

A Week in the Horn

31st October 2014

News in brief:

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

Articles from page 3:

- **UN Secretary-General and World Bank President launch the Horn of Africa Initiative**
- **The UN Special Rapporteur on Human Rights in Eritrea briefs the General Assembly**
- **The UN Security Council extends AMISOM's mandate and allows ship inspections**
- **A Conference on Federalism in Somalia**
- **Ethiopia's GDP continues to rise**
- **"UNAMID's successes often overlooked" says outgoing UNAMID head**
- **The Djibouti Government responds to Foreign Policy blog comments**

News in brief

Africa and African Union

Secretary General Ban Ki-Moon and the President of the World Bank Group, Dr Jim Yonk Kim met with ministers of IGAD countries yesterday (October 27) at the UNECA Conference Hall to launch the Horn of Africa Initiative to tackle vulnerability and regional instability in the Horn of Africa Sub- Region. The Secretary General announced US\$8 billion in funding for Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan, and Uganda for the Initiative. (See article)

A three day conference on "IGAD Economies and Federalism in Somalia" took place in Addis Ababa last week (October 23-25). It was co-hosted by IGAD and the Horn Economic and Social Policy Institute (HESPI). (See article)

Ethiopia

The UN Secretary-General and the World Bank President met with Prime Minister Hailemariam and also had discussions with Foreign Minister, Dr Tedros Adhanom who briefed them on the situation in Somalia and South Sudan on Monday (October 27).

Prime Minister Hailemariam Desalegn and UN Secretary-General Ban Ki-moon inaugurated the United Nations' New Office Facility (NOF) in Addis Ababa at the ECA Compound on Tuesday (October 28). Mr Ban Ki-moon said that Addis Ababa had now become the third largest UN duty station after New York and Geneva

Foreign Minister, Dr Tedros Adhanom delivered the "Food Security Project Proposal" from Prime Minister Hailemariam Desalegn to Sheikh Sabah Al-Ahmed Al-Jabir Al-Sabah, Amir of the State of Kuwait over the weekend.

During his visit to Kuwait, Foreign Minister Dr Tedros held talks with Sheikh Sabah Khalid Al-Hamad Al-Sabah, First Deputy Prime Minister and Minister of Foreign Affairs. Sofian Ahmed, Minister of Finance and Economic Development, Teffera Derbew, Minister of Agriculture, held talks with the Directors of the Kuwait Fund for Arab Development and Kuwait Ministers of Finance, Oil and Agriculture.

Dr Tedros Adhanom held talks on Wednesday with Dr Joachim Schimdt, Ambassador of Germany to Ethiopia. Discussions covered bilateral and multilateral issues and the forthcoming visit of Prime Minister Hailemariam to Berlin.

Ambassador Berhane Gebre-Christos, State Minister for Foreign Affairs, met with Ms Leila Pakkala, UNICEF Regional Director for Eastern and Southern Africa on Monday (October 27).

Health minister, Dr Keseteberhan Admasu, told a press conference on Friday (October 24) that Ethiopia was sending 210 health professionals to help deal with the Ebola epidemic in West Africa. The mission would include doctors, nurses, field epidemiologists, environmental health professionals and public health specialists, from both the public and private sector.

The Ministry of Finance and Economic Development has announced that Ethiopia's Gross Domestic Product (GDP) has reached 1.5 trillion birr, and registered an estimated 10.3 percent economic growth last Ethiopian fiscal year. (See article)

Djibouti

On Tuesday (October 28), UN Secretary-General Ban Ki-Moon, World Bank President Dr Kim and a delegation including the President of the Islamic Development Bank, Mr Ahmad Mohamed Ali, representatives of the AU Commission, EU, ADB and IGAD held talks with President Ismail Omar Guelleh, Prime Minister Mohamed Kamil Abdoukader, and the President of the National Assembly.

The latest annual report of the Central Bank of Djibouti, released last week, says the economy of Djibouti grew by 5% in 2013, compared to growth rates of 4.85 in 2012 and 4% in 2011. The increase last year is ascribed to a growth in foreign direct investment and increased domestic demand boosted by a construction boom. Inflation was also down with a rate of 2.5% last year, compared to 3.7% the year before.

The inaugural commercial flight of Qatar Airways from Doha landed at Djibouti's international airport on Sunday (October 26). The airline will be making three flights a week from Doha to Djibouti.

