

A Week in the Horn

22nd July 2016

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News in Brief

Africa and the African Union

The 27th Ordinary Session of the Assembly of the Heads of State and Government of the African Union was held in the Kigali Convention Centre in Rwanda's capital Kigali on Sunday and Monday this week (July 17-18). The meeting, under this year's theme of "2016: African Year of Human Rights with a particular focus on the Rights of Women" successfully concluded on Monday. (See article)

The New Partnership for Africa's Development (NEPAD) held the 35th Session of NEPAD Heads of State and Government Orientation Committee (HoSGOC) on Saturday last week, (July 16) on the side-lines of the AU Summit in Kigali. The Committee's High-level Roundtable was on the subject of "Agenda 2063 and Industrialization: The Role of NEPAD." (See article)

IGAD held an emergency Summit in Kigali on Saturday (July 16) on South Sudan and underlined it wanted to see positive action to keep the two parties apart. It called on the UN Security Council to extend the mission of UNMISS with a revised mandate and also said this extension should include the deployment of a regional protection force to separate the warring parties. The South Sudan Government indicated its rejection of the proposals. (See article)

The 14th session of the United Nations Conference on Trade and Development was held in Nairobi this week (July 17 to 22) under the theme "**From Decisions to Actions.**" The Conference, bringing together over 7,000 delegates, featured ministerial debates and round-tables, as well as Fora on World Investment, Global Commodities, Youth and Civil Society. Yaekob Yala, Minister of Trade led the Ethiopian delegation and told the conference that Africa's determination and capability to be the leader in solving its own problems was growing and with "enormous resources, a young population and diverse cultures" its future was so bright. Abebe Ababayehu, Deputy Commissioner of the Ethiopian Investment Commission, briefed the conference on investment opportunities.

The AU Peace Fund adopted by the Heads of State and Government on Monday (July 18) will be raised equally from all the five regions of the continent and drawn from a 0.2% levy on eligible imports. Each region will contribute \$65 million with an 80% target by 2020 and it will raise \$325 million annually to support 25% of its peace operations. The African Union Commission Chairperson, Dlamini Zuma, said the AU would also adopt

mechanisms to develop a more robust and effective system to seek funding from the UN to fund the remaining 75% of the cost of peace support operations. One beneficiary is likely to be AMISOM some of whose funding was recently cut by the EU.

Former World Bank director, Enrique Rueda-Sabater has written a report which challenges the traditional ways of measuring economic success. Mr Rueda-Sabater applied more than 40 indicators to 149 countries examining how countries perform in converting their growth in Gross Domestic Product into improvements in well-being for their citizens. According to the BBC, Ethiopia took the top spot for recent progress in this with Rwanda not far behind, with a number of other sub-Saharan countries also featuring.

Ethiopia

Prime Minister Hailemariam addressed the Heads of State and Government Orientation Committee (HoSGOC) High-Level Roundtable on Saturday (July 16) in Kigali. The roundtable was on "Agenda 2063 and Industrialization: the Role of NEPAD," and the Prime Minister spoke on the subject of "**Reflections on Ethiopia's Experience with Industrialization**". (See article)

Bill Gates, co-founder of Microsoft and Bill & Melinda Gates Foundation, met with Prime Minister Hailemariam Dessalegn on Thursday (July 21, 2016), where the two sides discussed on new areas of cooperation for the next decade.

Chairman of German African Business Association, Stefan Liebing, during his meeting with Prime Minister Hailemariam Dessalegn on Tuesday (July 19), said Ethiopia has become a priority destination for German investors.

Dr Debretsion Gebremichael, Deputy Prime Minister for Finance and the Economic Cluster and Minister of Communication and Information Technology, met with Ghazi Abdullah Salem Al Mehri, the UAE Ambassador to Ethiopia, on Wednesday (July 20). The two sides discussed ways to enhance bilateral relations in all fields, particularly in the economic, trade, communication technology and IT sectors.

Speaking at the 14th Ethio-Djibouti Joint Ministerial Commission Meeting on Thursday (July 21), Minister of Foreign Affairs, Dr Tedros Adhanom said the peoples of Djibouti and Ethiopia are "surfing in the same boat." (See article)

Minister of Foreign Affairs, Dr Tedros Adhanom, during his meeting with a delegation from a US-based NGO Pink Ribbon Red Ribbon, on Friday (July 22), emphasized that "Ethiopia believes in innovation & continuous improvement of the health sector," adding that health is "taken seriously as it is a fundamental rights issue. "Pink Ribbon Red Ribbon, is a US-based NGO dedicated to helping women access preventive care and treatment for cervical and breast cancers where the need is in greatest demand.

Foreign Minister Dr Tedros Adhanom met with Parliament Members of Victoria State of Australia on Friday (July 22). The two sides discussed issues ranging from regional peace and security to investment and trade opportunities in Ethiopia.

Minister of Foreign Affairs, Dr Tedros Adhanom met with Bill Gates, Co-Founder of Microsoft and Bill & Melinda Gates Foundation, on Thursday (July 21) at Hilton Addis. The Minister underscored that the foundation has been actively engaged in a range of sectors, which among others he said included health, and agriculture, as well as development engagements on women and children.

