

## **A Week in the Horn**

### **27<sup>th</sup> March 2015**

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#### **News in Brief**

##### **Africa and the African Union**

The 18<sup>th</sup> Common Market for Eastern and Southern Africa (COMESA) Summit, hosted by Ethiopia, began at the end of last week. The eight-day summit includes its Intergovernmental Committee opening session, a business forum, the COMESA Council of Ministers meeting and First Ladies' round table, as well as the meeting of Heads of State and Government early next week. Prime Minister Hailemariam Desalegn will be taking the rotating chairmanship of COMESA this year. (See article)

The Women in Parliaments' Global Forum (WIP) Summit 2015 was held in Addis Ababa, Monday to Wednesday this week (March 23-25) under the theme "New Leadership for Global Challenges". The Summit 2015 drew attention to the fact that many of the African countries holding elections in 2015, 2016 and 2017 still have less than 20% of women's representation in parliament.

##### **Ethiopia**

Ethiopia's Prime Minister Hailemariam Desalegn, Egypt's President Abdel Fattah El Sisi and President Omar Al-Bashir of the Sudan, signed an agreement on the Declaration of Principles on the Grand Ethiopian Renaissance Dam on Monday (March 23) in Khartoum. (See article)

On Monday (March 23), President Abdel Fattah El Sisi started a three day state visit to Ethiopia, during which he held talks with Prime Minister Hailemariam and President Dr Mulatu and addressed a Joint Session of the Parliament. (See article)

Members of the Ethiopian Public Diplomacy Delegation which visited Egypt last year met with Egyptian president Abdel Fattah El-Sisi on Wednesday (March 25). The Delegation, the first of its kind, led by the Speaker of the House of Peoples' Representatives, Abadulla Gemedo, included more than 70 distinguished Ethiopians from all walks of life, visited Egypt from December 16 to 20, 2014. (See article)

The President of Algeria, Abdelaziz Bouteflika, sent a message of congratulations to Prime Minister Hailemariam following the signing of the Declaration of Principles, saying it constituted "a step towards the

strengthening of the ties of good neighborliness” between the peoples of these countries and “opens new prospects of cooperation.” He also congratulated the Presidents of Egypt and Sudan.

The EU welcomed the signature of the Declaration of Principles on the Grand Ethiopian Renaissance Dam Project (GERDP) by Egypt, Ethiopia and Sudan in Khartoum. It described the agreement as an important political initiative for the management of the Nile Waters and part of a process that “will greatly enhance the prospects of prosperity and stability for the region.” It said the EU was ready to provide support as the parties move to implement the agreement.

Ethiopia burnt 6.1 tonnes of ivory on Friday (March 20). The ivory including tusks and trinkets seized from poachers and traders over twenty years was lit by Deputy Prime Minister Demeke Mekonnen who said the occasion was a vital stepping stone in strengthening activities against poaching.

Foreign Minister Dr Tedros met a delegation led by Ambassador Gil Hajkel, Head of Israeli Agency for International Development Cooperation, at his office on Wednesday (March 25).

An Ethio-South African Business Forum took place at the beginning of the week in Addis Ababa. Organized and facilitated by the Ministry of Foreign Affairs, the Forum brought together representatives of more than 40 South African and more than 75 Ethiopian companies to discuss investment and trade opportunities available in both countries. (See article)

State Minister of Foreign Affairs, Ambassador Berhane Gebre-Christos met Bangladesh’s State Minister for Foreign Affairs, Mohamed Shahriar Alam, on Wednesday (March 25). They underlined the importance of a close relationship between Bangladesh and Ethiopia, agreed to work jointly on environment protection and climate change and to sign trade and investment agreements focusing on the textile industry.

State Minister of Foreign Affairs, Ambassador Berhane Gebre-Christos welcomed Ms Ulrika Modeer, State Secretary for Development Cooperation of Foreign Affairs of Sweden in his office on Thursday (March 26).

State Minister Ambassador Berhane Gebre-Christos met with a Polish delegation led by the Deputy Speaker of the Parliament of the Republic of Poland, Elzbieta Radziszeweska, on Tuesday (March 24). Ms Radziszeweska said Poland and Ethiopia were both launched on a gigantic transformation process and by cooperating with each other they could achieve remarkable progress. Ethiopia, she said, was a preferred destination for Polish tourists.

State Minister of Foreign Affairs, Dr Yinager Dessie, met with Mr Taryn Vijay, an Indian MP on Monday (March 24). Mr Vijay said Ethiopia would continue to have a special place in the eyes of India and said India was ready to increase its assistance in areas of ICT, education, human resources and women’s empowerment. He and Dr Yinager also emphasized the commitment of both countries to actively participating in the India-Africa Summit, due to take place in Delhi in October, and the Ethio-Indian Joint Commission that will be meeting in Addis Ababa in July.

## **Eritrea**

The European Union said on Tuesday it hopes development aid to Eritrea will stem the growing exodus of Eritreans attempting the dangerous journey to Europe across the Mediterranean Sea. Brussels is reported to be planning a multi-million euro development package. The EU Commissioner for International Cooperation and Development, Neven Mimica, was quoted as saying it “would be beneficial for the overall advancing of the human rights and democracy framework, but also would address the long-term development needs.”

The Canadian mining company, Nevsun, which operates the Bisha mine, said in a statement last weekend that repairs to a mechanical problem, reported on March 13, should be finalized this week. The statement also said there had been “an act of vandalism at the Bisha plant late last week” but this had “no significant impact on operations and no personnel were harmed.” It did, however, add that additional safeguards had been adopted to ensure site and personnel safety and security.

## **Kenya**

President Uhuru Kenyatta delivered his second State of the Nation address to Parliament on Thursday (March 26). He underlined the country’s progress in deepening democracy, the process of devolution, its attainment of middle-income status and continuing development. He also spoke of the challenges of “insecurity, disunity and corruption”, and apologized “for all the past wrongs” that have afflicted Kenyans, emphasizing the importance of reconciliation.

The Interior Ministry said on Monday (March 23) that the planned increased security along the Kenya/Somali border would involve a new road along the border, more official border crossings and barriers in selected areas, mostly in the border counties of Mandera and Lamu. The Ministry gave no indication of costs or of how many additional patrol guards would be deployed along the 700 km border.

## **Somalia**

A meeting of the Somali Development and Reconstruction Facility-Steering Committee on Wednesday (March 25) to review projects to be funded under the New Deal for Somalia endorsed 11 priority programs ranging from support to the constitutional review and state formation and electoral processes and the rule of law to youth employment. The meeting was attended by Prime Minister Sharmarke, ministers from the Federal Government, Puntland, the Interim Juba Administration and the Interim South West Administration as well as development partners.

The Special Representative of the African Union Commission Chairperson for Somalia and head of AMISOM, Ambassador Maman Sidikou, met with the EU Political and Military Committee in Brussels last week. He also briefed senior officials of the European Commission on the activities of AMISOM and the weakening of Al-Shabaab. He underlined the need to facilitate the reconfiguration of AMISOM and provide it with specialist units, additional formed police units, and deployment of civilian personnel.