Eritrea

The October report from the UN Office for the Coordination of Humanitarian Affairs said there has been a sharp increase in the number of Eritreans fleeing across the border into Ethiopia, with more than 200 Eritreans crossing the border each day since the end of August.

The Secretary of the PFDJ, Mr Al-Amin Mohammed Seid, held talks on Sunday (October 26) with the First Vice President of Sudan, General Bekri Hassan Saleh, on enhancing bilateral relations. Mr Al-Amin was in Khartoum to attend the 4th General Congress of the Sudanese Congress Party.

Kenya

President Kenyatta held talks with Secretary-General Ban Ki-Moon and World Bank President Dr Kim in Nairobi on Thursday this week (October 30) on peace, security, and development issues. Mr Ban Ki-Moon commended Kenya's efforts to promote peace and security and thanked Kenya for providing a safe haven for refugees.

President Uhuru Kenyatta, in a public address at the Karisa Maitha stadium in Kilifi on Friday (October 24) called for collective responsibility to end terrorism in Kenya. He said the tourism sector had greatly suffered from terror threats as well as unnecessary fears over the Ebola epidemic.

President Kenyatta held talks with the Commander of US Africa Command, General David Rodriguez on Monday (October 27) on the subject of Somalia. General Rodriguez emphasized that a stable Somalia is good for both Kenya and the US and the partnership between Kenya and the US in the peace efforts in Somalia.

Somalia

On Wednesday (October 29) UN Secretary-General Ban Ki-Moon, World Bank President Dr Kim and their delegation held talks with President Mohamud. The Secretary-General reiterated the United Nations and the

international community's two-pronged commitment to help Somalia address its "immense" political, governance, security and development challenges and consolidate the progress made.

President Mohamud attended the fourth Counter-Piracy conference in Dubai on Thursday (October 30). Sheikh Abdullah Bin Zayed Al Nahyan, UAE Foreign Minister opened the two day conference on October 29 said tackling root causes of piracy and related issues such as terrorism required confronting instability on land. The number of pirate attacks in the Horn of Africa region has fallen drastically.

President Mohamud on Monday extended by 65 days the 45 day amnesty offered earlier to members of Al-Shabaab movement who wished to surrender. He said this was a "second opportunity" for members of Al-Shabaab who want to give up their "terrorist" ways and turn themselves in to the government.

In a briefing for the media in Mogadishu on Monday (October 27), the AU Representative and Head of AMISOM, Ambassador Sidikou, said Al-Shabaab now controlled six major towns - Jamaame, Jilib, Buale and Sakow in Middle Juba Region, Diinsor in Bay region and Bardere in Gedo region.

The Kenya Defense Forces with AMISOM and Somalia National Army units killed more than 80 members of Somalia's Al-Shabaab militants in an operation in Jamaame and Magambo areas near Kismayo on Thursday (October 23). An AMISOM advance on Jilib is expected shortly.

The UK's International Development Minister, Ms Lynne Featherstone, on a visit to Mogadishu, re-affirmed the UK's partnership with Somalia and the importance of women's role in development in meeting the Somali Minister of Women and Human Rights Development, Khadija Diriye.

The Special Representative of the United Nations Secretary-General, Ambassador Kay, met with President Mohamud and Prime Minister Abdiweli Sheikh Ahmed on Sunday (October 26) to discuss the problem over the Prime Minister's reshuffle of the cabinet last Friday.

South Sudan

The UNHCR said on Monday (October 27) that since mid-December last year, 245,000 South Sudanese, mostly women and children, had crossed into Ethiopia, including nearly 60,000 into the Gambela Regional State since the end of August. It expects more in the coming weeks.

UN Secretary-General and World Bank President launch the Horn of Africa Initiative

The Secretary General of the United Nations, Ban Ki-Moon, and the President of the World Bank Group, Dr Jim Yonk Kim, were in Addis Ababa on Monday at the start of a visit to the Horn of Africa. The main purpose of the trip was to launch the Horn of Africa Initiative, a parallel UN initiative to rank alongside the Sahel and Great Lakes Initiatives. The idea of the Horn of Africa Initiative sprang from World Bank's studies forecasting that recent oil exploration in Kenya, Uganda, Somalia and Ethiopia would catapult the region into dramatic and lasting change. The Bank also appreciated that there was political will to solve the region's development and security issues. The Initiative therefore aims to create economic opportunities for the most vulnerable groups of society, particularly refugees and Internally Displaced People in the sub-region. It takes the perspective that the sub-region's 2.7 million refugees and 6 million IDP's can be a productive force through a combined development and security approach to the challenges the region faces. It brings together the United Nations, the World Bank Group, the African Development Bank, African Union Commission, European Union and the International Islamic Development Bank.