The Japan External Trade Organization (JETRO) opened an office in Addis Ababa on Wednesday (July 20) in the presence of Prime Minister Hailemariam Dessalegn, Foreign Minister Dr Tedros Adhanom, JETRO Chairman and CEO, Mr Hiroyuki Ishige, Japanese investors and the Ethiopian private sector.

The Ethio-Australia round-table business discussion was held this week on Monday (July 18), at the Meeting Hall of the Ministry of Foreign Affairs of Ethiopia. On the occasion a high-level Australian delegation and representatives of companies and investors from Australia and New Zealand expressed their readiness to invest in Ethiopia and do business with it.

A government statement on Monday (July 18) said a unit of the Eritrea-based Ogaden National Liberation Front crossing into southeast Ethiopia from Somalia had been confronted by Special Police units in Ferfer district of Shabelle Zone. Three members of the ONLF group were captured, including Ahmed Ismael (Ahmed Deri), the head of ONLF logistics, and four killed.

The statement said the ONLF unit was trained in Eritrea and had come from there, but gave no further details.

The Ministry of Foreign Affairs Diaspora Engagement Directorate General briefed 40 2nd generation Ethiopian Diaspora youths from the United States of America on Tuesday (July 19). The event was organized under the theme, "The Ethiopian Discussion Table"; discussions covered Diaspora policy, engagement principle, roles of Diaspora, Diaspora engagement goals and institutional setups.

Djibouti

Djibouti's Air Force has taken delivery of two Y-12 transport aircraft from China, joining an MA60 that was delivered two years ago. The two aircraft were delivered in a ceremony last week on July 13. President Ismail Omar Guelleh, together with Defense Minister Ali Hassan Bahdon and Chief of General Staff of the Djiboutian Armed Forces (FAD), General Zakaria Cheikh Ibrahim, were present.

Eritrea

The First International Conference on Eritrean Studies (ICES) was held Wednesday to Friday this week (July 20-22) at the Asmara Palace Hotel in Asmara, under the theme of 'Eritrean Studies – The Way Forward.' The conference was opened by the Minister of Education, Mr Semere Russom, and also addressed by the Minister of Information, Yemane Gebremeskel.

An article at the end of last week from the BBC's Africa Editor, Mary Harper underlined some of the economic problems facing Eritrea, questioned whether its self-sufficient economy was "running out of steam, and if the country was slowly beginning to open up to foreign investment. (See article)

Somalia

Prime Minister Omar Abdirashid Sharmarke has appointed a technical committee to determine the disputed electoral status of Mogadishu and to find a lasting solution to the question of Banadir regional representation in the Upper House of the Federal Parliament. The 19-member committee, drawn from existing federal states and from the Benadir region, was agreed during the last National Leaders' Forum talks in Baidoa.

Ambassador Smail Chergui, AU Commissioner for Peace and Security, said at a press conference on Monday that the African Union plans to train Somali troops in order to allow Somalis to take charge of their country before the AU withdraws its troops from Somalia by 2018.

The new Force Commander of the African Union Mission in Somalia, Lt. General Osman Noor Soubagleh of Djibouti, has formally assumed office. Lt. General Soubagleh, who replaces Lt. General Jonathan Rono, arrived in Mogadishu on Monday (July 18) to take up his duties. He met with the Special Representative of the African Union Commission Chairperson for Somalia and Head of AMISOM, Ambassador Francisco Caetano Madeira, who highlighted the forthcoming electoral process in Somalia as a key priority area for the new Force Commander to ensure that all stages of the electoral process take place in a conducive and secure environment.

AMISOM has announced it is investigating the alleged killing of 14 civilians by AMISOM troops on Sunday (July 17) at a village about 30 kilometers from Baidoa. The local Member of Parliament said fourteen people, among

them traditional elders and civilians, were killed after clashes broke out between Shabaab fighters, and Somali government troops and AMISOM peacekeepers. He said “the civilians were at a prayer gathering when a Shabaab fighter started shooting in the area causing a confrontation that led to major civilian casualties.”

The Egyptian government handed over military equipment to the Somali government this week and pledged to increase its military support to the country. The Egyptian Ambassador to Somalia, Ambassador Waliid Mohamed Ismael, said the equipment included vehicles, weapons, and uniforms.

South Sudan

South Sudanese President Salva Kiir has given First-Vice President, Riek Machar 48 hours to return to the capital, Juba or be sacked. The statement read to reporters by presidential spokesman, Ateny Wek Ateny on Thursday (July 21) said “Dr Riek Machar is given 48 hours from today [Thursday] to report to work in Juba.” The statement comes amid reports that SPLM-IO leaders nominated former chief negotiator, Taban Deng Gai as their interim leader.

