

A Week in the Horn

29th May 2015

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News in brief

African Union

2015 is the Year of Women's Empowerment and Development towards Africa's Agenda 2063, and Africa Day (May 25) this year is the occasion of the 52nd anniversary of the African Union. President Mugabe, Chairperson of the African Union, said the African Union, had taken a great leap in gender equality, for women's empowerment and development and most Member States had moved "to mainstream gender issues into their national laws and development programs."

Ethiopia

Ethiopia celebrated the 24th Anniversary of Victory Day, the overthrow of the military dictatorship of the Derg, on Thursday, May 28. President Dr Mulatu praised the Ethiopian people for their firm and determined efforts to ensure peace, stability and development over the last quarter of a century and congratulated the country on last weekend's free, peaceful and credible elections, a real indication of the country's growing democracy. (See article)

The National Electoral Board of Ethiopia announced on Sunday that voting for the 5th General Election had been accomplished peacefully and successfully. The African Union Election Observer Mission described the elections as "calm, peaceful, and credible." Prime Minister Hailemariam described the high turnout of voters as a manifestation of the democracy flourishing in Ethiopia. He told Al Jazeera that Ethiopia's democracy was a house in the making where every election was getting better than the previous one. (See article)

On Wednesday (May 27), the National Electoral Board of Ethiopia issued preliminary election results for 442 seats in the House of Peoples' Representatives. Of these, the Ethiopian Peoples' Revolutionary Democratic Front has secured all of those so far declared. Final results will be announced on June 22.

Dr Tedros visited Djibouti at the beginning of the week, holding "very productive bilateral discussions" with Prime Minister Abdulkadir and Foreign Minister Mahmoud. Discussions focused on the progress of the economic integration between Ethiopia and Djibouti that was agreed at the heads of state and government meeting in February.

Sufian Ahmed, Minister of Finance and Economic Development, signed an agreement on May 19 in Beijing with the Chinese National Reform and Development Commission to expand Ethiopia's industrial capacity building with a focus on industrial development in manufacturing.

State Minister of Foreign Affairs, Ambassador Berhane Gebre-Christos, met a Qatari Delegation headed by Qatar's Assistant Minister for Foreign Affairs, Mohammad Abdullah Al Rumaihi, on Wednesday (May 27). Qatar has plans to set up a major project for a multilateral trade and industrial corridor, bringing together Ethiopia, Kenya, Uganda and South Sudan.

The World Bank said on Friday last week (May 22) that Ethiopia's economy was expected to grow by 9.5% this fiscal year, which ends in June, before accelerating to 10.5% for 2015/16. The service and agriculture sectors were likely to drive growth, along with the construction sector. The Bank expected inflation to average 7.2% this year, rising to 8.2% next year.

Djibouti

The government of Djibouti has selected a Welsh-based aircraft company, Cardiff Aviation, to partner its planned new national carrier, Air Djibouti. A Memorandum of Understanding (MOU) was signed last week under which Cardiff Aviation (UK) will manage an Air Operators Certificate for Air Djibouti, source aircraft and provide operational management.

Eritrea

Eritrea celebrated its 24th anniversary of independence on May 24. In his annual address, President Isaias again identified the main architect of those "encroaching on Eritrea's independence and sovereignty" as the United States. (See article)

Kenya

Al-Shabaab terrorists attacked several Kenyan police vehicles near Garissa on Monday night (May 25) injuring at least five officers and burning five cars. The interior ministry said no police officials were killed, though one later died of his injuries. Two attackers had been killed.

Somalia

The Security Council adopted a resolution on Tuesday (May 26), extending the mandate of the United Nations Assistance Mission in Somalia (UNSOM) until 7 August, pending consideration of a review of regional and international efforts in the country and consideration of a joint African Union-United Nations review of an increase in numbers of AMISOM in 2013.

Prime Minister Omar Sharmarke visited Kismayo this week for talks with Jubaland leader Sheikh Madobe, to discuss the integration of Jubaland forces in the Somali National Army and deployment of the SNA in Jubaland. He was accompanied by the Ministers of Transport and Aviation, Religion and Cultural Affairs, Posts and Communications, and Constitutional Affairs.

Sheikh Hassan Turki who played a leading role for over thirty years in Islamic extremism and was often referred to as the godfather of Islamic militancy in Somalia, died this week after a long illness. A founding member of Al-Itihaad Al-Islami in the early 1990s, a leading member of the Islamic Courts Union in the mid-2000s, and subsequently of Hizbul Islam, he was more recently associated with Al-Shabaab and Al Qaeda.

The Somali Government issued data for a new Population Estimation Survey on Tuesday (May 26), to pave the way for a census next year. It estimated the total population at 12.3 million of which 5.2 million were living in urban areas and 2.8 in rural areas. 3.2 million were classified as nomadic and 1.1 as internally displaced. Three quarters of the population were below 30 years.

Two hundred Somali police officers completed a three-month training course in Djibouti at the weekend. The course, the fourth of its kind, was run by members of the Italian carabinieri. It focused on maintenance of law and order, and protection of VIPs as well as crime scene investigations. The closing ceremony was attended by Somalia's Interior Minister Abdourazak Mohamed and the Commander of the Italian Carabinieri, General Tullio Del Sette.

The Government of the United Arab Emirates (UAE) has donated a consignment of five armored vehicles, twenty Toyota pickups and one ambulance to the Interim Jubaland Administration.

South Sudan

The AU Peace and Security Council meeting Friday (May 22) expressed its extreme concern at the further deterioration of the situation in South Sudan and called for the imposition of sanctions and an arms embargo on the warring leaders. (See article)

The South Sudanese army said on Monday (May 25) that it had regained control of Malakal, the capital of Upper Nile state, a week after it had fallen to rebels. An army spokesman said government forces entered Malakal on Monday without a fight.

President Salva Kiir sacked the head of the national oil company and the under-secretary of the ministry of trade on Monday (May 25). This followed criticisms of the two officials and of the head of the central bank in parliament over management of letters of credit and claims of shortages of essential commodities and increases in consumer prices.

The head of the United Nations Mission in South Sudan (UNMISS), Ms Loj, said at the weekend after visiting Bentui, Unity state capital, that UNMISS faced “a great challenge” in protecting displaced civilians. (See article)

Sudan

President Omar Hassan al-Bashir held talks with the Emir of Qatar in Doha on Sunday (May 24) following his meeting with King Salman Bib Abdel-Aziz in Saudi Arabia last week. He was accompanied by Defense Minister Abdel-Rahim Mohamed Hussein, and Foreign Affairs Minister, Ali Karti. Talks were dominated by political and military developments in Yemen.