The Horn of Africa Initiative also aims to tackle vulnerability and regional instability in the sub- region as well as boost economic growth and opportunity, reduce poverty, and spur business activity. It will complement the country-based and regional programs of the African Development Bank, the African Union Commission, the European Union and the International Islamic Development Bank. The Initiative which is to be implemented in Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan, and Uganda, will commit US\$8 billion over the coming years to spur economic growth and reduce poverty through various programs aimed at boosting cross-border cooperation on security and development. As part of the finance, the World Bank announced US\$1.8 billion for cross-border activities. In addition, the European Union said that it would support the

countries in the region with a total of around \$3.7 billion until 2020, of which about 10 percent would be for cross-border activities; the African Development Bank announced a pledge of \$1.8 billion over the next three years for countries in the region; and the Islamic Development Bank also committed US\$1 billion in new financing for its four member countries in the Horn of Africa (Djibouti, Somalia, Sudan and Uganda).

The Initiative will address Vulnerability and Resilience and Economic Opportunity and Integration. Under the first pillar, the aim is to enhance the productive capacities and coping mechanisms of displaced populations to allow them to contribute to the local economy in their areas of displacement, and promote durable social and economic reintegration for voluntary returnees, and provide support to communicable disease surveillance, diagnosis and treatment. Under the second pillar, efforts will support connectivity through regional transport infrastructure, and increased access to broadband, along with improved enabling environments to encourage a competitive private sector market, as well as foster cross-border growth and stability through support for local governance, border management, and trade facilitation and support the regional development of the extractives sector through pipeline development and expansion of tertiary education.

Secretary General Ban Ki-Moon and World Bank President Dr Jim Yonk Kim met with the ministers of IGAD countries on Monday (October 27) at the UN Economic Commission for Africa's Conference Hall to formally launch the Horn of Africa Initiative. Opening the meeting, the current Chair of the IGAD Council of Ministers, Dr Tedros Adhanom extended his appreciation to the partners for adopting vulnerability and resilience as pillars of the initiative. He said "Following the 2010/11 severe drought in the region, IGAD developed the IGAD Drought Resilience and Sustainability Initiative (IDRSI), under which vulnerability and resilience are handled. However, the focus given by the Horn of Africa Initiative to make refugees and IDPs productive in their host communities and facilitating their reintegration to their countries of origin would certainly compliment the IGAD resilience agenda." He further added that the implementation of the proposed intervention areas, specifically in reducing vulnerability in displaced populations through collective cross-border action; cross-border infrastructure investments in ICT and transport sectors; increasing resilience of people living in extreme poverty in selected border zones; support to the regional development of the extractives industry through skills, policy and infrastructure development, would go a long way to support the region to reduce poverty through an all-inclusive economic development .

Secretary-General Ban-Ki-Moon noted that the Horn of Africa is home to the most dynamic economies of the world with huge potential resources although plagued with conflict and fragility. Noting that the Horn of Africa was a land of immense opportunities, he said harnessing these could only be achieved addressing state's fragility. He said the overarching message of his trip was that peace and development were mutually reinforcing and should go hand in hand. He said the region was making dynamic growth and the international community's support was vital to keep up the momentum. He also underlined the need for regional integration, regional cooperation and settling of conflicts and border tensions.

AU Commission Chair, Dr Dlamini Zuma, also underlined the nexus between peace and development and the Initiative's complementarity with Agenda 2063. She highlighted investing in youth and women as key intervention areas to realize the objectives of the Initiative. She noted that investing in health and education should be not be only equated with social development but also as key economic investment that enables home youth to acquire skills, hence creation of jobs. She also noted the importance of security sector reform and the establishment of legitimate governments capable of delivering basic services to ensure refugees and IDPs return home and rebuild their lives.

Dr Kim stressed the natural resources of the region, the potential for cooperation and the imperatives for harnessing these to ensure sustainable development. He said the World Bank goal of ending extreme poverty and boosting shared prosperity by 2030 would not be possible without ensuring peace and security. He noted the prospects of Ethiopia's 45,000 mw hydro power generation and the successful energy connectivity with Sudan and Djibouti as underlining the potential for regional cooperation. He also referred to the correlation between broadband penetration and GDP growth to highlight incentives for regional integration. The World Bank goal of ending extreme poverty by 2030 would not, he said, be possible without ensuring peace and security. He said the new financing represented "a major new opportunity for the people of the Horn of Africa to make sure they get access to clean water, nutritious food, health care, education, and jobs."