At the IGAD Summit on the side-lines of the AU Summit, IGAD leaders called for the sending of additional troops to Juba to restore peace. IGAD proposed a three-fold approach to the crisis: an immediate arms embargo; additional targeted sanctions on leaders and commanders working to unravel the peace process; and reinforcement of UNMISS by troops from regional states. (See article)

President Salva Kiir on Monday (July 18) described as “unfortunate” the position taken by Kenyan President Kenyatta and his government, in supporting the proposed deployment of additional regional troops to join the current United Nations peacekeeping forces to help provide security for Juba, and restore peace in the country. The Sudan People’s Liberation Movement (SPLM-IO) led by First Vice President, Riek Machar, however, welcomed the Kenyan President’s stance. Following a meeting with UN Secretary-General, Ban Ki-Moon, Mr Kenyatta said the region should urgently provide more troops to UNMISS.

The 27th Ordinary Session of the Assembly of the AU

The 27th Ordinary Session of the Assembly of the Heads of State and Government of the African Union was held in the Kigali Convention Centre in Rwanda’s capital Kigali on Sunday and Monday this week (July 17-18). The meeting, under this year’s theme of “2016: African Year of Human Rights with a particular focus on the Rights of Women” successfully concluded on Monday with a call for togetherness, inclusive growth and economic development through Agenda 2063.

Opening the Summit, Rwandan President Paul Kagame welcomed the African Heads of State and Government and underlined the fact that Africa was ‘rising’. He stressed that this was the result of the activities of the peoples of Africa, adding that such an understanding creates unity among the African nations and ensures committed service by continental leaders. President Kagame also noted the importance of forging partnerships with other countries outside the continent in a bid to widen and deepen Africa’s cooperation with the rest of the world.

The Chairperson of the African Union Commission, Dr Nkosazana Dlamini Zuma, in her keynote speech, recalled the solemn promise of Africa’s Heads of State and Government on the importance of peace and security and the need to silence the guns. She said lessons could be drawn from some parts of Africa that peace was possible, but she also noted that men, women and children in countries like Burundi, Mali, South Sudan and Somalia, were still suffering from conflict. Placing special emphasis on South Sudan and with the view to moving South Sudan’s peace process forward, Dr Zuma welcomed the meeting of IGAD leaders and ministers held the previous day. She said IGAD had acted swiftly “and I’m sure the decision of yesterday’s (IGAD) meeting would work to ensure a lasting peace and stability to the peoples of South Sudan.” The Chairperson also stressed, despite the lack of peace and stability in some parts of the continent, that the “Africa we have, is full of hope, possibility and

optimism". She acknowledged the resilience of the peoples of Africa and the strides that many countries had made towards eradicating poverty and transforming their economies.

The Chairperson of the Commission also mentioned the ever-changing landscape of cities and towns across the continent as they steadily built roads, provided increased access to energy and the provision of water, schools, and clinics. The Chairperson called for the summit to work hard towards popularizing Agenda 2063 and shape the African narrative "to make African industrialization a reality in our life time." She said, "We shall not be indifferent, and shall act in the belief that the power of love for our fellow citizens overcomes the love for power." Dr Zuma also spoke at length about the need to take women on board and invest more in the youth of the continent in order to ensure the regeneration of Africa. She commended the commitment of member states as demonstrated in the financing of the African Union. She also took the opportunity to thank "the people of Africa and members states for the guidance and bold and visionary leadership extended to us in our four years of service to the African Union."

In fact, however, the election of a new Chairperson for the African Union Commission has now been postponed to January 2017 after none of the three candidates obtained the necessary two-thirds of the votes, as stipulated in the AU Constitutive Act. The three candidates include the Minister of Foreign Affairs of Botswana, Dr Pelonomi Venson-Moitoi; the Foreign Affairs Minister of Equatorial Guinea, Mr Agapito Mba Mokuy, and the former Vice President of Uganda, Dr Speciosa Kazibwe. As a result, the AU Heads of State and Government requested that Dr Nkosazana Dlamini Zuma, and her team remain in office until the next Summit, to be held in January next year, in Addis Ababa. Further nominations for the Chairmanship of the Commission will now be made.

The Heads of State adopted recommendations of the retreat on financing the Union, aimed at empowering the Union by encouraging it towards financial independence and freedom from external influences. On several occasions in the past, the AU has found itself unable to provide an African position or to take desired and credible actions because of the lack of internally generated financial resources. It has had to request external benefactors to assist. This lack of funds for the effort to provide 'African solutions to African problems' has severely limited African options and affected possible intervention in South Sudan, Nigeria, Somalia and elsewhere. The AU currently funds less than 10% of its peace operations and relies on the EU or other major donors to contribute the rest. Several proposals have been made; the most recent proposed by a Committee chaired by Nigeria's former president Obasanjo. This time, the Assembly not only firmly renewed its commitment to the financial independence of the African Union, it also adopted a decision to meet the proposed 25% target by placing a 0.2% import tax on eligible imports to fund the AU budget and so limit reliance on foreign donors. It is estimated that this could bring in an excess of \$1.2 billion, significantly above the current budget of \$781 million.

The Summit saw the launch of the new electronic passport for Africa with the first recipients to be AU heads of state and government, ministers of foreign affairs, and permanent representatives of AU member states based at the AU Headquarters in Addis Ababa. This was welcomed as a step towards "the objective of creating a strong, prosperous and integrated Africa, driven by its own citizens and capable of taking its rightful place on the world stage". It is expected that the e-passport will become more widely available by 2018.