Foreign Minister Ali Karti said on Sunday that the Sudanese government had accepted a request from IGAD for the Sudan to be more actively involved in the efforts to bring peace in South Sudan. The African Union, EU, UN Security Council and Troika countries, as well as Algeria, Chad, Nigeria, Rwanda and South Africa, respectively representatives for north, central, western, eastern and southern Africa, will be involved in the next round of IGAD-plus mediation.

Victory Day: the 24th Anniversary of the overthrow of the military dictatorship

May 28th, twenty four years ago, marked a momentous day for the peoples of Ethiopia, bringing to an end nearly two decades of war and instability. It was a historic day for the Nations, Nationalities and Peoples of Ethiopia who had suffered and endured the brutality of the extreme and ruthless military dictatorship of the Derg. It was a day that offered survival rightly to all peoples of Ethiopia, dried the tears of every segment of the population and offered hope, peace, dignity and development. It was a day that wrote the final end to the dark years in which the misguided and ill-informed ‘Marxist’ policies of the military regime had shattered the lives of so many civilians across the country. Victory Day was, indeed, the start of a real transition to peace and stability, democracy and economic development.

During the Derg’s time, the country faced deep-rooted economic, political and social problems across the country. People were determined to have real and effective change and the ‘National Question’ was just one of the first demands for socio-political change. The demise of the Derg in 1991 had been preceded by a long period of civil unrest as well as the steady advance of the unified opposition of the Ethiopian peoples, led by the Ethiopian Peoples’ Revolutionary Democratic Front (EPRDF). Their victory was not just a mere change of Government; it was a victory which opened the way to peace, development and democracy for the Ethiopian People. Those long years of struggle against military rule and towards development, peace and stability, democracy, fraternity, justice and equality were not in vain. The newly established Transitional Government immediately embarked on the path of transforming Ethiopia from a militarily-controlled, oppressive and Marxist dictatorship to a free and democratic federation as exemplified by the Constitution of 1995.

The New Ethiopia, with its vision of realizing unity in diversity, was constituted on the basis of equality, mutual respect, the common aims and interests of all the Nations, Nationalities and Peoples of Ethiopia as well as of all the country's religions and faiths. It is with this in mind that May 28 (Ginbot 20), Victory Day, is celebrated throughout the country.

May 28 brought about a fundamental shift to growth and development in the country and laid the foundation for Ethiopia's renaissance. The Transitional Government established a firm basis on which Ethiopia has been able to achieve remarkable successes in development and democratization as well as in international relations. These have included the formulation of a democratic constitution and the carrying out of a series of democratic elections, in which the people have voted freely for their own leaders and representatives. This constitution has provided the foundation for all the policies and strategies of the country and has allowed a series of five, highly successful, national and federal state elections.

Ethiopia has become one of the fastest growing economies in the world with impressive agricultural and industrial results both in urban and rural areas, substantial and significant infrastructure development, and major social developments in health and education. The wide variety of pro-poor policies have been supplemented by a series of major infrastructure developments, notably the Grand Ethiopian Renaissance Dam, using internal resource mobilization. At the same time, Foreign Direct Investment, technology transfer, technical assistance and foreign trade have all shown significant increases. The double digit growth of the last twelve years is a vivid illustration of the success of these policies, with their guaranteed element of public participation, focusing on addressing priorities at home, aiming at democratization and winning the war on poverty.

Similarly, the Foreign Affairs and National Security Policy and Strategy has helped Ethiopia play a major role in bringing peace and security to the Horn of Africa and encouraged its continuing and expanding role in peacekeeping operations, for the UN and the AU as part of its commitment to collective security. Ethiopia has represented Africa in negotiations on various international fora, notably in climate change discussions. The country's image has undergone major improvements. It has worked hard to minimize its own vulnerability to threats, while its internal developments and the building of people-to-people ties with neighbors has demonstrated its commitment to regional peace and stability.

As President Dr Mulatu Teshome said in a message to the people of the country on Thursday [May 28], the Ethiopian government has managed to realize fast and sustainable economic growth for the past 24 years. Accurately targeted development policies, concentrating on agricultural production and the real commitment of the leadership had helped millions of Ethiopians to pull themselves out of poverty. He noted the Government's measures to increase production and productivity of pastoralists and provide them with new agricultural technology. **Health coverage was now virtually one hundred percent and the average life span of Ethiopians had increased from 45 to 64 years. The 19% of the population that had access to potable water in 1991 had now risen to 85%.** The President praised the Ethiopian people for their firm and determined efforts to ensure peace and stability and to cooperate with the Government in fighting terrorists and anti-peace elements. Ethiopia, he noted, was recognized not just by its neighbors but by the international community for its efforts in working for lasting peace and stability in the region. The President also congratulated the Nations, Nationalities and Peoples of the country on the free, peaceful and credible national and regional state elections last weekend. They were, he said, a real indication of the country's growing democracy.

Ethiopia's general election: "calm, peaceful and credible"

Since the adoption of a democratic constitution in 1995, following a comprehensive dialogue among the country's nations, nationalities and peoples, Ethiopia has enjoyed a pluralistic political platform for the people to take sole ownership of political power and the decision making process. This democratic framework has put in place the necessary legal basis under which all political stakeholders are bound to observe the rule of law and respect the choices and democratic rights of the people in choosing their own government through free, fair and democratic elections. To ensure the success of this democratic political dispensation, the National Electoral Board of Ethiopia, an organ independent of any political affiliation, was set up with the mandate of organizing the pre-election processes, the elections themselves and the post-election activities. It is mandated to make sure electoral activity is governed by the electoral law of the land and that the national election process is conducted in a free, fair, democratic and peaceful manner. Over the

last 25 years, the National Electoral Board of Ethiopia, therefore, had presided over 5 national elections, most recently the Fifth-Round General Election held on Sunday (May 24).

Professor Merga Bekana, Chairman of the National Electoral Board of Ethiopia, emphasized strongly that the most recent Election was an improvement on its predecessors in every way. He noted that the 2015 Election was characterized by a record number of registered voters, with nearly 36.8 million voters registered to cast their ballots at 45,795 polling stations across the country. This was an increase of 15.3% over the number of registered voters at the last election in 2010. 2015 also showed a significant improvement in the participation of women voters with 17.87 million out of 36.83 million registered, over 48.5% of the total. In 2010, the number of women voters was 15.2 million. The number of women candidates also showed an increase of 98% over the figure in 2010.