As required by the Provisional Federal Constitution and recent laws on the National Independent Electoral Commission and the Boundaries and Federation Commission, qualified citizens are being urged to apply for the 18 vacant seats of the National Independent Election Commission and the Boundaries and Federal Commission. The deadline for applications has been extended to March 30.

Somalia National Army together with troops of the African Union Mission in Somalia (AMISOM) have liberated the island of Kuday, 130 kms south west of Kismayo, the major remaining Al Shabaab stronghold in the Lower Juba region.

## **South Sudan**

The UN Security Council issued a Presidential Statement on Tuesday (March 24) expressing its “profound disappointment” over the failure of President Kiir and Riek Machar to conclude an agreement on the transitional government, strongly condemning the continued violations of the Cessation of Hostilities Agreement and reiterating its willingness to impose sanctions. (See article)

The South Sudan Parliament on Monday (March 23) voted to extend the tenure of the President by three years as well as its own tenure. Opposition MPs in the Parliament criticized the decision as showing the government wanted to cling on to power. President Salva Kiir was reported to be consulting different political parties and opinion leaders in preparation for the formation of an all-inclusive government in July. (See article)

South Sudan rebels claimed this week that Government troops were continuing their dry season offensive against opposition-held positions in Upper Nile and Unity states, in violation of a ceasefire agreement. They claimed to have repulsed all attacks. Renewed fighting was also reported in Unity state capital Bentiu on Monday and Tuesday (March 23-24).

## **Sudan**

President Omer Hassan Al-Bashir paid a state visit to Saudi Arabia this week, meeting King Salman Bin Abdel Aziz and the Minister of Defense on Thursday (March 26). He is heading a delegation which includes the Minister of Foreign Affairs, the Minister for the Presidency and the Director of the National Intelligence and Security Service. President Al-Bashir is continuing to Egypt to take part in the Arab League Summit at the end of the week.

Defense Minister Abdel-Rahim Mohamed Hussein said at a press conference in Khartoum on Thursday (March 26) that Sudan would be sending ground and air forces to participate in “Operation Decisive Storm,” the Saudi-led coalition taking action against Houthi militants in Yemen. Saudi Arabia’s state news agency said that Sudan, Jordan, Morocco, Egypt and Pakistan were prepared to participate in a ground offensive in Yemen.

The African Union High Level Implementation Panel (AUHIP) on Monday invited opposition groups and the ruling National Congress Party to discuss requirements and procedures for an inclusive conference on constitutional reforms and resource sharing, identity, and social equality to be held inside the country. It suggested a preparatory meeting could start March 29 on the basis of the roadmap for national dialogue approved by the general assembly of political parties in Khartoum and the Addis Ababa agreement last year.

The British Ambassador in Khartoum says a senior UK Foreign Office official is in Khartoum this week for talks with Sudan foreign ministry officials to look into the possibility of holding a dialogue on bilateral and regional relations besides issues of common interest. Earlier this month, the UK embassy in Khartoum issued a report saying the human rights situation in Sudan remained of deep concern to the UK.

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### **The State Visit to Ethiopia of President El Sisi of the Arab Republic of Egypt....**

Egypt's President Abdel Fattah El Sisi made a three day state visit to Ethiopia this week, following the signing of the Declaration of Principles on the Grand Ethiopian Renaissance Dam with Prime Minister Hailemariam and President Al-Bashir Sudan in Khartoum on Monday (March 23). During his visit to Addis Ababa, President El Sisi held talks with President Dr Mulatu Teshome and Prime Minister Hailemariam Desalegn as well as addressing a joint session of the Parliament, meeting with Ethiopia's Public Diplomacy Delegation that visited Egypt last December, and carried out other engagements.

President Dr Mulatu Teshome welcomed President El Sisi to the National Palace on Tuesday (March 24). During their discussions, President Dr Mulatu expressed his appreciation of the effort Egypt was making to deepen the relationship between Ethiopia and Egypt, both in general and over the issue of ensuring equitable water utilization. He mentioned, in particular, the signing of the Declaration of Principles the previous day in Khartoum. President Mulatu said this showed that by working hard we could change suspicion and misunderstanding into mutual cooperation, trust and confidence, and at the same time expand and deepen the relationship between the two nations. President El Sisi emphasized that the Egyptian people had open minds and hearts, not just because of their historical ties and close cultural relations with the people of Ethiopia but also because of their desire to transform these relations into a state of trust and confidence. President El Sisi said that the two sides had now taken a step forward but there was still much to do in the future. President Mulatu agreed on the need to strengthen bilateral relations and build mutual trust and benefit. He stressed that Ethiopia was constructing the GERD for the generation of power, to contribute to economic development, promotion of trans-boundary cooperation and regional integration as laid out in the Declaration of Principles. Ethiopia was, he said, committed to green development and this would be beneficial for all three countries, Egypt, Sudan and Ethiopia.

President Dr Mulatu pointed out Ethiopia was concentrating on the fight against poverty and on enhancing sustainable development. Elements of this included reversing deforestation and enriching the flow of water. He underlined that Ethiopia's processes of industrialization and green development would in fact contribute positively to Egypt's share of the waters of the Nile. Sustainable development, equitable utilization of the Nile waters and agreement on these would determine the destiny of the signatories, he said. President El Sisi welcomed President Mulatu's comments and the reassurance of Ethiopia's commitment to mutual benefits for all. He said Egypt had a clear stance: it supported Ethiopia's development and was ready for cooperation. This was nothing new. It was a reiteration of its previous position. He welcomed the signing of the Declaration of Principles but he also stressed that what was most important was to ensure all agreements advanced into binding legacies for future generations, promoting integrity, and interpreting the commitment and determination on the ground. President El Sisi said the Nile water and the GERD should not be the limit of cooperation. Ethiopia and Egypt, he said, should strengthen this in all fields to provide both sides with mutual prosperity.

Prime Minister Hailemariam also held talks with President El Sisi on Tuesday (March 24). Warmly welcoming the President and his delegation, the Prime Minister said the visit would further cement the existing relationship and cooperation between the two countries. He added that it gave the President and himself another opportunity to deepen and expand the scope of their collaboration on bilateral regional, continental and global issues. The Prime Minister underlined that Ethiopia and Egypt had the longest histories in Africa and had established deep spiritual and social bonds linking their two peoples. He said one indication of this was the centuries-long relationship between Ethiopia's Orthodox Church and Egypt's Coptic Church. Another was, of course, the indissoluble link of the River Nile which provided both countries with the basic means of life. President Abdel Fattah El-Sisi, expressing his thanks for the warm hospitality

accorded to him and his delegation, also noted the long-standing and strong bonds between the two countries. He added that “we also have to work hard to strengthen our bilateral relations and to achieve our goals.” He said Egypt and Ethiopia were approaching a new era, and there was a need to build confidence, trust and understanding. He said that a day earlier he and the Prime Minister, with President Al-Bashir, had signed the Declaration of Principles after long debate. This was very important for both nations but it was also the initial step in working toward a prosperous future. It was now time to consider raising the Egypt-Ethiopia Joint Ministerial Committee to a higher heads of government level. The President said Egypt would be offering complete scholarships for 50 Ethiopian students and for 150 doctors working on child cancer prevention. He invited the Prime Minister to visit Egypt for the inaugural ceremony for the new Suez Canal to be held in August. Prime Minister Hailemariam accepted the invitation.