One of the other significant areas of discussion was the Tripartite Free Trade Area, the merging of the East African Community, the Common Market for Eastern and Southern Africa, and the Southern Africa Development Community, under an agreement to remove 60% to 85% of tariffs on goods and services. However, final agreement on the details of preferential treatment between the blocs and on how traders can access a market of over 600 million people has yet to be reached.

Other major decisions by the Assembly of the 27th Session include acceptance of the report of the Chairperson of the Commission on the State of Peace and Security in Africa, and decisions on the Africa Renewable Energy Initiative Governance Structure, the situation in South Sudan; development of the New Partnership for Africa's Development (NEPAD); and a resolution over the selection process for the post of United Nations Secretary General. The Heads of State and Government all reaffirmed their commitment to the principle of gender

equality, and it was noted that almost all AU Member States have achieved at least one of the AU gender-related goals, such as promotion of health, education, employment and social welfare of women in their countries.

At the end of the Summit, the Chairperson of the AU, President Idriss Deby Itno of Chad, President Paul Kagame of Rwanda, the host for the Summit, and Dr Nkosazana Dlamini Zuma, Chairperson of the AU Commission, held a press conference. Dr Zuma concluded: "African countries should maintain this spirit of togetherness and start working together on action plans to foster economic development for the entire continent. This Summit has indicated that we can achieve great things and overcome all challenges if we work in unity."

Prime Minister Hailemariam briefs NEPAD on Ethiopia's industrialization

The New Partnership for Africa's Development (NEPAD) on Saturday last week, on the side-lines of the AU Summit in Kigali, held the 35th Session of NEPAD Heads of State and Government Orientation Committee (HoSGOC). Opened by host President Paul Kagame of Rwanda, with remarks by AU Chairperson, President Idriss Deby of Chad, Dr Nkosazana Dlamini Zuma, Chairperson of the African Union Commission and with a welcome President Macky Sall of Senegal the Chairperson of the NEPAD Heads of State and Government Orientation Committee, the Committee's High-Level Roundtable was held under the subject of "Agenda 2063 and Industrialization: The Role of NEPAD."

Speaking on the subject of "Reflections on Ethiopia's Experience with Industrialization", Prime Minister Hailemariam noted the fact that "in Ethiopia, **Agricultural Development Led Industrialization (ADLI)** is the fundamental building block of industrial development". He pointed out that the country's "strategic direction for industrialization is based on our natural and human resources." Focusing on the key role industrialization could play in transforming Ethiopia's economy for the better, the Prime Minister made it clear that ensuring accelerated and sustained industrial development was fundamental for bringing about the overall transformation and the long-term development of Ethiopia. In addition, he emphasized the fact that in "the current five-year Growth and Transformation Plan, which we launched in 2015, we have given supreme importance to accelerating the growth of the manufacturing industry". He said the country planned to expand manufacturing industry at all levels, micro, small, medium and large and it was making a countrywide effort to "sustain a 22% annual growth rate of the manufacturing industry during the second five-year GTP (2015-2020)." The Prime Minister pointed out that **at the regional level the industrialization process focused on small and medium industries, while at the federal level the government was promoting large-scale industries**. The Prime Minister also added that there were extensive plans "aimed at improving the sector's productivity, product quality and competitiveness," as a necessary element in achieving these ambitious plans.

Speaking of the implementation strategies and programs needed to realize the goals of the current industrialization strategy, the Prime Minister listed four major approaches that were of pivotal importance. The first of these was sustainable improvement of "the implementation capacity of the Ministry of Industry and the different Specialized Sectoral Institutions." Second was the special emphasis given to "pursuing the investment expansion program in manufacturing industry." Third was the launching of a specific "Productivity, Competitiveness, Quality and Capacity Building Program," and finally, the provision of "all-rounded support to manufacturing industry", the most important element of which is the construction of industrial parks.

Prime Minister Hailemariam emphasized that without such provisions "it is difficult, if not impossible, to realize the expansion in investment that we plan to achieve. Therefore, in order to attract investment, **we have intensified construction of industrial parks, complete with some of the basic infrastructure services such as industrial sheds, power, telecommunication links and roads**. The industrial parks also enable us to provide one-stop services to cover visas, customs, logistics and transport." He pointed out that he had just inaugurated **one eco-friendly industrial park, in Hawassa**, a couple of days earlier. That was, he said, "a park that will create employment opportunity for 83,000 citizens. Indeed, the Hawassa environment-friendly industrial park is an archetype that we will emulate in constructing about 16 similar industrial parks throughout the country."

The Prime Minister concluded his remarks on the industrialization process in Ethiopia by thanking the African Development Bank, the NEPAD Planning and Coordination Agency and the UNECA for their continued support.