The National Electoral Board of Ethiopia also said this election showed an improvement in establishing all the necessary arrangements and legal platforms required for a free, fair, peaceful and credible election. The Board has carried out a whole series of relevant reforms to make sure the national elections would be seen as credible in the eyes of the nations, nationalities and peoples of Ethiopia. The Board said these arrangements included the signing of the Codes of Conduct governing the activities of all competing parties, the setting up of fair and transparent mechanisms to address any potential complaints from competing parties, timely provision of election materials and equipment and other relevant logistical arrangements, as well as the organization and facilitation of training for law enforcement officers, election officials and leaders of mass organizations.

In order to build the capacity of competing parties and encourage participation in enhancement of the country's multi-party system, the NEBE disbursed funds amounting to 30 million Birr to help cover the campaigning costs of all competing parties. A total of 600 hours of television airtime and 700 newspaper columns were allocated to the parties. The parties also engaged in a series of nine televised two-hour-long debates covering such subjects as multi-party democracy, good governance and the rule of law, federalism, agriculture and rural development, urban development and industrial policy, education, health, infrastructure and foreign policy and national security. Professor Merga pointed out that in all these areas the process of the election had been significantly improved "and the capacity of contesting political parties has become more solid and stronger."

After the election, the National Electoral Board of Ethiopia said the voting had been completed successfully with a record turnout and a clear demonstration of peaceful and orderly voting. The Chairman of the Board, Professor Merga, said he was proud of the Ethiopian public for "your amazing and peaceful participation in making the 2015 General Election stable, smooth, peaceful and successful." In a similar vein, the President of the Coalition of Ethiopian Civic Associations, Mr Tadele Yimer, noted that the voting, the counting of votes, the process of cross-checking and the joint signing of minutes by political party representatives and officials were all conducted in a free, democratic and transparent manner. A total of 250,000 public election observers were assigned across all constituencies and in all polling stations with over 41,000 civic society observers, representatives of contesting political parties, and 59 African Union observers.

The African Union Election Observer Mission, headed by Hifikepunye Pohamba, former President of Namibia, included 50 Short-Term Observers and nine Long-Term Observers drawn from the Pan-African Parliament, Election Management Bodies, Civil Society Organizations, Human Rights Institutions, and Think Tanks and experts from different African Countries. Its mandate was to make an independent, impartial and objective assessment of the 24 May 2015 Parliamentary elections in the Federal Democratic Republic of Ethiopia. The Mission was provided with a comprehensive briefing from the National Electoral Board of Ethiopia (NEBE) as well as representatives of political parties and candidates; members of the diplomatic Corps, representatives from civic organizations; the media; the national office of the Ombudsman, academics and other stakeholders. It also held consultations with the Prime Minister, other senior officials and leaderships of political parties.

The NEBE registered 58 contesting political parties for the 2015 elections of which 23 parties were contesting at the national level and 35 parties at the regional level. There were 5,819 candidates of which 4,549 were male and 1,270 female; 3,991 candidates were involved at the federal level and 1,828 in the regional elections, and on Election Day, the AU Observer Mission teams visited 356 polling stations in their areas of deployment across eight of the country's federal states and the two chartered cities.

Following the vote, the Mission produced its preliminary report this week. It noted that Ethiopia's adoption of democracy since 1995 had brought about rapid development including an incremental democratic improvement moving to a multiparty democracy. It said the political environment had been generally peaceful and calm, though it mentioned reports of skirmishes between supporters of opposition political parties and the ruling party in Bonga district in the Southern Region. The Mission said it was satisfied with the conduct of the political parties, their candidates and supporters in the lead up to the elections. It commended the nations, nationalities and peoples of Ethiopia for maintaining peace and stability in the country. It noted the concerns raised by some political parties and interlocutors over sections of the Media law, the Anti-Terrorism law and the Charity and Society Law, which had been passed by the Government to protect the lives of citizens and to ensure journalists and NGOs operated within the law. The Mission urged the Government to strike a balance between promoting domestic grown democracy and the capacity of local civil societies to implement programs. In reference to the Media law, it also urged a balance between individual rights and the imperatives of state security.

The Mission said the National Electoral Board of Ethiopia had been adequately prepared to conduct the elections in the regions it observed. It further noted that after the 2010 election the Board had undertaken a post-election evaluation which had served as the basis for a number of reforms this time round including political party funding, redistribution of media airtime for political party campaigning and increased voter education. The Mission recognized the role of the Civil Society Organizations and complimented the efforts of NEBE in terms of reaching out to the voters. It commended the NEBE, the Ministry of Information and the Ethiopian Broadcasting Authority for allocating 600 hours of free electronic media airtime and 700 columns in the state owned print media for all political parties. Some parties did not use all the time available and some made no effort to use the allocation at all. Some political party campaign messages did not meet the requirements set by EBA and therefore could not be transmitted; in some cases the parties were unwilling to revise their messages.

The Mission emphasized both the rights of parties to express political opinions freely and the agreement not to use abusive language and /or incitement to hatred. The Mission noted that out of the 37 million eligible voters, a total of 36.8 million voters were registered, of whom 48% were women, though women represented only 27.9% of candidates. While it welcomed the progress made in involvement of women in the elections, the Mission also said this still fell short of the gender parity principle enshrined in the Constitutive Act of the African Union. It, therefore, encouraged political parties and the Government to adopt further measures to achieve gender parity within party structures and elective offices.

With regard to the Election Day itself, the Mission visited 356 polling stations, 64.5% of these being in rural areas. It said the voting proceeded in a peaceful and calm atmosphere without reports of major incidents. It commended the NEBE for the satisfactory technical conduct of the elections, with polling stations opening on time and election materials delivered on schedule. There were a number of minor points raised, including the failure at some polling stations to show ballot boxes as empty before the opening of the poll and in some polling stations campaign posters were visible. The Mission noted that at 95% the secrecy of the vote was guaranteed. Domestic and public observers were present in most of the polling stations visited, though women only accounted for 37% of observers. Party and candidate agents were present in all polling stations visited, though the larger parties were better represented.

The Mission also made a number of recommendations including suggestions that the NEBE should create a national register of voters for easy auditing and verification by electoral stakeholders; it should also adopt serialized ballot papers with duplicates, better quality indelible ink and appropriate ballot boxes; and carry out more training of independent observers and party/candidate agents; and ensure that all polling staff comply with the stipulated polling hours; and put in place measures to improve the participation of women in the electoral process as candidates and polling agents. It also suggested enhancing the capacity of Civil Society groups and the Ethiopian Broadcasting Authority to undertake long-term media monitoring and issue public reports during the electoral process.