After their talks the two leaders gave a press conference. Prime Minister Hailemariam noted that the signing of the Declaration of Principles the previous day affirmed the commitment of Ethiopia, Egypt and Sudan for closer cooperation. He also pointed out that Ethiopia and Egypt shared common economic opportunities not just the River Nile, and their decision to enhance their economic cooperation was, he said, a major diplomatic achievement. President El SiSi said Ethiopia and Egypt had reached an agreement to work together in fighting terrorism in the region as well as boosting bilateral cooperation, and raising the Joint Ministerial Committee to a higher level. The two sides agreed to use the Declaration of Principles as a basis to deepen trilateral relations between Egypt, Ethiopia and Sudan and help implement their goals. Prime Minister Hailemariam and President El Sisi also agreed that their most important achievement was that the agreed political goodwill should be maintained for the further benefit of both nations. There would, they said, be no going back.

#### **.....The President addresses the Joint Session of Parliament....**

President El-Sisi addressed a Joint Session of the House of Peoples’ Representatives and the House of Federation on Wednesday (March 24). In his fifteen minute speech, the President heralded the beginning of a new era of cooperation. Evoking the age-old relationship of the two countries, President El- Sisi said he came “with a message of cooperation and brotherhood from the Egyptian people. From the onset of our civilizations, we have drunk and shared the waters of the Nile. The river has been passing through the veins of generations of Egyptians and Ethiopians as blood.” This shared resource, he said, should be a reason for greater cooperation and regional integration rather than conflict and animosity. He said a turning point in Ethiopian-Egyptian relations came when he met Prime Minister Hailemariam in Malabo and ever since then they had been building trust and cooperation between the two nations. The President noted “today’s challenges are huge and complex, demanding our strengthened cooperation,” and underlined the immense responsibility the leaders of the two countries had to their people and the next generation. He urged building trust and curbing misunderstandings and the need to foster and nurture positive attitudes between the two peoples, to pass on a better world to the next generation. President El Sisi said “we can choose a better tomorrow where the fate of the next generation will be bright by working together, through the River Nile that binds us, we can aim for economic progress and cooperation.”

Emphasizing the importance of real and solid cooperation in the contemporary world, the Egyptian President said “no one should ever feel secure about his future without the other, or build his welfare at the expense of his brother.” He expressed his aspiration to witness that “all the classrooms in Ethiopia are lit and all the children of Egypt drink from the River Nile; and a future whereby the economy of both countries grows to absorb their respective manpower in a manner that allows their people a dignified life.” Egypt, he said, would not want to see chronic famines destroying lives in Ethiopia but he also pointed out that that millions of Egyptians depend on the Nile for their livelihoods. He expressed his commitment to cooperate, participate and build trust with Ethiopia and the rest of Africa, along with Egypt’s open policy towards Africa. He said “we want to pursue an active engagement with Africa.” He called for more regional integration and cooperation, and said “we have a chance to change the course of history today by protecting the rights of our people and enhancing development and progress across the continent.” He highlighted the role of private investors in boosting trade and in strengthening regional integration and people-to-people relations. He said “We need to utilize our natural resources in a way that ensures equitable use by all.”

President El-Sisi highlighted the importance of ensuring that the political will was there to implement the Declarations of Principle signed in Khartoum. “Our agreement”, he said “should drive us to capitalize on the common features that bring together Egypt, Ethiopia, Sudan and South Sudan in the context of [the] Eastern Nile Basin.” He urged the Nile Basin countries to overcome the differences in the Nile Basin Initiative Framework Agreement. Otherwise, he added “it would be considered wasting and squandering a good opportunity.” The President also spoke of the myriad challenges Africa has faced and was still facing. It

needed, he said, a concerted effort to address the issue. “The challenges we face are multiple” he said, “and are on broad fronts [so that] there is no alternative to Egypt and Ethiopia, as two poles of the continent, working at the bilateral level and with their brothers in Africa.” He said Egypt and Ethiopia shared a number of problems “youth unemployment, insecurity, terrorism, illegal human trafficking, diseases, climate change, environmental degradation and deforestation.” So, he added “We need to work together across the continent and the globe to tackle these problems and there is no other option but to cooperate.” Similarly, he stressed “terrorism is cross-border, threatens national, regional and global security: working together is the key to uprooting terrorism.”

### **...and meets with the Ethiopian Public Diplomacy Delegation**

The members of the Ethiopian Public Diplomacy Delegation met with President Abdel Fattah El Sisi on Wednesday and took the opportunity to express their thanks for the hospitality they had received in Egypt from the Egyptian people and the Government during their visit in December last year. Led by the Speaker of the House of Peoples’ Representatives, Abadulla Gameda, the Ethiopian Public Diplomacy Delegation of more than 70 distinguished Ethiopians from all walks of life, and the first of its kind, visited Egypt from December 16 to 20, last year, aiming to build trust and fraternal relations between the peoples of the two countries.

The members of the Delegation told the President they would continue to work with complete commitment and full responsibility to build maximum trust and confidence between the two countries. The Delegation members said they also appreciated the continuous commitment of the political leaderships of both countries to work in cooperation and collaboration regarding the Nile issue. They welcomed the signing of the agreement of the Declaration of Principles on the Grand Ethiopian Renaissance Dam and said they would work for the successful implementation of the agreement. The Delegation members requested that the President continue to demonstrate his leadership commitment, and his openness on the Nile issue. They emphasized the importance of Ethiopia and Egypt working beyond the Nile and cooperating in other areas, such as trade, tourism, investment, education, agriculture, science and technology.

President Abdul Fattah El-SiSi told the members of the Delegation that the Egyptian people, and their Government and leadership were committed to working to realize mutual prosperity, unity and peace in order to benefit peoples of both countries. The President stressed that people-to-people and business-to-business relations between Ethiopia and Egypt could play a vital role in enhancing and cementing the existing multidimensional and rounded relationship. He promised the Public Diplomacy delegation that the Egyptian government was highly committed to providing all possible support to both Ethiopian and Egyptian Public Diplomacy delegations to exerting every effort to realize mutual benefits, and to building a strong and trusted friendship between the two peoples.

### **Ethiopia, Sudan and Egypt sign a Declaration of Principles on GERD**

Ethiopia, Sudan and Egypt signed an agreement on a Declaration of Principles on the Grand Ethiopian Renaissance Dam on Monday (March 23) in Khartoum. Ethiopian Prime Minister Hailemariam Desalegn, Egypt’s President Abdel Fattah El Sisi and Sudan President Omar Al-Bashir signed the agreement. Others attending the occasion included the Vice-President of South Sudan, James Wani Igge, as well as officials, representatives from IGAD, the Nile Basin Initiative, the World Bank and other international organizations.