The 14th Ethio-Djibouti Joint Ministerial Commission Meeting

The 14th Ethio-Djibouti Joint Ministerial Commission Meeting was held in Addis Ababa, this week, starting on Monday (July 18) and closing on Thursday (July 21), 2016. The Ethiopian delegation was led by Dr Tedros Adhanom, Minister of Foreign Affairs and the Djibouti delegation was led by Djibouti's Minister of Foreign Affairs and International Cooperation, and Spokesperson of the Government, Mahmoud Ali Youssef.

Foreign Minister Dr Tedros opened the meeting, emphasizing the long-standing relations between the two peoples, noting "Ethiopia and Djibouti are not only neighboring countries, but also countries who share strong political, economic and cultural bonds. He said, "Today the peoples of Djibouti and Ethiopia are "surfing in the same boat". The peace, stability and development of Djibouti are our security, peace and development. The peace, security and prosperity of Ethiopia likewise provide the same for Djibouti. Indeed, we can say our two countries are moving together, hand in hand, towards the same common destiny." The Foreign Minister added, "Our current cooperation is the best witness that we can surmount any bilateral or regional challenges together. Our two governments have frequently consulted and coordinated positions on matters of regional, continental and international importance". The Foreign Minister took the opportunity to express his gratitude and appreciation to the Government of Djibouti, and to Foreign Minister Mohamoud Ali Yusuf in particular, for the support they gave to Ethiopia's as a non-permanent member of the United Nations Security Council.

Dr Tedros also noted that Ethiopia attached significant importance to its strategic and special bilateral relations with Djibouti and was always keen to strengthen these further. He expressed his pleasure at this year's Joint Ministerial Commission meeting, noting that since its establishment the Joint Ministerial Commission had registered major results over a whole range of areas, including political and security relations, joint military activities, and economic relations especially in trade and port services as well as in social relations, tourism and cultural exchanges. The Minister underlined "the close relationship between our adjacent regional states along the border and the joint security and military activities we have carried out. "He said that "exploring our potential in all areas of cooperation will expedite the process of economic integration not only between our two countries but also in realizing the vision of the sub-region."

Dr Tedros said the two countries were taking the lead in **infrastructural interconnection** and offering an example to the rest of IGAD. He mentioned some of their joint mega projects including the nearly completed Sebeta-Doralleh Standard Gauge Railway Project, the 4- billion-dollar gas project, the Oil Pipeline Project from Djibouti to Awash due to commence soon, the soon to-be-completed potable water supply project for the City of Djibouti and the construction of Tadjourah-Woldia-Mekele Standard Gauge Railway, as well as other road projects. In all these, the Minister said, the benefits to the peoples of both countries were very clear and tangible. They would further simplify all forms of cross-border transportation and provide mutual benefits, serving as the strong foundation for economic integration.

The Minister underlined the success of the Ethio-Djibouti Ministerial Commission in bringing multi-sector cooperation to Ethiopia and Djibouti. He said the political and economic committees of the two countries had assessed the level of implementation of bilateral cooperation between them in the areas of peace and security, port services and trade and infrastructural interconnections. Indeed, he emphasized, there was hardly any area of cooperation that had not been covered between the two countries. They had been able to sign numerous protocols and agreements paving the way for continued and mutually beneficial cooperation.

Similarly, in his opening remarks, Ambassador Suleiman Dedefo, Director General of Neighboring Countries and IGAD Affairs at the Ministry of Foreign Affairs of Ethiopia, welcomed the Djiboutian delegation and wished them a pleasant stay "in their second country, Ethiopia". He underlined the close and multifaceted cooperation between the two countries, which he said had managed to develop a special relationship over the years. He reiterated the commitment of the Federal Democratic Republic of Ethiopia to further strengthen these excellent relations. Describing the long-standing and historical bilateral ties between Ethiopia and Djibouti as unique, Ambassador Suleiman said the relationship had already started to offer significant benefits to the peoples of

both countries. Now, he said, “we need to further strengthen and cement our bilateral relationship by diversifying and widening the scope of cooperation between us.”

Ambassador Suleiman reminded the meeting that at the 13th Joint Ministerial Commission Meeting, they had emphasized the importance of expediting the process of economic integration. They had designed a matrix to help to closely follow up the implementation of various activities agreed during the meeting. He said that for a number of reasons and unforeseen circumstances, the follow up process hadn’t gone according to the letter and spirit of the agreement. Now, it was essential to strengthen the follow up mechanism and, he said, “I think we need to put in place a framework which will help us to closely monitor and evaluate the implementation of the decisions that we made.”

He also reminded the meeting that “We have critically assessed the detailed implementation activities during our meeting of the Joint Cluster Heads held in Addis Ababa on July 9.” He said that experts’ meeting would provide both countries “with the opportunity to further strengthen good performances and give the required attention to areas of mutual interest found to be lagging behind the expected level of implementation, as well as indicate new avenues of cooperation to cater for the ever growing needs of both our peoples.” Ambassador Suleiman emphasized that we should “identify possible obstacles of implementation and indicate available solutions to ensure better results. Since we have the highest support from our leaders, nothing is beyond our capacity.”