In conclusion the Mission described the election as "calm, peaceful, and credible" and said it "provided an opportunity for the Ethiopian people to express their choices at the polls." The Mission congratulated the Government, Nations, Nationalities and Peoples of Ethiopia for holding another periodic election, as provided for by the Constitution, and said it had been "organized and conducted in accordance with the constitutional and legal provisions as well as the rule and regulations governing the conduct of elections in Ethiopia." The election has also been "generally consistent with the AU Guidelines on the Conduct of Elections

in Africa.” The Mission encouraged “Political Parties, Candidates, their Supporters and the Electorate to maintain the prevailing atmosphere of peace that characterized pre-election and Election Day and urged the use of the legal channels of complaints and appeals should there be any post electoral disputes.”

African Economic Outlook forecasts Ethiopia's growth to continue

The African Development Bank Group released its African Economic Outlook 2015 on Monday (May 25) underlining the importance of unleashing the potential of local economies for more inclusive growth in Africa. With a population set to triple by 2050 this will be vital to make the continent more competitive and increase living standards. Despite the global financial crisis, the AfDB sees African economies growing by 4.5% in 2015 and possibly reaching 5% in 2016, converging with Asia’s current growth rates. Equally, lower oil and commodity prices, uncertain global conditions, the consequences of the Ebola outbreak in West Africa and domestic political uncertainties could delay the expected return to pre-2008 levels of growth. It forecasts Foreign Direct Investment (FDI) reaching US\$73.5 billion in 2015, including increasing greenfield investment from China, Africa’s largest trade partner after the European Union. The report also shows an increase in intra-African and outward FDI flows. The Acting Chief Economist and Vice-President of the African Development Bank, Steve Kayizzi-Mugerwa, said "African countries have shown considerable resilience in the face of global economic adversity. For future growth to be sustainable and transformative will require that its benefits are shared more equitably among the population and that governments continue to pursue policies that promote economic stability."

The Bank again places Ethiopia as one of the leading economies with an expected 9.5% growth this fiscal year, ending in June. In 2013/14, Ethiopia’s economy grew by 10.3%, and this strong growth is expected to continue in 2015 and 2016. With coordinated and prudent fiscal and monetary policies, inflation has been kept to single digits since 2013. Among other factors, federalism and devolution of power to the regions are paving the way to overcoming the geographic and socio-economic barriers to inclusive growth and structural transformation. Over the past decade, the public-sector-led development strategy, focusing on heavy investment in infrastructure has also underpinned the country’s strong economic growth. The high rate of growth has been inclusive, spanning different economic sectors and benefiting both urban and rural communities. A large number of new jobs have been created in both the public and private sectors, particularly through the boom in construction which covers infrastructure, housing and commercial development.

After a decade in which real GDP growth averaged 10.8% a year, in 2013/14 the economy posted 10.3% growth. The 12 months from July 2013 showed all the main economic sectors performing well. Agriculture (which represents 40.2% of GDP) grew by 5.4%, industry (14% of GDP) expanded by 21.2% and services (46.2% of GDP) rose by 11.9%. The expectation is that this positive growth will continue for the next two years, although constraints on private sector development could slow its momentum. Supported by a slowdown in global commodity prices, the Government succeeded in keeping annual consumer price inflation to 7.1% in December 2014 (down from 39.2% in 2011) by pursuing a tight monetary policy and using base money as the nominal anchor. Fiscal policy focused on strengthening domestic resource mobilization and reducing domestic borrowing with the goal of maintaining macroeconomic stability. A strong fiscal stance, particularly through measures to improve tax administration and enforcement, helped contain the fiscal deficit to 2.6% of GDP in 2013/14, up from 1.9% of GDP the previous year. Merchandise exports expanded in value by 5.6% in 2013/14, reaching US\$3.25 billion. Imports, mainly from Europe and Asia, rose from US\$11.5 billion in 2012/13 to US\$13.7 billion in 2013/14, causing the trade deficit to deteriorate from US\$8.4 billion to US\$10.5 billion. A good performance in other areas, non-factor services, private transfers and a surplus in the capital account, meant any effect on the overall balance of payments was contained.

The stock of public debt has been broadly stable over the past four years, at 26% of GDP, well below the sub-Saharan Africa average of 47.1%. This moderate level of debt is primarily due to the government’s success in containing the fiscal deficit below 4% of GDP over the past decade (2.6% in 2013/14) along with sustained and robust growth in GDP. The strategy of transitioning towards export-led growth has had limited results with exports rising by only 5.6% in 2013/14, as declining commodity prices affected exports of coffee and gold. Together with oil seeds, these still accounted for 56% of goods exports in 2013/14. Over the same period, imports increased by 20% driven by capital goods, a development which caused the current account deficit widened to 8.6% of GDP from 6.0% in 2013. Prospects for export diversification are positive, helped by a slightly improving environment for foreign direct investments (FDI) and potential electricity exports.

The service sector grew by 11.9% in 2013/14, mainly driven by an expansion in hotels and tourism (up 26.4%), financial intermediation (17.8%), wholesale and retail trade (14.9%), and transport and communications (13.7%). Over the same period, the industrial sector grew by 21.2% (14.4% of GDP, up 1.3 percentage points year on year) driven by construction, mining and manufacturing. The outlook for the sector remains positive with a range of government measures to boost jobs and increase value added, targeting both the export-oriented light manufacturing industries (garments, textiles and leather goods) and small and medium manufacturers. Ethiopia has strong potential to rapidly transform its economy, link increasingly into global value chains and become a major African manufacturer of the future.

The garment and textile industries show significant potential with the opportunity to expand into large-scale cotton production and leather. Ethiopia has the largest number of cattle in Africa. Furniture manufacturing could also develop from the country's sound forestry management and agro-processing draw more widely on the country's natural resources.