The three leaders welcomed the agreement in speeches in Khartoum's Republican Palace, and watched a short film about the Grand Renaissance Dam highlighting its benefits for the region. Prime Minister Hailemariam Desalegn said that the waters of the Nile constituted an important livelihood for the people who shared the river. He underlined that the development that all riparian countries aspired to could only materialize through dialogue and continuous cooperation. This would ensure mutual benefits for all users. He pointed out that the Nile was a matter of survival for the people of the riparian states and a prerequisite for the economic development of the Nile Basin countries. He stressed that the GERD was a project which should catalyze cooperation and also provide a basis for regional integration. He pointed out that Ethiopia has taken the bold step in initiating the establishment of the International Panel of Experts (IPoE) to encourage the building of mutual trust and confidence among the three Eastern Nile Basin countries.

Sudanese President Omar Al-Bashir said that Sudan understands and gives due attention to the necessity of cooperation and collaboration on Nile waters issue. He underlined the importance of confidence and trust building mechanisms to realize development and peace in the Nile Basin. Egyptian President Abdel Fattah El Sisi said that Egypt did not stand against Ethiopia’s right to develop and use its natural resources. He said firmly: “we have chosen to cooperate on any issue regarding the Nile waters.”

In the Preamble to the Declaration of Principles, the three countries enter into the signing of the Declaration "mindful of the rising demand of the [three countries] of their transboundary water resource, and cognizant of the significance of the River Nile as the source of livelihood...". By laying down the Principles relating to the GERD, the document underlines its historic importance. It also demonstrates that cooperation is the only way to solve disagreements and enhance confidence and trust among the three countries regarding the GERD. To this end, the three countries have agreed "to cooperate based on common understanding, mutual benefit, good faith, win-win and principles of international law, [and..] in understanding upstream and downstream water needs in its various aspects."

The Principles endorsed in the Declaration are: the Principle of Cooperation; the Principle of Development, Regional Integration and Sustainability; the Principle of Equitable and Reasonable Utilization; the Principle of Not to Cause Significant Harm; the Principle to Cooperate on the First Filling and Operation of the Dam; the Principle of Confidence Building; the Principle of Exchange of Information and Data; the Principle of Dam Safety; the Principle of Sovereignty and Territorial Integrity; and the Principle of Peaceful Settlement of Disputes.

The Declaration of Principles endorses the point that the benefits of the GERD are for the whole region "through generation of [a] sustainable and reliable clean energy supply" which is itself an important input "to contribute to economic development, promotion of trans-boundary cooperation and regional integration." The Declaration is a crucial document in the sense that it also rejects any past mistrust and suspicion. The three riparian states have now opted for cooperation and utilization of their trans-boundary watercourses on the basis of internationally accepted principles: the "principles of equitable and reasonable utilization and not to cause significant harm."

The three countries have agreed to cooperate on the first filling and operation of the GERD, to apply the recommendations of the international technical experts committee and the results of the final report of the Tripartite National Technical Committee during the different stages of the project. They will "utilize the final outcomes of the joint studies" recommended by the Tripartite National Technical Committee and international technical experts to reach agreement on the guidelines for different scenarios for the first filling, in parallel with the construction of the dam, as well as agree on the annual operation policies which "the owners can adjust from time to time." This will help the three countries to avoid any significant harm and in fact helps to build trust and confidence among them; the three countries will establish a mechanism of contact through their ministries of water and irrigation. These points will be implemented within 15 months from the start of preparing the two studies recommended by the Technical Committee. The Declaration clearly states that "the three countries appreciate the efforts undertaken thus far by Ethiopia in implementing the [International Panel of Experts-IPOE] recommendations pertinent to the GERD safety."

The three countries also agreed on the principle of sovereign equality and territorial integrity for the optimal utilization and adequate protection of the Nile River. In the face of growing climate change and environmental degradation, it is the responsibility of involved states to maintain and enhance the protection of the river and environmental conservation in order to benefit effectively from the environment. This principle is therefore a manifestation of the rights and responsibilities of the riparian states in their utilization of the Nile waters. One of the benefits of the GERD for the region is, of course, that it will encourage and expedite environmental conservation and play a crucial role in the improvement of both the quality and quantity of the Nile waters.

Another central point in the Declaration is that the three countries, as owners of the issues, have opted for an internal mechanism for peaceful settlement of disputes. This crucial point demonstrates the level of trust and confidence that the three countries are reaching. Prime Minister Hailemariam Desalegn, at the signing ceremony, stated that, "Ethiopia's signing of the Declaration of Principles is to demonstrate its dedication to cooperation." He added that as the Declaration of Principles was based on a win-win spirit, it would pave the way for further cooperation and collaboration among the three Eastern Nile Basin countries. In effect, the signing of the Declaration of Principles has brought the three countries closer together. It provides the basis for cooperation in the Nile Basin and is in line with the objectives for development of the region. It will be important for the three countries to keep up this momentum for their cooperation, and cooperation in the region, and maintain the current win-win spirit. The successful State Visit of Egypt's President Abdel Fattah El Sisi to Ethiopia after the signing was just such an example of the way forward.

The signing of the Declaration of Principles has been welcomed. The Nile Basin Initiative has issued a statement congratulating the three countries on the signing, describing it as a milestone in the history of cooperation on the Nile. It said it could be expected to have immense significance for trans-boundary water

resources management and development in the Nile Basin. The signing has also been welcomed by the EU and by the US and others. Mutaz Musa, Chairman of the Nile Basin Initiative - Ministerial Council and Sudan's Minister of Water Resources and Electricity, described the Declaration of Principles between the three countries on the Renaissance Dam as a prelude for cooperation and the implementation of joint sustainable development projects between the three countries.

### **UNSC demands South Sudan's warring parties reach a "comprehensive agreement"**

The UN Security Council held a meeting on South Sudan on Tuesday (March 24), and a Presidential statement, read by François Delattre, the Permanent Representative of France, which holds the Council Presidency this month, underlined "the seriousness and urgency of the situation in South Sudan". This it said had already been demonstrated by the Council's unanimous adoption of UNSC Resolution 2206 (of March 3), establishing a UN sanctions regime for those undermining the peace, security or stability of South Sudan.

The Security Council reiterated its strong condemnation of the repeated violations of the Cessation of Hostilities Agreement, accepted and signed by the two sides on January 23. It emphasized that the actions of both President Kiir and former Vice President Machar in continuing to pursue a military solution were in breach of their obligations under the Cessation of Hostilities Agreement. It repeated its demand that "the parties commit to finding a comprehensive agreement" and expressed "its profound disappointment" that President Salva Kiir [and] former Vice President Riek Machar had failed to conclude an agreement on the transitional arrangements by the March 5 deadline set by IGAD as outlined in the February 1 Areas of Agreement on the Establishment of the Transitional Government of National Unity that they had both signed. The talks collapsed on March 6 when President Kiir and Riek Machar failed to agree on almost all the contentious issues relating to governance, security, power and wealth-sharing, reconciliation or accountability.