Over the next three days, the participants dispersed into half-a-dozen subgroups and committees to deal with various thematic areas, covering political, security, trade, economic, port and transport and other issues. The 14th Ethio-Djibouti Joint Ministerial Commission Meeting concluded on Thursday with the review of the list of agreed minutes presented by the experts and the signing of agreed minutes on the three clusters: Political, Security and Social Affairs; Economic and Commercial issues; and the Port and Transport Sector Cluster. The meeting also agreed to raise the bilateral relations between Ethiopia and Djibouti to new heights.

Ban Ki-Moon calls for concerted IGAD action on South Sudan peace process

IGAD leaders held an Extraordinary Summit on Sunday (July 17) on the margins of the 27th African Union Summit last weekend in Kigali, Rwanda. United Nations Secretary-General Ban Ki-moon, who discussed the South Sudan peace process with IGAD Chair, Ethiopian Prime Minister Hailemariam Dessalegn, and other Heads of States, attended the meeting. Mr Ban Ki-moon condemned the renewed violence and emphasized the need for concerted actions to bring about a solution to the crisis. Speaking about what had been achieved, he called for more action by regional blocs and international bodies. He praised IGAD’s efforts during the peace process but stressed the urgent current need for more concerted and collective action to revive the implementation of the peace agreement.

The Secretary-General underlined that now was “the time for decisive and collective action.” A week earlier, before the most recent United Nations Security Council meeting on South Sudan, Mr Ban Ki-moon said this was “the time to massively reinforce UN action. When a Government cannot or will not protect its people, and when warring parties seem more intent on enriching and empowering themselves at the expense of their people, the international community has a responsibility to act.” He called then on the “Security Council and the entire membership of the United Nations to rise to this moment and protect the human rights of South Sudanese.”

In his address to the IGAD Summit, Mr Ban Ki-moon noted that “many of you have worked hard to secure peace for the world’s youngest country”, stressing that following the recent outbreak of fresh hostilities, “all of us agree that we cannot afford South Sudan slipping back into a civil war”. Considering the magnitude of the violence, and immense loss of lives and suffering inflicted on civilians and peacekeepers alike, and indeed on South Sudan itself, Mr Ban Ki-moon described the renewed fighting as “horrendous and totally unacceptable”, adding that everyone is “appalled”. He condemned in the strongest possible terms the targeting of UN personnel and international personnel from non-governmental organizations, and the attacks on their premises and assets in Juba.

The UN Secretary-General welcomed the strong condemnation of the fighting and of the ceasefire violations that had been issued by the AU Peace and Security Council and by the IGAD Council of Ministers. He praised the participants at the Extraordinary Summit for their response, saying "I thank you for calling on the South Sudanese leaders to assume their responsibility and subject individuals who undermine the peace process to "stern measures", including targeted sanctions." During the Summit Mr Ban Ki-moon spoke with regional leaders as well as partners and urged them to do "everything in their power" to bring about an immediate cessation of hostilities and to encourage the South Sudan leaders to recommit to the implementation of the peace agreement.

The Secretary General said he had sent a very clear message to the warring South Sudan leaders, stating firmly "the leaders must be accountable for their actions. This includes the military chain of command, the chiefs of general staff and other officials who are complicit in perpetrating the violence." He said he had also recommended to the Security Council that an arms embargo should be imposed on South Sudan as well as targeted sanctions against individuals involved in violence and blocking the implementation of the peace agreement. He had also recommended the reinforcement of the UN Mission in South Sudan (UNMISS).

The Secretary-General said that the restoration of the Transitional Government of National Unity would depend on the full demilitarization of Juba. He said he supported "the proposal by the Chiefs of the Defense Staff and Forces of Ethiopia, Kenya, Rwanda, Sudan and Uganda to reinforce UNMISS with troops from the region under the same unity of mandate and command and contribute in assisting the stabilization of South Sudan." He added that "other troops will probably also be necessary." He went on: "This is the only way to get the peace process back on track. We cannot and should not allow for the agreement to unravel, especially after all the time and effort regional leaders have put into making it happen".

A day earlier, on Saturday (July 16) the Secretary-General held discussions with Ethiopia's Prime Minister Hailemariam, who is also Chair of IGAD. The discussions covered regional peace and security challenges as well as climate change. The Secretary-General praised the efforts that IGAD and the AU had made in trying to address the dire situation in South Sudan and work towards implementation of the peace agreement. A statement issued later by the office of the Secretary General said the Secretary-General [had] also taken the opportunity to commend the leadership role of Ethiopia in the promotion of regional peace and security, and its contribution to international and African peacekeeping. The statement said: "The Secretary-General and the Prime Minister expressed alarm at the situation in South Sudan and the risk of further escalation, with far-reaching consequences for the country and its people, as well as for the region". Concerning the dire need of dealing with the current conditions in South Sudan, the statement added that the Secretary General and the Prime Minister "agreed on the need for an urgent and enhanced international action to avert full blown violence and further atrocities and put back on track the implementation process of the agreement on the resolution of the conflict in South Sudan." They expressed grave concern about the risk of further violence in the country, as well as the "appalling" humanitarian situation compounded by the recent fighting in Juba. The statement said "They look forward to the outcomes of the deliberations of the IGAD and African Union leaders on the matter, hoping that these will provide additional momentum to the international efforts to address the security situation, in particular in Juba, and ensure the effective implementation of the peace agreement."