In a press conference held at the end of a meeting with IGAD Ministers Dr Jim Yonk Kim noted that the Horn of Africa remains one of the poorest regions of the world with high unemployment rate where especially

women because of limited land rights, poor education and social customs fail to take advantage of economic opportunities. He said the new Horn of Africa Initiative would avail “greater opportunity now for the Horn of Africa to break free from its cycles of drought, food insecurity, water insecurity, and conflict by building up regional security, generating a peace dividend, especially among young women and men, and spurring more cross-border cooperation.” He noted that the Horn of Africa Initiative would support regional security initiatives, building of trade corridors, energy and broadband interconnectivity. He emphasized that the World Bank would give support in jobs and livelihood in border areas. Citing a discussion with Prime Minister Hailemariam Dr Kim said that the World Bank would in particular support regional trade, road, rail and power projects, and supporting existing projects for refugees hosted by Ethiopia. He cautioned, however, that the Initiative could only come to fruition if the leaders of the region were ready to commit themselves to ensuring peace and security.

The UN Secretary-General Ban Ki-Moon and the World Bank President Dr Jim Yonk Kim later held talks with Prime Minister Hailemariam and Foreign Minister Dr Tedros. They hailed Ethiopia’s role in bringing peace and stability within the region, and Dr Kim expressed his admiration for Ethiopia’s average 10% economic growth since 2003. The discussions also covered ways to encourage regional peace and security and to combat extremism. Dr Tedros briefed them on the situation in Somalia and South Sudan.

The UN Special Rapporteur on Human Rights in Eritrea briefs the General Assembly

On Tuesday this week (October 28), Ms Sheila B. Keetharuth, the UN Special Rapporteur on the Situation of Human Rights in Eritrea briefed the Third Committee of the UN General Assembly. She reminded the Committee that her mandate had been created during the 20th session of the UN Human Rights Council to address continued widespread and systematic violations of human rights and fundamental freedoms in Eritrea. Her mandate was renewed in June this year.

In her statement, Ms Keetharuth said there had been a few positive developments but the challenges in implementation of her mandate had persisted and the unchanged human rights situation in Eritrea currently resulted in mass departures of around 4,000 Eritreans on a monthly basis. The Rapporteur congratulated the Government for its accession to the United Nations Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment in September and hoped it would now take the necessary legislative, administrative, judicial and other measures to prevent acts of torture. She said Eritrea had its second Universal Periodic Review (UPR) in February. She welcomed its high-level engagement in the review, but noted that Eritrea’s poor performance in implementing the recommendations of the first review in 2009 and the selective approach to recommendations during the second review demonstrated a lack of goodwill in addressing the serious human rights situation in the country. The Special Rapporteur said that during the UPR Eritrea had highlighted the progress made towards achieving seven out of the eight Millennium Development Goals. However, she added, this was extremely difficult to verify as no independent monitors had been able to cross-check or verify the data used by the Government. She said she was also concerned whether Government policies aimed at achieving the MDGs were in line with Eritrea’s obligations under international human rights law.

Ms Keetharuth said the Eritrean Government continued to deny her access to the country. This left her the only option of continuing to assess the human rights situation by listening to Eritreans residing outside of the country who had been victims of human rights violations whilst in Eritrea. She had met with refugees in Germany, Italy, Malta, Switzerland and Tunisia and hoped to visit another 16 countries. From these consultations, she said, she continued to be concerned about the human rights situation in Eritrea where persisting violations were compelling thousands of Eritreans, many of them very young, to seek refuge outside their country. Eritreans, she said, were fleeing from “systematic and widespread human rights violations, namely indefinite forced conscription and violations in the context of the national service, arbitrary arrests and detention, incommunicado detention, inhumane prison conditions, extrajudicial killings, disappearances and torture, especially in the context of the attempted coup in 21 January 2013, dubbed as the “Forto incident”. An unknown number of people, though the numbers quoted are as high as 800, including public figures, were reportedly arrested and detained, with no information as to their whereabouts, nor have they appeared before any court of law.” Ms Keetharuth said she had also collected testimonies detailing the deteriorating economic situation which made it clear that many families would find it difficult to survive without support from relatives and friends in the Diaspora. According to the recently released Global Hunger Index (2014), she said, Eritrea is classified amongst those countries where the levels of hunger are “extremely alarming”. Poor health care and lack of adequate medication leaves treatment in neighboring countries as the only option. Power cuts, fuel and water shortages are also common occurrences.