The Council added that the two sides should take effective and comprehensive steps to cause forces under their direct or indirect control to cease military operations or acts of violence, as well as violations of human rights, and enable full access for humanitarian assistance. It urged all parties to engage meaningfully in the peace process and called on all parties involved in armed conflict to issue "clear orders prohibiting all violations of international humanitarian law and human rights abuses without further delay." It reaffirmed its deep concern that the conflict has resulted in great human suffering, including significant loss of life, displacement of two million people, and the loss of property. It underlined the importance of fighting impunity and ensuring accountability for serious violations and abuses of human rights and violations of international humanitarian law, "including those that may amount to war crimes and crimes against humanity." It renewed its calls for parties to the conflict to allow the full, safe and unhindered access of humanitarian personnel, equipment and supplies to all those in need and timely delivery of humanitarian assistance.

The Security Council said, in the context of the failure of the parties to implement their signed agreements, "it reiterates its willingness to impose sanctions against those who threaten the peace, security or stability of South Sudan." It said these could include an arms embargo and the designation of senior individuals responsible for actions or policies that threaten the peace, security or stability of South Sudan. This was in order to encourage the Government of South Sudan and opposition forces to form a Transitional Government of National Unity. The Council said it looked forward to the rapid establishment of the 'Panel of Experts' which would play a central role in assisting the South Sudan Sanctions Committee, established by resolution 2206, providing it with appropriate information for the designation of individuals and entities. It also said it would be prepared to adjust the measures contained in the resolution, strengthening them modifying, suspending or lifting them as necessary in light of the progress achieved in the peace, accountability, and reconciliation process or according to the implementation of the parties' commitments, including the Cessation of Hostilities Agreement and other obligations.

The Security Council commended IGAD for its work in establishing a forum for political and security dialogue, establishing and operationalizing the Monitoring and Verification Mechanism for the Cessation of Hostilities Agreement, and leading political negotiations to establish a Transitional Government of National Unity. It said it noted the message from Prime Minister Hailemariam, the Chairman of IGAD, on March 6 to the people of South Sudan explaining that the peace talks had not produced the necessary breakthrough. The Security Council recognized the work of the African Union Commission of Inquiry in investigating and documenting violations as well as abuses of international human rights law and international humanitarian law. It said it anticipated "with interest" its findings and recommendations and said the public release of the final report should take place as soon as possible.

The Security Council welcomed IGAD's intention, with friends of South Sudan from Africa and abroad, to implement a common plan and table "a reasonable and comprehensive solution to end the crisis in South Sudan." Details of IGAD plans have yet to be released but they include a more active role in the mediation for the African Union, the Troika countries of the US, the UK and Norway, China, the European Union and the United Nations, EU and UN in the next round of negotiations under the new mechanism. All the agreements which the two parties have signed in the last fourteen months have been reviewed by the IGAD mediators and over next few weeks, IGAD envoys and regional leaders will hold a series of consultative meetings, including an IGAD Summit to which the two principals, President Salva Kiir and Dr Riek Machar, will be invited. The date for the Summit, to be held in Addis Ababa, has yet to be finalized. After the summit, IGAD will hold further consultations with the representatives of the expanded mediation before holding an "IGAD-Plus high-level international peace forum on South Sudan" to which the South Sudanese stakeholders will be invited to sign a final peace agreement.

The Security Council, expressed its deep appreciation for the work of UNMISS personnel and troop- and police-contributing countries for the protection of civilians, and reaffirmed its support to the people of South Sudan. It renewed its steadfast commitment to the peace and security of South Sudan and the region. It echoed the statement of the Chairman of IGAD, Ethiopian Prime Minister Hailemariam, that "the world stands with the people of South Sudan, and peace will be achieved."

During the Security Council meeting, South Sudan's Permanent Representative also addressed the Council. He said his delegation was disappointed that the Council continued deliberating on important events without extensive [ ] South Sudan's views were hardly ever reflected in Council documents, and said his Government was "committed to a peaceful solution to conflict." It had been engaged in the talks for establishing a transitional government but the opposition had continued to shift position and put forth unreasonable demands. This made it extremely difficult to reach consensus on contentious national issues, and, he added, it was incorrect for the Council, in its presidential statement, to express disappointment that President Kiir had "failed to conclude an agreement on the transitional arrangements". As for sanctions, Ambassador Deng, said such measures rarely achieved their intended objective and tended to only harden positions. He said the international community could use more constructive and productive means of engaging parties than sanctions which, he added, would only devastate the economy and increase economic pressures on people who were already suffering.

Meanwhile, the South Sudan Parliament, on Tuesday (March 24), passed a resolution extending its own tenure and that of President Salva Kiir by three years. Elections were due to take place in July. The head of the Parliamentary Information Committee said "We believe these three years will give a chance for peace so that all of us prepare to conduct a census and after which we can conduct free and fair elections." Opposition MPs in the Parliament criticized the decision saying that they believed the move was simply meant to help President Kiir cling to power. The Government said the move was necessary to maintain stability in the country but the decision appears to contradict the agreement signed by the two warring parties in Addis Ababa, a month ago. That laid out the terms for the formation of a Transitional Government of National Unity (TGoNU) to remain in power for 30 months, provide for the restoration of peace, help displaced persons return home, oversee reconciliation and healing, overhaul the system of governance and rebuild the country.

### **The Second Ethiopia-France Political Consultation**

Ethiopia and France held their second Political Consultation this week on March 23 in Addis Ababa. The meeting covered a range of bilateral political and economic, regional and global issues. The respective delegations were led by Ethiopia's State Minister for Foreign Affairs, Ambassador Berhane Gebre-Christos and the Deputy Secretary General at the French Ministry of Foreign Affairs, Mr Remy Rioux.

State Minister Ambassador Berhane, opening the session said that the relations between the two countries were long standing and firm. He noted Ethiopia and France were working closely on mutually important issues of regional peace and stability, fighting terrorism, on climate change and other matters relevant to the well-being of the human race in general. Ethiopia, he said, considered its relations with France extremely [good] in the fields of trade, investment, innovation and education. The Head of the French Delegation, Mr Rioux, said France also attached great importance to its relations with Ethiopia and this was growing. There was now a framework on their side to expand the relationship in the near future. One example of this, he added, was the **growing interest for French investment in Ethiopia**. The Government, he said, was working closely with the private sector to encourage it [to] invest boldly in Africa and in Ethiopia.

Ambassador Berhane emphasized the need to further bolster the economic, business, trade, tourism and investment relations. He said: “We need France to be engaged in a vital way in business, creating favorable financial conditions by giving grants and loans for the private sector to invest in Ethiopia.” Some labor-intensive French corporations, like businesses in China and other Far East countries that no longer operate at full capacity due to high labor costs, he said should start to think of Ethiopia as a suitable destination for their investment. The Government had space available in industrial parks, ready and waiting for investment in sectors like textiles, food processing, leather goods and other areas. Ambassador Berhane indicated that the commitment and incentives given for these sectors by the Government was very attractive. Investors would be able to get a fast turn-round for their investment.

Mr Rioux said that France would be sending a delegation to Ethiopia next month to discuss climate financing and exchange views on a range of bilateral technical issues with the Ethiopian Government. As the host nation of the World Climate Conference (Cop 21) in Paris in November and December this year, France has been engaging closely with Ethiopia on climate change in support of the Ethiopian Green Resilient economic strategy. The conference would, Mr Rioux said, give a good opportunity to Ethiopia to showcase its successes in its green economic development.