During their talks, Prime Minister Hailemariam took the opportunity to reassure the Secretary-General of Ethiopia's continued commitment to working to ensure peace and stability in South Sudan and in Somalia.

Is Eritrea's "self-reliant economy" running out of steam?

The Eritrean government gives out little information about the country's economy. Finance Minister Berhane Gebremariam recently told the BBC that Eritrea had refused to release figures about the economy, its GDP or other key indicators including the budget for the last seven years "because our enemies will use it against us." However, a recent visit by the BBC to Asmara suggested that Eritrea's "self-reliant economy was beginning, if slowly, to open up to foreign investment. In a report last week, the BBC's Africa Editor, Mary Harper underlined some of the economic problems that Eritrea was facing. She pointed out that recent policies, especially currency reform at the end of last year, meant "many people are now struggling in what was already one of the poorest

countries on earth.” She detailed the amount of recycling to be seen, part of a culture of “self-reliance” that began during the war for independence achieved in 1993, but said that “time and again, I hear stories of people doing two or even three jobs to make ends meet”. She noted that Eritrea came third bottom in the United Nations Human Development Index for 2015.

Ms Harper noted that although education up to tertiary level is free, young Eritreans “become locked into a system of obligatory national service, mainly in civilian roles, and have no idea when they will be released.” Pay is low, according to workers in Asmara less than \$50 a month. Unending national service, Ms Harper pointed out, had another economic effect. “It is one of the main reasons so many young Eritreans flee their country for Europe, draining the country of much of its productive workforce.” She adds that if they get there safely avoiding “dying in the desert or drowning in the sea on the way”, they may end up as what the government regards as “useful” members of the Diaspora, sending money home. In 2005, remittances were estimated to account for about a third of Eritrea’s GDP. However, as one official told Ms Harper, “that figure is plunging. The diaspora is now spending the money on helping people leave Eritrea instead of supporting relatives at home.”

In fact, the flow of remittances has steadily declined in recent years despite the increasing number of Eritreans leaving the country. As the recent UN Commission of Inquiry report noted, Eritrea is one of the world’s top producers of refugees. The NGO, Human Rights Concern-Eritrea, underlines that thousands of Eritreans continued to flee their country each month to escape repression, and thousands have died as a result. HRC-Eritrea said Eritrean citizens were fully cognizant of the appalling dangers they faced in trying to reach safety, and it was an extraordinary, even unique, indictment of their government that they still choose to risk such dangers rather than remain in their own country.” The impact on the size of the population is difficult to know as there has been no census, but government officials have indicated that it is currently around 3 million rather than the often quoted 5 to 6 million. The African Economic Outlook 2015 report expects decreases in both remittances and the 2% “development and recovery tax” levied on the Diaspora to continue both this year and next.

In the past, the Eritrean authorities appeared to be quite happy for disaffected youth to leave, says a diplomat. It removed a potential threat to stability and those who left would eventually end up sending remittances back to Eritrea. But that was a decade ago, and today, the diplomat said, “the country now faces a serious capacity shortage and is doing more to encourage them to stay.” The government originally appeared to accept that educated, urbanized youths were less trouble and more useful outside the country, particularly when they could be taxed and contribute remittances to their families, providing foreign currency and help families survive. Now, however, the government appears to be having second thoughts again as the work force is shrinking too far and as an increasing number of minors flee the country. Hagos Ghebrehiwet, economic adviser to the president, says the amount paid to those in national service has been increased from about \$50 to \$130-\$300 a month, depending on education levels. In fact, according to those leaving the country, the normal rate of pay for those in national service has consistently been equivalent to \$10 to \$12 a month, and it remains unclear whether the figures now quoted by officials do in fact reach the national service conscripts. Certainly the recent UN Commission of Inquiry report does not seem to have heard much about them.

Similarly, although officials were saying a year or two ago that national service would no longer be unlimited but be cut back to the original 18 months laid down at its inception in 1994, there has been no sign of this happening. In fact, since 1998, national service, whether in the military forces or providing for labor under the WY Development Campaign, has remained unlimited, with some people having served without respite for 18 years, often under appalling conditions and with minimal pay. The recent State Department report on Human Trafficking underlined that the timeframe for compulsory national service remained “arbitrary and unenforced; many individuals are not demobilized from government work units after their mandatory period of service but rather forced to serve indefinitely under threats of detention, torture, or familial reprisal.” In addition, four years ago, adults up to age 70 were drafted into a compulsory citizen militia, and obliged to attend military training or participate in national development programs.