In her briefing, Ms Keetharuth focused on violations committed in the context of the national service and the alarming refugee situation, including refugee children. She noted that the indefinite nature of the national service deprived conscripts of their liberty. The military police routinely carried out conscription round-ups, "giffas", in homes, workplaces, streets or other public areas. Deadly force was permitted against those resisting or attempting to flee. The military draft also applied to women who were at risk of sexual violence during their military service. Grade 12 students were conscripted into the armed forces and undergo military training at the Sawa Military Training Camp, and some might be below the age of 18. Minors, some as young as 15 years old, are often picked up during round-ups and sent for military training. The penalties for draft evasion and desertion could be up to five years imprisonment, and draft evaders, as well as deserters, if caught or returned to Eritrea face lengthy periods of detention, torture and other forms of inhumane treatment. Family members are often punished under a "guilt by association" policy. Eritrea does not allow for conscientious objection and many Eritreans are forced into military service, despite objections based on religion or belief. At least 56 Jehovah's Witnesses are currently incarcerated in Eritrea, including three who have been in jail since 1994. Describing national service in Eritrea as "constituting forced labor", Ms Keetharuth summed it up as involuntary in nature with conscripts recruited without their consent to perform military service. She said it was compulsory, that "conscripts are not free to leave national service before they have been officially demobilized...and the majority of conscripts serve in the military for most of their working lives for a paltry salary." She added that forced labor was prohibited by the ILO Forced Labour Convention (No. 29) and the Abolition of Forced Labour Convention 1957 (No. 105), both of which Eritrea has ratified.

Turning to refugees, Ms Keetharuth said recent months had seen a considerable increase in Eritrean asylum seekers and refugees crossing into neighboring countries, 4,000 fleeing on a monthly basis, compared to 2,000 last year. She also noted significantly higher numbers of Eritreans arriving in Europe this year with 32,537 Eritreans arrived in Italy by boat between January and September. UNHCR says the number of Eritrean asylum seekers registered during the first half of 2014 was more than three times higher than the corresponding period of 2013 and 18 per cent higher than the last two quarters of the year. By September 2014, 2,498 unaccompanied Eritrean children had registered with UNHCR in Ethiopia and another 1,010 unaccompanied children in Kassala, Sudan, of whom approximately 20% were girls. By mid-October, more than 4,000 Eritrean minors had arrived in Italy since the beginning of the year, including more than 3,200 children travelling without their parents. The Rapporteur added that "We do not know how many children perish along flight routes."

Ms Keetharuth concluded that the human rights situation in Eritrea remained alarming. She called on the Government of Eritrea to bring national service and Warsai Yikaalo Development Campaign into line with international human rights standards; discontinue the indefinite national service, demobilize those who have completed 18 months of service and stop using conscripts as forced labor; take concrete steps to ensure that children are not being conscripted into the military; investigate allegations of extrajudicial killings, torture, rape and sexual abuse; provide for conscientious objection by law; put an immediate end to human rights violations committed against conscripts during national service; stop the practice of "guilt by association" and punishment of the families; immediately release the members of the "G-15" and the journalists arrested in 2001, as well as all other political prisoners; and end restrictions on the freedom of movement within Eritrea and travel outside the country. She called on the international community to ensure all development cooperation undergoes stringent due diligence processes, and on businesses investing in Eritrea to respect human rights and make certain these apply in recruitment of their workforce, in order to prevent forced labor. The UN and others should press for the release of all political prisoners, an immediate end to incommunicado detention and the immediate release of all those detained without charge. They should strengthen efforts to ensure protection of those fleeing Eritrea, in particular unaccompanied children, and promote legitimate channels of migration from Eritrea to counter human smuggling and trafficking.

The Special Rapporteur said human rights' violations in Eritrea were committed with impunity. She, therefore, welcomed the establishment of a Commission of Inquiry by the Human Rights Council to investigate all alleged violations of human rights in Eritrea. This was a historic moment for the thousands of victims in Eritrea; she hoped the Commission of Inquiry would pave the way to establishing accountability for the victims.