Mr Rioux noted that Ethiopia was in the process of transformation from an agricultural-based economy to an industrial one, as the Growth and Transformation Plan (GTP) lays down. He agreed it needed to attract more private sector investment from France in agro-processing, manufacturing, transport and other technology oriented sectors. The French side had recently given a positive response to Ethiopia’s request to increase Ethiopian Airlines flights to Paris from five days a week to seven. This would have a positive impact. Mr Rioux also mentioned France was working closely with Ethiopia in the telecom sector and with the Metal and Engineering Cooperation (METEC) in the construction of the Great Ethiopian Renaissance Dam and the Ashegoda wind farm. Mr Rioux said it had been difficult to convince French investors to look seriously at opportunities in Africa ten years ago, but now, he said, this is changing. It was important to hold more business forums to enhance business-to-business discussions and provide opportunities to increase understanding and trust on both sides. He said the investment of Castel and the start of wine production had already sent positive signals to other businesses in France. The French Government was encouraging this.

The Second Ethiopia-France Business Forum was held in Addis Ababa in December 2013. The French business delegation, headed by Mr Matthias Fekl, Minister of State for Foreign Trade, the Promotion of Tourism and French Nationals Abroad, held discussions with representatives of both the private and public sectors in Ethiopia. Dr Debretsion Gebremichael, Ethiopian Deputy Prime Minister in charge of the Economy and Finance, and Minister of Communication and Information Technology, and Mr Fekl, opened the Forum which offered opportunities for French firms looking for new markets. Around 20 Ethiopian firms and contractors and almost 150 French firms, notably SMEs and intermediate-sized enterprises, participated. Ethiopia and France signed an Avoidance of Double Taxation Agreement in June 2006 and France is one of the main destinations for Ethiopian exports. The total trade volume grew to just over US\$173 million in 2014, with a trade balance in favor of France. There are a sizeable number of French investment projects in Ethiopia in brewing, petroleum product distribution, floriculture and the hospitality industries. There are currently more than 90 French investment projects in Ethiopia and the value of French investment in Ethiopia amounts to 4 Billion Birr. French FDI flows to Ethiopia show an increasing trend.

On more general Horn of Africa issues, Ambassador Berhane called for France’s continued support to Ethiopia, IGAD and the African Union to assist in finding a resolution of the South Sudan conflict and the peace-making process in Somalia. Mr Rioux noted that France regarded the duties and actions of Ethiopia highly in bringing peace in the region. The support of his government would continue. Ambassador Berhane urged France to play a strong and positive role in the UN Financing for Development Conference, which will be held in July 2015 in Addis Ababa, and in the post-2015 Development Goals by promoting Africa’s cause. France was ideally placed to do this as it had close relations with many African countries.

The two countries’ exchange of high-level visits in recent years indicates they enjoy strong bilateral political and diplomatic relations. The Political Consultation mechanism between the two also contributes to forging closer political relations. A delegation from the French Senate visited Ethiopia in September 2013 and held talks with Prime Minister Hailemariam Desalegn, House Speaker Abadula Gemedo, and State Minister Ambassador Berhane Gebre-Christos. Recently, the French National Assembly forwarded an invitation to the Ethiopian Parliament for an official visit to France. The invitation has been accepted.

Ethiopia and France have over a century of diplomatic relations dating back to 1897. The relationship is excellent as the frequent high-level exchange of visits testifies. Only in 2013 Prime Minister Hailemariam

Desalegn was in France twice and held discussions on important bilateral issues. President Francois Hollande visited Ethiopia in May 2013 to take part in the 50<sup>th</sup> anniversary of the OAU/AU following a special invitation from Prime Minister Hailemariam. Ethiopia had played a vital role in mobilising AU support for France's efforts in the fight against terrorism in the Sahel region particularly in Mali.

### **Consultations for the 3<sup>rd</sup> International Conference on Financing for Development**

A two-day pre-event Regional Consultation for the Third International Conference on Financing for Development was held this week (March 23-24) in Addis Ababa at the United Nations Conference Center. The consultation, which brought together leaders and representatives from Governments, Central Banks, academia, the private sector, the UN, civil society, non-governmental organizations, development partners and other relevant stakeholders, focused on discussions **to define and articulate messages from Africa in relation to the issue of financing for sustainable development**. The consultation served as a stepping stone for forwarding key suggestions and recommendations. These reflect Africa's commitments to financing its sustainable development; and map out the blueprint of Africa's demands, concerns and aspirations for the global community, with reference to the means and the priority areas in the sphere of financing global development.

Dr Abraham Tekeste, State Minister for Ethiopia's Ministry of Finance and Economic Development; Dr Abdalla Hamdok, Deputy Executive Secretary of the UN Economic Commission for Africa (ECA); and Dr Anthony Maruping, African Union Commissioner for Economic Affairs, joined the opening session of the consultation and delivered keynote statements. State Minister Dr Abraham Tekeste, who noted Ethiopia was delighted to be hosting the Conference, underlined that the principle of **country-ownership**; the focus on channeling resources towards infrastructure projects, human development and investments in the area of agriculture; and the practical implementation of fiscal reforms, had all enabled Ethiopia's Growth and Transformation Plan to produce double-digit economic growth and agriculture-led industrialization. He said **the fiscal reforms undertaken by the Government had helped the country broaden its tax base, improve tax administration, and scale up resources**. All this, he added, had helped support fast tracking the war on halving poverty and significantly reducing child mortality, by two thirds. Ethiopia's experience, and the lessons drawn from the [adoption] of innovative development policies and strategies, were now providing the basis for mapping the developmental path ahead and the way to continuously enhance domestic revenue, as well as strategically allotting resources with a view to accruing greater returns.

**The State Minister said Africa "can and should be setting the agenda for this meeting,"** extending key messages and shaping the views of partners for a fruitful outcome. He added that the continent stood united to develop the **Common Africa Position** and speak with one voice in the Sustainable Development Goals process. He said Africa had seen remarkable growth while facing formidable challenges including unemployment and undiversified economies. It is home to two-thirds of the LDCs and needs US\$93 billion a year in infrastructure development so as to achieve its development goals. These and other challenges hinder Africa's ability to trade with the outside world. The State Minister said this reality vindicated the need to give special focus to Africa within the financing of the development agenda. He emphasized that Africa was determined to stress special needs in the upcoming negotiations, in particular for **infrastructure, clean energy, agricultural transformation, inclusive and sustainable industrialization, gender equality and empowerment of women**.