Agriculture continued to form the backbone of the Ethiopian economy in 2013/14 accounting for 40.2% of GDP, 80% of employment and 70% of export earnings. With favorable weather conditions, increased access to extension services for smallholders and a 1% expansion of cultivated surfaces, agricultural production rose 5.4% in 2013/14 with production hitting a record 27.7 million tonnes. The average yield per hectare also increased from 1.8 tons in 2012/13 to 2.03 tons in 2013/14. Vulnerability to environmental and climatic shocks remains a critical challenge for Ethiopia's agricultural sector, with rain-fed food production. Despite improving yields, productivity remains low partly owing to limited use of chemical fertilizers and improved farming practices. The agricultural sector still faces a number of constraints: marketing institutions and infrastructure are weak despite the Ethiopian Commodity Exchange's pivotal role in disseminating price information to farmers; rising price of agricultural inputs; and soil erosion due to over-cultivation, over-grazing, and limited land conservation practices. In 2013/4, approximately 2.7 million people were expected to be dependent on emergency food aid and another 7 million were estimated to be chronically food insecure in the pastoral, agro-pastoral and some drought-prone areas. Nevertheless, the potential for growth in agriculture is enormous. Agricultural productivity is one of the lowest in sub-Saharan Africa, and the Government is pursuing a number of initiatives: promoting the use of modern technologies, supporting commercialization of agriculture and production of high value crops, encouraging micro irrigation schemes, and improving marketing institutions and infrastructure. It is also encouraging the enlargement of farms through co-operatives and increasing access to training and finance, introducing incentives and tax breaks.

In terms of private-sector development, two significant developments marked 2013/14: new legislation on investments and new procedures to register share companies. The Ethiopian Investment Agency was upgraded to the Ethiopian Investment Commission, supervised by a Board chaired by the Prime Minister. The Document Authentication and Registration Office also began registering newly established share companies with the presence of just half of the shareholders plus one required, compared to the previous requirement that all shareholders present themselves. The Government significantly reduced the cost of doing business by simplifying regulations and improving the quality and effectiveness of support institutions. The Government and private sector representatives are holding at least two consultations a year following the terms of the Public Private Dialogue Forum agreed in 2010.

Ethiopia's banking sector is stable and sound. According to the IMF, the system-wide capital adequacy ratio stood at a comfortable 17.5%, (well over the 8% requirement). Return on assets and return on equity showed solid performance, at 3.1% and 44.6%, respectively. The NBE regularly monitors adherence to Basel I capital adequacy requirements, and virtually all commercial banks have risk-adjusted capital adequacy ratios well above the minimum requirement. The loan portfolio of banks also continues to be sound and the ratio of non-performing debt is currently below the 10% target (at about 2.1%). Growth in deposits has been robust and the share of savings and time deposits in total deposits has risen. Ethiopia has 19 banks, of which 16 are privately owned, and they form the country's main financial institutions. Access to financial services has been improving and the total number of bank branches reached 2,208 in 2014 (about 34% of which are located in Addis Ababa), bringing the ratio of bank branches to population from 49,675 to 39,834. The total capital of the banking system is ETB 25.6 billion (USD 1.28 billion), of which private banks account for 53.9%. The Commercial Bank of Ethiopia, the biggest state-owned bank, accounted for 34.2% of the total capital of the banking system.

Public Financial Management reforms have resulted in significant improvements and the directive to form audit committees that will follow up on audit recommendations in most districts (woredas) is to be

welcomed. A law to establish accountancy bodies was approved by Parliament and the Oracle Integrated Financial Management Information System (IFMIS) was adopted by six federal public bodies. Five regions are connected to the Integrated Budget and Expenditure (IBEX) system, and this is to be rolled out for all woredas. Anti-corruption campaigns have been intensified. Overall, the regulatory system is considered fair and interests in property are protected and enforced. Property and contractual rights are recognized and commercial and bankruptcy laws exist. Ethiopia ranked 36th and 38th out of 148 countries in business costs of crime and violence and organized crime by the Global Competitiveness Report of 2014/15. It ranked relatively high (54th and 69th) in terms of wastefulness of government spending and diversion of public funds.

The government's commitment to service-focused spending has led to significant gains in social indicators. Ethiopia is progressing towards the Millennium Development Goals (MDGs) faster than any other country in sub-Saharan Africa. According to the recent Demographic and Health Survey (DHS 2014), contraceptive prevalence increased to 42% in 2014 from 15% in 2005 and the coverage of antenatal visits reached 40% in 2014 from 28% in 2005. Under-five mortality declined from 123 per 1,000 live births in 2005 to 88 in 2010, while infant mortality dropped from 77 to 59 over the same period. Maternal mortality remains high at 420 deaths per 100,000 live births with skilled attendants at only 15.4% of births. HIV/AIDS prevalence among the adult population dropped to 1.3% in 2013, against the MDG target of 2.5%. By 2010, all residents of malaria-prone areas had insecticide-treated nets against anopheles mosquitoes, up from only 2% in 2005. In 2010, 90% of children aged under-five slept under insecticide-treated bed nets, compared to 5% in 2003. The death rate from malaria has declined by 55% and hospital admissions by 54%. There is now a 92.1% success rate in treating tuberculosis.

Public expenditure has focused on poverty reduction priorities outlined by the government's poverty reduction strategy. Priority sectors include health, education, agriculture, roads and water and sanitation. Ethiopia has one of the highest levels of pro-poor spending in sub-Saharan Africa and the budget allocation for 2014/15 for priority areas (health, education, agriculture, rural roads, water and decentralization) has increased to 84% of all public spending. As a result, poverty in Ethiopia has declined at an average rate of 1.94% per annum since 1995. The incidence of poverty fell from 45.5% in 1995/96 to 29.6% in 2010/11 and is estimated to have further declined to 24% in 2014. The target set out by the Growth and Transformation Plan 1 was to reduce poverty to 22.2% by 2015. Inequality as measured by the Gini coefficient has remained broadly constant at 0.298 in 2010/11 compared to 0.3 in 2004/05; the urban Gini coefficient has declined to 0.37 in 2010/11 from 0.44 in 2004/05.

The Government had worked to effectively integrate gender into policies, strategies and programs. Gender equality and female empowerment is one of the seven pillars of the GTP. **The Ministry of Women, Children and Youth Affairs and its counterparts at regional state level are responsible for ensuring that gender is addressed at all levels of administration and government.** There is near complete gender parity at the primary school level and at the secondary level it increased from 0.67 in 2007 to 0.82 in 2013. **Women held 27.8% seats in the national parliament in 2014, compared to 21% in 2005.** The Government has reviewed all discriminatory laws. Genital mutilation and other forms of violence against women are punishable crimes. However, participation rate of women in business and decision making remains low and female literacy is markedly lower than that of men, 47% to 63%.

