dock in Eritrean ports. It says the Eritrean government does not issue visas to people arriving by ship. In addition, fuel and provisions are often unavailable in Massawa and other parts of Eritrea, “and are often scarce in the capital city of Asmara.” It also points out that some of the remote Eritrean islands may be used for military training and could therefore be unsafe. There have been incidents involving the seizure of ships by the Government, most recently as December last year, 2013, and these have resulted in lengthy detention of international crew members. There is also the danger of piracy, and in August 2011, for example, three separate incidents of piracy were reported near the Port of Assab. Landmines and unexploded ordnance also remain a serious problem throughout Eritrea, and some have recently occurred on relatively well-traveled roads in the Gash Barka region near the Sudan border.

The warning concludes by pointing out that any U.S. citizens still trying to travel to Eritrea need to obtain an Eritrean visa before their arrival. People arriving without a visa are generally refused admission and returned on the next flight, though in some cases people have been jailed for several months. It says U.S.-Eritrean dual citizens who enter Eritrea with an Eritrean ID card may find it difficult to obtain the required visa to exit. It also notes that traveling even with a valid entry visa in a U.S. passport does not guarantee entry.