Dr Abraham also said the new **Addis Ababa Accord** should feature global challenges, as well as review the mix of economic, social and environmental factors that were needed to meet the new Sustainable Development Goals [SDGs]. He also suggested that, in addition to the deliberations made on the Common African Position on post-2015 development, an African Position on Financing for Development should include **"concrete and measurable commitments", incorporate specific reference and commitments related to Africa and display Africa's commitment in financing the SDGs. It should prioritize domestic resource mobilisation, ensure the practical implementation of ODA commitments, and press developed countries to [offer] support to developing countries in the area of climate mitigation and adaptation actions**. The State Minister also stressed the need for the creation of enabling conditions for improvement in domestic savings in addition to dealing with tax avoidance and evasion. He underlined that **"international conversations on expanding international tax cooperation"** ought to incorporate **the participation of developed countries to jointly tackle corruption, money laundering and illicit financial flows**. In relation to domestic and international private financing, the State Minister underscored the need for African states to focus on quality and responsible FDI to transform and industrialize their economies.

The two-day discussions covered various topics including sustainable development financing; Africa's progress since Monterrey, and Financing the Post-2015 Development Agenda; Africa's priorities in financing for development; climate financing; international private financial flows; trade, partnerships, technology and innovation; international public finance and sovereign debt; systemic issues; and monitoring, data and the issue of following up actions and decisions. The consultation, which considered domestic resource mobilisation as an integral part and essential element of development finance in the post-2015 development agenda, cited the important contribution of broadening the tax base; controlling tax evasion and avoidance; tackling corruption; money laundering and illicit flows; as well as creating key enabling environments for domestic savings with a view to hastening Africa's growth and transformation. It also considered ways to realize equitable and effective development, for the development finance needed to articulate and be responsive to the needs and interests of the people, particularly, women and the needy. It was agreed that ODA could be seen as an essential ingredient of development finance especially for the LDCs and it could reinforce Africa's march towards its transformation. The consultation also underlined that African countries ought to turn the continent into an epicenter of high quality and stable private capital through the creation of key enabling factors, including elevating investment attractiveness.

The consultation, noting the consequences resulting from climate change and climate variability on economic growth and transformation, stressed that **development finance needed to place emphasis on these potential changes and allocate resources in investments for such areas as low-carbon and climate resilient development, combating land degradation and desertification, conservation of biodiversity, science, innovation and innovative technologies.** Taking note of Africa's meagre share of world trade, standing at 3.2% in 2010, the consultation reiterated the urgency to conclude WTO negotiations successfully as well as devote efforts **to make the negotiations reflect the concerns and interests of developing countries.** It was also agreed that a lot remained to be done to remove conditionality on LDCs' products entering the international market, enforce additional full duty-free quota-free access, as well as reduce non-tariff barriers. It was agreed to seek aid for trade initiatives within the WTO. With reference to external debt, the consultation, recognizing the importance of loans and debt financing as an instrument in supporting efforts on productive sustainable development, reiterated the need to avoid irresponsible borrowing and effectively manage the repayment of loans.

Deliberations on systemic issues underlined that international systems and global architecture must be responsive to the needs and increase the representation of developing countries so as to mobilise sufficient financing for sustainable development. It was noted that international institutions ought to enhance policy coherence and pay greater attention to sustainable development objectives. Investment treaties needed to complement or align with long-term performance and sustainable development goals. The consultation, pointing out the central role of technology and innovation in mobilising domestic resources, underlined that Africa's innovation policy needed to promote innovation in the education system and among small and medium sized enterprises. It noted the missing ingredient in the Monterrey Consensus and Doha Declaration was any follow-up and monitoring system, and suggested that new financing for the development framework should involve periodic monitoring and evaluation to strategically mobilise and allocate resources, align targets with priority areas, track progress, promote peer learning and share experience.

The outcome of the Regional Consultation will be considered as an input to form a common African position for the upcoming Third International Conference on Financing for Development, which is being held in July Addis Ababa.

### **The COMESA Summit on "Inclusive and sustainable industrialization"**

The Common Market for Eastern and Southern Africa (COMESA) started its Summit this week in Addis Ababa under the theme of "Inclusive and sustainable industrialization." The main thrust of the theme is to address industrialization in a holistic way by focusing on all factors that influence and impact on industrialization such as infrastructure. The Summit of the Heads of State and Government, the supreme policy organ of COMESA, will convene on March 30 and 31 at the African Union Commission Headquarters in Addis Ababa. The Summit meets once a year. It is responsible for the general policy direction and control of the performance of the executive functions of the organization. This year, Ethiopia is expected to take over the COMESA Chairmanship from the Democratic Republic of Congo.

Preceding the Summit there have been meetings of other COMESA organizations during the week, and the Council of Ministers, the second in the hierarchy of COMESA policy organs, mandated to monitor COMESA activities, including supervision of the Secretariat, meets on Saturday (March 28). The Council will consider the recommendations of the Intergovernmental Committee (IC) whose 34<sup>th</sup> session opened on Sunday

(March 22). The Intergovernmental Committee brings together the Permanent or Principal Secretaries designated by each of the 19 Member States of COMESA – Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Zambia and Zimbabwe. The Intergovernmental Committee is responsible for the development of programs and action plans in all fields of co-operation except the finance and monetary sector. It reviewed the progress reports on Trade and Customs, Infrastructure (Airspace Integration; River Nile Projects; and Construction of the Border Markets); the report on financing COMESA Programs from COMESA Institutions and Co-operating Partners; the Progress Report on the Implementation of the COMESA Micro Small and Medium Enterprises Strategy; Cooperation among Member States in the Manufacturing of Essential Drugs; and the draft COMESA Industrial Policy and COMESA Monitoring and Evaluation Policy Directives.

Ethiopia's Minister of State at the Ministry of Industry, Mebratu Meles, opened the meeting of the Intergovernmental Committee with a call to member States to demonstrate unparalleled commitment to the implementation of COMESA programs. He urged delegates to take stock of the status of the agreed COMESA programs and the state of domestication of instruments by Member States with a view to proposing the next best steps forward. He emphasized the importance of integration which he said presented "unique opportunities to harness resources, harmonize policies and achieve deep trade liberalization so as to reap the evident benefits that accrue from such integration." He stressed that "The realization of the vision of COMESA of high living standards for its people can only be achievable through implementation of programs with unparalleled and dedicated commitment from all Member States." He noted that intra-COMESA trade had increased dramatically over the past few years reaching USD\$20.9 billion in 2014. This, he pointed out, did not include informal cross-border trade. Despite this development being encouraging, he said, member states needed to ensure value addition to their products while empowering the Small, Medium and Micro Enterprises in line with this year's Summit theme. Value addition, he underlined, would lead to diversification of intra-COMESA exports and therefore enhance intra-regional trade. In turn, this would spur intra-regional investment and job creation. It is therefore incumbent upon all of us to sustain the momentum and consolidate the gains thus far achieved." Dr Meles urged the delegates to make effective and solid recommendations to help the region diversify the products they export and push their economies to higher levels.

In his address, Secretary General Sindiso Ngwenya informed the delegates that one of Africa's most ambitious programs, the COMESA-EAC-SADC Tripartite Free Trade Arrangement, was ready for launching. The Tripartite Free Trade Area will be implemented on June 10 this year in Egypt, bringing together a combined population of 625 million people and gross domestic product of US \$1.2 trillion and **accounting for 58 percent of Africa's gross domestic product**. The Tripartite FTA will be the launch pad for the Continental Free Trade Area (CFTA) in 2017 under the auspices of the African Union. Mr Ngwenya said "Through the Tripartite arrangement we are not only witnessing the creation of a single FTA, but the harmonization of policies and programs on trade facilitation that have been like an albatross [round] our necks due to the overlapping membership."