The AU Peace and Security Council calls for sanctions on South Sudan

The AU Peace and Security Council meeting held last Friday (May 22), after a briefing on recent developments on the situation in South Sudan, made clear its most serious concern over the situation, and called for the imposition of sanctions and an arms embargo on South Sudan's warring leaders. In a press statement after its meeting in Namibia, the Peace and Security Council expressed its extreme concern at the further deterioration of the situation in South Sudan, including the escalation of hostilities and the deepening of the grave humanitarian situation. The Council expressed deep concern at the way that, in recent days, "the parties to the civil war in South Sudan have, again, abandoned the path of seeking a peaceful negotiated settlement to the civil war that is tearing apart their country." The Council noted that the people of South Sudan have already been devastated by war, and that the current escalation "threatens to unleash irreversible consequences" for Africa's youngest nation.

The Council reiterated the AU's deep disappointment "over the failure of the leaders of the belligerent parties in South Sudan to rise above personal and factional political interests and put the national interest and well-being of their people first." It strongly condemned the resumption of hostilities in South Sudan and the untold

suffering inflicted on the civilian population, in total disregard of International Humanitarian Law. It stressed that these actions were wholly contrary to the expressed will of the AU, the Inter-Governmental Authority on Development (IGAD), the United Nations and the international community as a whole. It underlined the particular relevance of its previous communiqués and press statements expressing its determination, in coordination with IGAD, to take the necessary measures against any party that fails to honor its commitments and continues to undermine the search for a negotiated solution. It noted UN Security Council resolution 2206 (2015) of 3 March 2015, through which the UN Security Council decided to impose targeted sanctions in order to support the search for an inclusive and sustainable peace in South Sudan.

The Council therefore called for urgent steps by the Sanctions Committee, established pursuant to resolution 2206 (2015), to designate individuals and entities subject to those measures. It requested the UN Security Council to urgently consider the immediate imposition of an arms embargo.

The Peace and Security Council reiterated the AU's commitment to extend full support to IGAD mediation efforts in South Sudan through the early operationalization of the AU High-Level ad hoc Committee and other related measures. It appealed to the Member States and the larger international community to urgently provide much-needed humanitarian assistance to alleviate the plight of the civilian population. In conclusion, the Peace and Security Council agreed to convene soon a meeting to consider the situation in South Sudan.

The AU Peace and Security Council statement followed the UN Security Council's strong condemnation of renewed violence in South Sudan over the last few weeks. The Security Council said military offensives by pro-government forces had led to the displacement of over 100,000 civilians and over 300,000 civilians were being denied access to aid being provided by aid agencies. It condemned in the strongest terms the repeated violations of the Cessation of Hostilities Agreement, and underscored that there was no military solution to this conflict. The Security Council also reiterated its willingness to impose sanctions against those who threaten the peace, security or stability of South Sudan.

The AUPSC statement did not meet with the approval of the South Sudan Government which immediately expressed its disappointment with the Peace and Security Council's call for sanctions. A statement from President Salva Kiir said that "At this time, discussion of sanctions is unproductive;" it added that "sanctions will only serve to fan the flames of the current tensions". It said sanctions "will not speed up dialogue and compromise and they will not feed and employ the people of South Sudan."

Earlier this week, aid workers said fighting in and around Leer town in Unity State had disrupted the crucial planting season. Nearly a hundred thousand people fled the town and surrounding areas about two weeks ago, after hearing reports that the warring forces were advancing on the area. Now they were returning but the International Committee of the Red Cross (ICRC) said the residents returning urgently needed food, water and medical help. The area's short planting season, which lasts just a few weeks, has been disrupted by the conflict. The ICRC said "we are really risking missing the planting season. People simply don't have time for that yet, that's the biggest concern." Hunger in Leer county, as in many of the worst-affected areas of South Sudan, is already at crisis levels. Without food aid, it would have reached emergency levels - one step from famine - according to the Famine Early Warning Systems Network.

There has been widespread condemnation of the renewed fighting. At the end of last week, the UN High Commissioner for Human Rights, Zeid Ra'ad Al Hussein, said the escalation of fighting in South Sudan had resulted in "alarming gross violations" of international human rights and humanitarian law as well as having exacted a terrible toll on South Sudan's civilian population. The conflict had been marked by brutal violence against civilians and deepening suffering across the country. Some 119,000 people are sheltered in UN compounds and the UNHCR estimates the number of people in need in 2015 will include an anticipated 1.95 million internally displaced persons and a projected 293,000 refugees. The UNHCR said that for more than 17 months, millions of people across South Sudan had been "senselessly suffering through an entirely man-made catastrophe" which has robbed more than two million people of their homes and livelihoods and plunged an entire nation into violent instability. "Over the past few weeks, the opposing parties have actually managed to make a terrible situation much, much worse," Mr Zeid declared. "I shudder to imagine how much more the humanitarian situation can worsen with the onset of the rainy season. The unrelenting, indefensible conflict in South Sudan should enrage the conscience of each and every one of us." He said that in recent weeks, the fighting in the country had worsened considerably with reports of widespread killings, rapes, abductions and the burning and destruction of towns and villages throughout South Sudan's Unity state. He also said UN human rights monitors had been denied access to various sites in the State by members of the

Sudan People's Liberation Army (SPLM/A) as they sought to verify the reports. He urged the authorities to allow such access pointing out that "persistent impunity has left many with unresolved grievances that are easily mobilized for renewed violence and revenge attacks." The High Commissioner said "the fight against such impunity must be a priority if any peace in South Sudan is to hold."

The United Nations Special Representative for South Sudan, Ellen Margrethe Løj, also urged accountability and justice for those responsible for gross human rights violations committed during the conflict. In a press release at the weekend, Ms Løj said the UN Mission to South Sudan (UNMISS) was "deeply troubled by reports of grave violations and abuses of human rights perpetrated during the fighting," adding that "we must be able to document these crimes by being given unimpeded access to areas where violence has occurred." She said "I want to reiterate how important it is to hold accountable all those who committed atrocities against civilians during the fighting."

The United States also condemned the intensified fighting and violence in Unity, Upper Nile, and Jonglei states in South Sudan by the Sudan People's Liberation Army and the armed opposition. It called on "all armed groups to immediately halt offensive actions taken in contravention of the January 2014 Cessation of Hostilities Agreement." A statement said "violations of international humanitarian norms, including the outright targeting of civilians already vulnerable to greater harm, especially women and children, and grave human rights abuses and violations of international humanitarian law by all sides are unacceptable." It added that "the international community will hold those who perpetrate such abuses and violations to account." The statement called on all sides to silence the guns immediately, permit the UN Mission in South Sudan to investigate the sites of all alleged human rights abuses and violations of international humanitarian law, and allow all humanitarian workers immediate, free and unobstructed access to conflicted-affected communities regardless of their locations. It said the human, social, and economic costs of this war had been devastating and the long-suffering people of South Sudan would have to bear the brunt of the potential long-term consequences of the fighting. Any damage to South Sudan's oil infrastructure, the statement said, would be an additional life-long wound to the people and jeopardize the development and rebuilding of South Sudan.