In a response to the Special Rapporteur, the Permanent Representative of Eritrea to the UN, Ambassador Girma claimed she had made sweeping statements but presented no evidence to back up her allegations. She had, he said, "taken it upon herself to preside as the Accuser, Prosecutor, Witness and the Judge." He questioned her credibility, objectivity and impartiality, describing her report as "tainted, subjective and unsubstantiated." He said she was "an activist and a tacit advocate for certain countries, groups and individuals

who are diligently working for regime change.” He said she misrepresented national service as an “indefinite forced conscription and slave labor program”. Claiming that his remarks were not an attack on the Special Rapporteur, Ambassador Girma said the report was a report cut and pasted from “annual Human Rights Reports from certain countries, hostile websites, and social media outlets” and disgruntled Eritreans desperate to be given refugee status. The aim was regime change in Eritrea, which he described “the most stable country in the Horn of Africa.” Eritrea was targeted, he said, because it pursued an independent foreign policy and it was located in a strategic area in which, all major powers would like to have a foothold and where they “cannot and will not tolerate a regime that does not dance to their tune or take instructions from them.”

The Ambassador made the usual comment that the Government’s efforts to promote human rights and fundamental freedoms were impeded by “the occupation of sovereign Eritrean territory and unjust sanctions”. Without responding directly to any of the points raised by the Special Rapporteur, he claimed Eritrea had built a grass roots participatory political system, expanded its judiciary services, said it would draft a new constitution, accepted around a hundred recommendations from the UPR process and was carrying out many other activities to improve human rights. He described the establishment of the three person Commission of Inquiry on Eritrea as a politically motivated act. He said it was a waste of time and energy and was redundant, expensive and unjust. It would do no more than merely “compile hundreds of cut and paste, unsubstantiated, allegations”. He therefore called for the rejection of the Special Rapporteur’s report and for both the Commission of Inquiry and the Office of the Special Rapporteur to be dissolved.

The UN Security Council extends AMISOM’s mandate and allows ship inspections

The Security Council on Friday last week (October 24) authorized the African Union to maintain deployment of the African Union Mission in Somalia (AMISOM) until November 30 next year. In resolution 2182 (2014), adopted by a vote of 13 in favor, with 2 abstentions (Jordan, Russian Federation), the Security Council also authorizes AU States to maintain deployment of AMISOM in line with the Security Council’s request to the African Union for a maximum level of 22,126 troops. It requests that the Secretary-General keep the benchmarks for the possible deployment of a United Nations peacekeeping operation under review, and asks for a review of the impact of the temporary surge authorized last year in resolution 2124 (2013). It requests recommendations for next steps in the military campaign by 30 May 2015. It also strongly urged Member States to provide up to twelve military helicopters to AMISOM as well as required enablers and force multipliers. The resolution asks the Secretary-General to continue to work to improve AMISOM’s planning and strategic management, strengthening command and control structures and improving coordination between troop contingents, sectors and joint operations with the SNA. It underlines the importance of effective coordination among the United Nations Support Office, AMISOM, troop contributing countries, and donors.

The resolution noted that the situation in Somalia, Eritrea’s influence in Somalia, as well as the dispute between Djibouti and Eritrea, continued to constitute a threat to international peace and security in the region. It therefore reaffirmed the arms embargo on Somalia, with the exception of deliveries of weapons, ammunition or military equipment or provision of advice, assistance or training, intended solely for the development of the Somali Security Forces. It called for more effective management of weapons and military equipment, for a weapons marking and registration process and repeated its request to the Government to establish a joint verification team with international partners to inspect security force stockpiles, inventory records and the supply chain of weapons. It says any decision over the future of the arms embargo on Somalia would be taken in the light of the thoroughness of the Government’s implementation of the requirements set out in Security Council resolutions.

It noted the Monitoring Group’s assessment that the illegal charcoal trade continued to generate significant funding for Al-Shabaab despite the existing ban on charcoal, in place since 2012. The Council therefore authorized states to inspect vessels in territorial waters and on the high seas if they had “reasonable grounds” to believe might have charcoal from Somalia on board or weapons or military equipment in violation of the arms embargo. The resolution says states may seize and dispose of any prohibited items in an environmentally acceptable manner. The resolution is applicable for a year but the Council said it would evaluate its progress after six months.