The draft COMESA Industrialization Policy was presented and discussed during the Inter-Governmental Committee meeting. Secretary General Ngwenya said the policy had been developed after the public-private dialogue organized by the Committee on Industry, and had been enriched by information from the African Union Action Plan for Accelerated Industrial development for Africa and the Action Plan for the Africa Mining Vision. The draft policy will address the economic transformation of the COMESA region through inclusive and sustainable industrialization based on value addition, local content and SMEs participation in the national, regional and global supply chain. The policy aims to promote manufacturing through agro-processing, leather and leather products, cotton and garments, mineral beneficiation, light engineering and pharmaceuticals. Once implemented, Member States are expected to improve the regulatory environment and provide supportive basic infrastructure and to grant appropriate incentives for attracting labor-intensive industries to address the challenge of unemployment. The policy also considers the need for improving related areas: fiscal, competition, environment and climate change and policies and laws on special economic zones.

During the week, the COMESA Business Council, the voice of the private sector in COMESA, also hosted a two-day open forum on Wednesday and Thursday (March 25-26) with the theme: "Combating Illicit Trade - Taking Action for Industrial Competitiveness." This meeting was co-hosted with the Ethiopia National Chamber of Commerce.

## **Ethio-South African Business Forum meets in Addis Ababa**

An Ethio-South African Business Forum was held this week (March 23, 2015) in Addis Ababa, to discuss the wide range of trade and investment opportunities in both Ethiopia and South Africa. Organized and facilitated by Ethiopia's Ministry of Foreign Affairs, the Forum brought together senior government officials, investors, company owners and CEOs, and demonstrated the prospects of building partnerships in trade and investment to stakeholders from both countries. The Forum was attended by over 100 business people including over 40 representatives from leading South African companies engaged in agro-processing industries, manufacturing sectors, the mining and energy sector, construction, commodity buying, project financing, capital equipment and electro-technical equipment businesses and other service sectors.

State Minister of Foreign Affairs, Dr Yinager Dessie, opening the conference, stressed the significance of the forum in bringing the business community, other partners and stakeholders from the two "brotherly countries," together for business sessions on the common concerns of advancing trade and investment cooperation. Now that Africa is making remarkable strides in attracting Foreign Direct Investment (FDI) and diversification of its trade, as inter-African trade is intensifying, and people-to-people contact is increasing tremendously with the growth of infrastructure, Dr Yinager noted that "it is Africa's Century by all measures and standards."

The State Minister emphasized that the people of Ethiopia and South Africa had a long proud history of relations, with a significant track record of fighting colonialism and Apartheid. He also noted that the two countries had more recently forged a strategic partnership through a number of mechanisms supporting their economic cooperation. These included the Joint Economic Commission, adopted in 2008, along with the agreement entered into the same year on a Bilateral Investment Promotion and Protection Agreement, as well as the Memorandum of Understanding on Industrial and Technical Cooperation. Dr Yinager said the Ethio-South Africa Forum would further deepen existing bilateral relations through fostering strategic economic and solid business partnerships. To this end, he noted that the Ethiopian Government remained committed to fostering existing cordial relations and enhancing the bilateral ties in trade and investment.

Reminding South African companies and investors of prospects of investing and doing business in Ethiopia, the State Minister underlined the huge potential market, skilled personnel and ample labor force available in the country. He noted that "South African companies and investors can take advantage of Ethiopia's huge and vibrant market potentials" as the country offers a strong internal market with the second largest population in Sub Saharan Africa. He said that South African companies and investors had come to the right destination for trade and investment as the Ethiopian Government offered "a wide assortment of generous investment incentives." The State Minister, reassuring South African companies and investors about the competitive edge of the market and the profitability of businesses in Ethiopia, reminded his listeners that Ethiopia, in a bid to "lower costs and [facilitate] business processes, and thereby increase its competitiveness," envisaged developing enormous increases in productivity, which would be driven by ongoing heavy investment in both human and physical infrastructure. "The Ethiopian Government is massively supporting the development of industrial zones as one of the key strategies to facilitate and support foreign and domestic private sector partners," he said. According to Dr Yinager, the structure of the industrial zones was, in particular, designed to help companies engaged in agro-processing, manufacturing of leather products, textile and garment manufacturing, and the manufacturing of value-added goods.

Equally important in fostering economic growth and development in Ethiopia, the State Minister emphasized, was the priority being placed on promoting FDI and enhancing external trade with neighboring countries in the sub-region and beyond. He said that as "Ethiopia is pursuing pragmatic and conducive policies that have driven our efforts towards the right path for economic and social development", the country has been praised as the fastest growing non-oil economy on a global scale. This underlined the tremendous headway it had made over the last two decades in registering "impressive growth and being a catalyst for regional integration."

Ethiopia's commitment to promoting regional integration, the State Minister told participants, was evidenced in the various regional interconnection projects currently being undertaken. In addition to expanding its road links and networks with neighbors, it has also launched railway projects covering some 2,400 kms to link up producers and consumers in the East African region and beyond. The State Minister also noted that Ethiopia had begun a "striking drive" to produce hydropower for its own energy needs and for those of its neighbors. In the nearly completed first phase of Ethiopia's Growth and Transformation Plan (GTP), ending later this year, the country has almost reached its planned targets of scaling up electricity production from a mere 2,002mw to 10,000mws, building 2,500 miles of new power distribution lines, and

rehabilitating over 4,800 existing transmission lines. Ethiopia's "abundant and renewable energy resources also make it an attractive destination for investment in clean energy." The State Minister expressed the firm commitment of the Government to extending support to South African Companies and investors in their efforts to do business in Ethiopia.

A number of key presentations were made at the Forum including an explanation on 'Investment Opportunities in Ethiopia' by Yohannes Tilahun, a Senior Director at the Ethiopian Investment Commission (EIC); a sketch of 'Trade Opportunities in Ethiopia' by Mrs Haimanot Tibebu, Director for Export Trade Promotion at Ethiopia's Ministry of Trade; and a presentation on 'Investment and Trade Opportunities in South Africa' by Dr Julius Nyalunga, Director for Export Promotion at the Department of Trade and Industry, South Africa. There were also briefings on 'Agro-Processing and Manufacturing Sector Opportunities in Ethiopia;' 'Energy and Power Sector Opportunities in Ethiopia;' and 'A view from the Ethiopian private sector' by senior officials drawn from Ethiopia's Ministry of Industry, Ethiopian Electric Power, and the Ethiopian Chamber Of Commerce and Sectoral Association.

The Ethio-South African Business Forum ended with Business-To-Business (B2B) and Government-To-Business (G2B) Network Sessions. Throughout the day, South African companies were able to hold roundtable consultative sessions and meetings with their Ethiopian counterparts. They were able to assess business and investment opportunities in Ethiopia and by the end of the Forum both sides had shown considerable interest in expanding bilateral ties with each other in many areas of trade and investment.