Eritrea's 24th anniversary: President Isaias once again [blames] the US for Eritrea's problems

Eritrea officially celebrated its 24th anniversary of independence on May 24 under the theme this year of "development through resilience". Eritrea achieved de facto independence on May 24 1991, but this was only formally ratified after the referendum held two years later in 1993. The official celebration marking the 24th Anniversary was held at Asmara Stadium and, as he has done every year since then, President Isaias, gave the address. As usual, President Isaias also related the significance of independence not just to the struggle for independence but to "the struggles and sacrifices paid to preserve and build it subsequently," adding that every year it was necessary to consider whether "we have preserved the independence and sovereignty of our country".

As he does every year, the President devoted a considerable amount of his speech to those whom he claimed were encroaching on Eritrea's independence and sovereignty. These, he said, were precisely those who had refused to accept the concept that Eritrea's independence did not serve their strategic interests in the 1940s. He identified the main element of these forces as the United States which he said had "antagonized us subsequently for almost half a century, and who were vanquished through our unparalleled heroism and resilience." Despite this success, since the end of the Cold War, he said, "prompted by greed and domination [these had continued] to harass us and derail our efforts of nation-building." It was these same powers, he said, which instigated Eritrea's border conflict with Yemen and had then "further induced skewed arbitral decisions." He appeared to be referring to the French organized arbitration that ended the Eritrean/Yemen war. It was also these forces, still led by the United States, which had also prompted what the President called a "fabricated conflict in collusion with Djibouti". Ignoring the fighting that had taken place after Eritrean troops had crossed the border and the Djibouti troops still held prisoner by Eritrea, he claimed this 'invention' had been organized by the US in order to undermine what he called "our historical place and role in the southern Red Sea and Bab-el Mendeb Straits." Similarly, these 'forces' had "exacerbated a meaningless conflict on account of Badme and associated border dispute using a subservient TPLF as a convenient umbrella: they blocked the implementation of the final and binding arbitral decision to impede a lasting settlement of the dispute: they stoked war and aggression through the flagrant flouting of justice." It was, he said, the failure of all these schemes aimed at inducing the capitulation of the Eritrean people, which had led these powers to impose sanctions on Eritrea on the basis of spurious pretexts.

None of this, of course, can be described as an even remotely accurate account of Eritrea's aggressive policies during the 1990s when it instigated conflicts with the Sudan, Yemen, Djibouti, and Ethiopia, least of all of the war against Ethiopia that Eritrea launched in 1998, Eritrea's subsequent defeat in 2000, or of Eritrea's repeated refusal to accept any steps to reach a lasting settlement or normalize relations with Ethiopia.

Referring to his normal mantra of "no war, no peace", President Isaias said all these activities (though he also described them as "vain subterfuges") had continued "to impair the political process of nation-building and to paralyze national economic development and growth," designed to keep Eritrea hostage in a web of regional crises. And not just Eritrea. The President said all this was all part and parcel of "their" global strategic interests. The results of this could, he said, be seen almost everywhere: in Afghanistan; Iraq; in the endless crises and disintegration in Somalia; in continuous turbulence in North and South Sudan; in subversion deliberately designed to plunge Egypt back into crises; in the chaos and destruction in Libya; in the turmoil and vacuum in Yemen; involved in instigating tensions in the Nile Basin for hidden agendas; in incubating and deploying terrorist organizations; and instigating and stoking misguided religious polarizations.

The result was to plunge "the entire region into interminable turmoil by undermining the regional organizations instead of allowing the countries of the region to solve their own problems." It also provided for the appearance of "self-styled or aspiring regional powers which misconstrue the vacuum and imbalances entailed by the war of chaos as a blessing in disguise and which aggravate the prevailing turmoil in order to promote their influences in the region." With unusual modesty, he refused to acknowledge Eritrea's central role in these activities or its determined efforts at regional destabilization over more than two decades.

President Isaias did also speak briefly of Eritrea's development, stressing that this was a priority, and emphasized, not for the first time, all-round development demanded time, resources and hard work as well as determination of appropriate and realistic phasing, the judicious use of resources including manpower, to face and overcome potential challenges. Unusually, in this context, he had nothing to say about Eritrea's migrant crisis and the continuing flight of thousands of people, mostly youngsters across the borders in Sudan or Ethiopia every month. Nor did he refer to the hundreds who have lost their lives in attempts to cross the Mediterranean to Italy in recent years. He normally ascribes this to the activities of the CIA. There was no indication in his speech of any efforts to change government policy or introduce policies that might stem the exodus.

President Isaias has nothing to say about actual achievements, merely noting that "the gap between the strategic objectives in each category and the progress achieved to date remains rather considerable." He said Eritrea was now finalizing the necessary preparations to start implementing "from this year" the major programs that had been previously shelved. It was at this point that the President mentioned government corruption, referring to "malpractices manifested this year by a few deluded and corrupt individuals and government functionaries". He gave no further details but it appeared to be a reference to recent suggestions from senior PFDJ and government officials that the government should relax controls and even release some prisoners in order to avoid further criticism from the international community and allow the EU to implement the promised aid package to Eritrea. The President's response to any such suggestions is said to have been negative and indeed threatening. He accused officials of supporting the idea in order to benefit personally from the expected aid package. As always, in fact, his speech seemed to offer little hope of possible moderation of any government policies or of any interest in improvement in relations with neighbors in the region.

Somali Perspectives: Institutional and Policy Challenges

The Istituto Affari Internazionali (IAI) in Rome, together with the Italian Ministry of Foreign Affairs and International Cooperation, the Italian Embassy in Somalia (MAECI), and the Embassy of Italy to Somalia organized a seminar in Rome on May 6. The theme was "Somali Perspectives: Institutional and Policy Challenges" and the two major areas covered were federalism and the nexus between security and development. Among those attending were the President of the Puntland State, Abdiweli Mohamed Ali, and the First Vice President of the Interim Jubaland Administration, Abdullahi Sheikh Ismail, along with scholars and experts from Somalia and from Italy. Other participants included Somalia's Ambassador to Italy, Mussa Hassan Abdulle, Ambassador-at-large Abdirashid A. Sed, members of the Italian Foreign Ministry, scholars and experts and members of the IAI.