The Council’s resolution also emphasizes the importance of Somalia’s Independent Constitutional Review and Implementation Commission, of establishing the Boundaries and Federation Commission and of legislation for the National Independent Electoral Commission. It welcomed the Transitional Federal Government’s commitment to a credible electoral process in 2016, and the establishment of a Financial Governance Committee. It underlined the importance of capacity-building of the Somali Security Forces, and the need for

increased mutual transparency and accountability between the FGS and the donor community. It welcomed the intention of the UN Secretary-General and the World Bank to develop the Horn of Africa Initiative.

The resolution expressed concern over reports of sexual violence and exploitation allegedly perpetrated by some AMISOM troops, and welcomed the African Union's investigation of these allegations. It encouraged AMISOM to strengthen mechanisms to prevent and to respond to sexual violence and abuse. The resolution expressed concern that corruption continued to undermine both security in the country and the Transitional Federal Government's efforts to rebuild Somalia's institutions. It stressed the need for ensuring that international aid is delivered in a transparent manner. It condemned in the strongest terms increased attacks against humanitarian actors and any misuse of donor assistance and delivery of aid; and repeated its willingness to adopt targeted measures against individuals and entities that threaten the peace, security and stability of Somalia.

The resolution also renewed the mandate of the Somalia and Eritrea Monitoring Group until November 30, 2015, and the Council welcomed what it called the Monitoring Group's ongoing and significant efforts to engage with the Government of Eritrea and its meetings in Paris and Cairo, but reiterated its expectation that the Government of Eritrea should facilitate the entry of the Monitoring Group into Eritrea. It also repeated its demands for Eritrea to provide information on Djiboutian combatants missing in action since the clashes of June 2008. The resolution calls for submission of reports on the Somalia and Eritrea sanctions by September 30 next year.

Speaking after the meeting, the representative of the United Kingdom stressed the fight against Al-Shabaab was the reason for allowing ships to be stopped at sea. Since the ban had been put in place, the illegal charcoal trade had increased, and the Monitoring Group estimated Al-Shabaab had kept up to a third of the revenue from the \$250 million trade. "Charcoal is giving Al-Shabaab a lifeline," he said. The President of Somalia had written to the Council requesting assistance, and "Today", he said, "we've responded to that call for help." He emphasized that the resolution showed the Council's determination to take practical steps in response to the terrorist threat. The representative of the United States strongly supported the resolution, which targeted the most serious causes of instability in Somalia and reflected the Council's belief that the international response must be comprehensive. The US Government supported the commitment to eliminate all funding sources for Al-Shabaab, and by renewing AMISOM's mandate, the Council could build on the momentum of the troop surge it had authorized last year. The Monitoring Group and limited arms embargo suspensions would also help monitor arms flows. Somalia, the representative said, was on the path to a stable future, and it was essential for the Council to remain engaged in its progress.

Somalia's representative strongly welcomed the resolution's adoption, especially the renewal of AMISOM's mandate and the maritime interdiction of charcoal from Somalia. Illegal charcoal exports had provided an illegal lifeline to Al-Shabaab, he said, and the resolution would help the Transitional Federal Government ensure that Al-Shabaab's days were numbered.

A Conference on Federalism in Somalia

A three-day conference on "IGAD Economies and Federalism in Somalia" took place in Addis Ababa last week (October 23-25). Co-hosted by IGAD and the Horn Economic and Social Policy Institute (HESPI) a regional think-tank, it brought together officials and ministers from the Federal Government of Somalia and Somali regional interim administrations, representatives of the Diaspora, researchers and academicians, and key stakeholders as well as representatives from other IGAD member states. The aim, successfully achieved, was to have an open and unrestricted dialogue on different aspects of federalism and on possible ways to develop the concept in Somalia.

Among the speakers at the opening session were Ethiopian Foreign Minister, Dr Tedros Adhanom; UNECA Deputy Executive Secretary, Dr Abdalla Hamdook; Ambassador Mohammed Affey, IGAD Special Envoy to Somalia; Ambassador Ahmed Abdisalam, Somalia's Ambassador to Ethiopia; and HESPI's managing director, Dr Ali Issa Abdi.