Human Rights Concern-Eritrea issued a report on June 16 this year that gave details of continued forced labor by Eritrean conscripts under the compulsory National Service program. It said recent interviews with over 50

conscripts who managed to escape had revealed that as recently as January 2016, Eritrean conscripts were subjected to forced labor at the Bisha Mine, owned jointly by the Canadian company Nevsun and the Eritrean state; at the mines owned by the Government and Zara Mining Share Company; and by the Dakalia project at Colluli. Conscripts were obliged to work six and a half days a week, up to 12 hours a day. Their net pay, after deduction for food, was 450 Nakfa a month (between \$10- \$40 dollar according to the exchange rate.) Housing conditions were poor and medical support minimal. Conscripts are not allowed to leave; and any attempt to escape was severely punished with various forms of torture or beatings. Agents of National Security, Hagerawi Dehnet, who are present at all mining sites, closely supervised the entire forced labor operation. All the people interviewed by Human Rights Concern-Eritrea were personally warned by the authorities and the sub-contractor, Segen, a military construction company, not to reveal that they were employed at the mine as conscripts and against their will.

Others have underlined that the government has been ambivalent about people leaving because it benefits so much from the Diaspora. In addition to remittances, it collects the 2% “development and recovery” income tax from the Diaspora through Eritrean consulates or party affiliates overseas. In 2011 the U.N. Security Council called on Eritrea to “cease using extortion, threats of violence, fraud, and other illicit means” to collect this tax. The government insists that it is voluntary but anyone who wants to obtain any government service from an embassy abroad or in Eritrea, including visas or any official documents, is obliged to show they have paid the tax in full. The UN Somalia and Eritrea Monitoring Group estimated the yields from it at \$73 million from 2010 to 2013.

The African Economic Outlook 2015 projected Eritrea’s economic growth at 2.1% in 2015, up from 1.3% in 2013 and 2.0% in 2014. This was on the basis of “improved economic activity and increased investment in the mining sector”. It suggested that continued improvements in financial management, progress towards implementing the African Development Bank’s Drought Resilience and Sustainable Livelihoods Program (DRSLP) and enhanced skills development were creating more favorable medium-term prospects. It said efforts to create a modern, private sector-led economy were compromised by an inadequate investment and business environment, and weak macroeconomic conditions. Real GDP growth was projected to increase from 2.0% in 2014 to 2.1% in 2015, double the rate recorded in 2013, because of increasing investments in the mining sector.

The current GDP composition is: services (59.9%), non-manufacturing (17.3%), agriculture, hunting, forestry and fisheries (16.9%) and industry (5.9%). The budget deficit increased to 10.7% of GDP in 2014, up from 10.3% in 2013, but will fall back again to 10.3% in 2015 and 9.9% in 2016 as a result of increasing revenue from mining projects and access to more grant resources. Inflation declined slightly in 2014 because of food-supply shocks, high foreign exchange demand, and high commodities prices on the international market. This should contain inflation at an annual average of about 12% for the period 2015-16. Exports are forecast to grow in 2014-15, due to mineral production, but the current account balance is forecast to deteriorate from 0.2% of GDP in 2014 to -1.2% and -1.5% in 2015 and 2016 respectively, partly due to decreases in both remittances and the 2% “development and recovery tax” levied on the Diaspora). Eritrea is eligible or potentially eligible for an HIPC Initiative on multilateral debt relief though it has not initiated any discussions on an IMF- supported program.

Ms Harper says that most of the complaints she heard during her visit to Eritrea were “about the skyrocketing cost of living, plus chronic shortages of electricity and water.: She points out that families in Asmara receive a certain quantity of basic foodstuffs, such as cereals, oil and sugar, at highly reduced prices, but adds that other items cost a lot, with for example, a litre of milk costing more than \$2. She quotes business people, in Asmara, including taxi drivers, shopkeepers and hoteliers, as saying their incomes have halved since the new currency was introduced at the end of last year. This was apparently done in an attempt to control smuggling, the parallel market and human trafficking – all of which the government routinely denied ever happened in Eritrea. When the change took place, people were given six weeks to swap their old notes for new ones at par, but they had to explain how they had earned the money. Ms Harper quotes Finance Minister Berhane as saying that much of people’s earnings were illegal “so only 40% of the old notes were handed in; this meant a 60% contraction in money supply.” This has also affected the parallel market. The fixed exchange rate remains 15 nakfa to the

dollar; but on the unofficial market people can only get 18-20 nakfa for the dollar, instead of nearly 60 previously.

Ms Harper points out that despite the government's secretive behavior and detailed and repeated allegations of human rights abuse in the labor force, there have been signs of some interest from foreign investors, especially in the mining sector. She mentions the Italian-run Dolce Vita garment factory in Asmara as well as Canada's Nevsun, which, in a joint venture with the government, runs the Bisha mine. This started to produce gold in 2011 and is now exploiting its copper and zinc deposits. Nevsun says Bisha contributed about \$800m (£550m) to the Eritrean economy between 2011 and 2015. Eritrean human rights groups have produced detailed testimony of the use of forced conscript labor during the construction of Bisha, and Nevsun is currently facing legal challenges to its use of 'forced labor' in the Canadian courts. Despite the testimony of dozens of former conscripts, many interviewed by the Commission of Inquiry, the company continues to deny national service labor has been used at the mine. The allegations have not prevented Australia's South Boulder Mines and the government setting up a joint venture, Danakali Limited, to develop the Colluli Potash Project in the Afar desert in eastern Eritrea.