The President of Puntland and the First Vice President of Jubaland both emphasized that federalism was the only option for re-establishing and consolidating the national unity of the country. In their presentations, they stressed that a federal system in Somalia was inevitable. It was impossible to re-establish failed policies in a centrally controlled government system. Federalism was a fact, and today the regions represented an effective reality. Indeed, federalism emerged as a necessity because of the disintegration of the central capability to defend national unity and guarantee conditions of peace and stability. Puntland and Jubaland shared the idea of autonomy for unity. The idea was first put into practice by Puntland in 1998 and Jubaland's path to autonomy was inspired by Puntland's experience. A representative of the Italian Foreign Ministry said Puntland and Jubaland represented indispensable building blocks for Somali reconstruction. Federalism, inspired by the concept of subsidiary responsibility, could guarantee governance closer to people's needs, and international efforts should be directed to supporting federalism. Intervention and assistance from outside should reach regional governments as well as central authorities.

There were suggestions that the federal project should be based on a new concept of Somalia avoiding tribes and clans. However, most of those present acknowledged the importance of clans and their role, underlining that clans seemed to represent an intrinsic character of Somali culture that could not be ignored. President Abdiweli Mohamed Ali noted that clans did not represent an obstacle to the formalization of a federal structure. A constitutional federal model would provide a sort of social contract in which each part, region or clan, accepted the principles of central authority and national unity.

Equally, participants agreed on the need to formalize and institutionalize the federal model. There were many points still to be resolved in a federal Constitution. For federalism to be effective precise definition of competencies between the federal government and the states were necessary, and needed to be fixed to avoid any risk of different interpretations and consequent conflict. These would need to cover, for example, the creation of an army, the composition and functions of the Federal Court of Justice, and the issue of possible secession. Determining the model and degree of federalism must be a priority.

Answering questions, President Abdiweli Mohamed Ali, and the Jubaland Minister of State for the Presidency, Abdighani Abdi Jama, agreed that the Somali people should choose the model. President Ali said 2016 was the crucial year because of the elections and the realization of the Constitution. Puntland and Jubaland were working for a strong federalism in which the majority of competencies were delegated to the states by the Federal Government. The Federal Government would retain control of foreign policy, defense policy and the army, monetary policy, and immigration. The rest should be delegated to the states in order to ensure the proximity of policies to the people. The Puntland and Jubaland administrations also want to see division of powers and resources as well as responsibility. They want to be able to have the capacity and resources to manage as much as possible for provision of public services. This, they argue, will in practice strengthen the unity of the country.

The second session of the seminar looked at the security–development nexus which, of course, relates to the activities of AMISOM and the responses to the threats of piracy, terrorism, Al-Shabaab, and refugees and migrations. With progress being made in dealing with these threats, now is the time for donors to move away from crisis management towards development and capacity-building for the long-term.

The creation of federalism is obviously linked to security. The security of Somalia is also strongly linked to development: it is not possible to pursue the one while neglecting the other. President Abdiweli Mohamed Ali said the security of Somalia was also strongly related to the institutionalization of the country. The first step towards ensuring security must be the creation of a functioning state, able to defend the life, liberty and property of its citizens. To ensure this, it was crucial to improve the capacity-building of Somali institutions. He said this involved first of all the successful conclusion of the constitutional process; secondly, the establishment of an infrastructural network; third, the formation of an autonomous army loyal to political power; and finally, civic education of the Somali people to convince them of the benefits that derive from national unity. Jubaland First Vice President, Abdullahi Sheikh Ismail, agreed, but stressed the creation of an army to deal with the first national and regional challenge of terrorism. Defense bodies loyal to the legitimate power were the required guarantee for the stability of a country. He said the autonomous states of Somalia should develop their own military forces and integrate them into the federal national army. Other participants suggested this dual approach could cause problems in coordination in the chain of command and composition of the army.

The representatives of both Jubaland and Puntland expressed their concern over the lack of infrastructure and essential services including education. President Abdiweli Mohamed Ali particularly stressed the importance of education, underlining the need to fight Al-Shabaab through education and ideologically rather than militarily. In light of Al-Shabaab's shift to asymmetrical tactics, terrorism could be defeated both through the activities of a national army and through a counter-narrative aiming to give the people the perception that a new and better model of living was possible. Democratic education, he said, was a relevant step in the capacity-building process. The importance of education on consensus and reconciliation was underlined and the concept of disarmament, demobilization and reintegration (DDR) should be inoculated in Somali society in order to avoid continuous revenge and desire for mutual destruction.

Participants also considered connections between improvement of national capacity-building and international intervention. Security and development, they argued, involved not just national actors; they also require reconsideration of the international approach to the Somali crisis. The main security challenge, terrorism, was seen as a cross-border threat requiring at least a regional approach. This required coordination between the countries of the Horn of Africa. The Italian Foreign Office representative underlined the need to face terrorism through a coordinated approach in which national interventions could be separated but always included in a regional comprehensive strategy. Participants noted that the international efforts to ensure security had been mainly realized through support to AMISOM whose current mandate is primarily based on military support for the Federal Government.

The Jubaland Minister for the Presidency, Abdighani Abdi Jama, said security challenges should be faced through three-levels of intervention: national with Somalia making its contribution; regional through coordination between neighbors; and international support. The international effort needed to be re-evaluated to increase its efficiency. Both Puntland and Jubaland agreed on the great value of AMISOM in dealing with terrorism, but they also noted that in the long term Somalia had to develop the institutional powers to deliver the necessary infrastructural network and judicial system. Participants agreed that it was now time for a new paradigm for international intervention, based on the concept of development in the broadest sense. Donors should concentrate on the quality of assistance not quantity, and stimulate the emergence of Somali capabilities and responsiveness.

There was general agreement that this period was a decisive moment for the future of Somalia. Somalia had the opportunity to take a decisive step on its path towards re-establishment of national institutions. The regional states of Somalia, like Puntland and Jubaland, could be promoters of the positive exploitation of this opportunity as part of the process of institutionalization, marked by elections in 2016, through which federalism provided the option of stability and national unity. For realization of this, security and development must be strongly linked and this requires a strong national and international effort. Nationally, there is the need for a political consensus on a constitutional model, the creation of an autonomous and loyal army, and the democratic education of the Somali people. Internationally, donors should look not just at security challenges but also at opportunities for development, as well as promoting opportunities for constructive dialogue.