Dr Tedros Adhanom Gebreyesus, Minister of Foreign Affairs of Ethiopia and the current chair of the IGAD Council of Ministers gave a keynote speech. He emphasized that Somalis should take it upon themselves to "choose the political system they want." He stressed that the conference would give Somali stakeholders the opportunity to discuss the most suitable models adding that no one else could prescribe any particular form of governance for the country. "It is only the people of Somalia who will choose the system of governance for

their country," he said, adding that the conference was being held at a time when Somalia was making "very real progress." He underlined that Somalia was making good progress in removing the threat of Al-Shabaab and in consolidating local administrations in newly liberated areas. Speaking about the experience of federalism in Ethiopia, he said federalism was a blessing to Ethiopia because it had brought both peace and economic development. The key factor in this, he said, was ownership, adding that "ownership brings commitment and hence positive results." He said Somalis must take ownership of their common destiny. A federalism prescribed from the outside could not work as it couldn't engender the necessary commitment to uphold it. Others must respect their choice, help and facilitate, but not meddle or interfere. He also spoke of the need to put Somalia's interests above any individual or group interests in order to end the nation's problems, citing the goal set by the forefathers of the Organization of African Unity, Dr Tedros said "if we can dream big there is no reason why the Horn cannot be a central element in our venture to build a united Africa" He also highlighted Ethiopia's vision for the region, a vision of unity, prosperity and democracy, among strong and united neighbors.

Dr Abdi said the conference was the first of its kind, despite the fact that federalism had been on the political agenda of Somalia for a long time. He noted that many in Somalia believed that federalism would break up the country by 'balkanizing' the nation, while many others believed it was the panacea to Somalia's intractable problems of governance and its previous state collapse. He said the debate between the two sides had been acrimonious and far from civilized. It was, however, important to have a sober discussion to reconcile differences.

Somalia's Ambassador to Ethiopia, Ambassador Ahmed Abdisalam, underscored the role of experts in helping Somalis come to a common understanding on issues of federalism, through a dialogue based on 'nuanced understanding' of the subject, though he also emphasized that "the expert's role is facilitating the discussion, discussing the way forward is solely the task of the people of Somalia". Dr Abdallah Hamdok, deputy executive secretary of the U.N. Economic Commission for Africa said that, while Africa had made strides in politics and governance, the Horn of Africa had continued to lag behind." He highlighted the changing narrative of the Horn of Africa with its rapid economic development and the increase of FDI while emphasizing the need for underpinning consolidation of these gains.

Ambassador Mohammed Affey IGAD special envoy to Somalia, speaking on behalf of IGAD's Executive Secretary reiterated IGAD's commitment to supporting discussions on federalism as a political governance system in Somalia. This was provided for in the draft constitution and adopted 10 years ago at the end of the IGAD-led peace talks in Nairobi. He called upon the stakeholders to hold a dialogue that explored the different models of federalism with a view of getting to one that would best work for Somalia given the country's unique history, culture and realities. Ambassador Affey noted that that pluralism continued to be a subject that even western countries still grappled with. He hailed Ethiopia's bold steps in recognizing self-determination and federalism in its constitution, pointing out that peace and stability had followed the coming into force of the constitution. Referring to the IGAD-led process in Somalia to lead to a federal state, he said "Somalia is a federal state: what remains is full implementation," and he called on Somali MPs to expedite the establishment of the Boundary Demarcation Commission.

The conference opened with a panel discussion on the current state of federalism in Somalia with speakers including the Deputy Minister of Justice and Constitutional Affairs, Abdulahi Bile Nuur, on key issues facing the Federal Government; Chair of the Parliament's Constitutional Committee, Mariam Arif Qasim on essential reforms; and a former Minister of the Constitution, Abdurrahman Hosh on the current state of federalism. A Session on Federal State-making included presentations on challenges to the reconstruction of Somalia from a Unitary to a Federal State; between integration and fragmentation; a menu of relevant federal options; and sharing political power in a federal system for Somalia. Another session covered Constitutional Processes and power sharing arrangements in Somalia, in Ethiopia and Nigeria.

The second day was devoted to the concept of fiscal federalism with speakers including Abdulahi Mohamed Nur, Somali State Minister of Finance; Ahmed Shide, Ethiopia's State Minister of Finance; Ms Bella Bird, World Bank Country Director for Somalia, Sudan and South Sudan. They covered the theory and practice of fiscal federalism, looking at a range of models from highly centralized to highly decentralized federal structures. On the basis that plausible models are limited by their starting point, the discussions covered the allocation of fiscal powers and looked at what the provisional constitution gave the central government and where there were other powers to be negotiated. A subsequent session looked at the links between law and delivery of services and the way government revenues could and should be raised and where this could be done most effectively, at the center or through regions or even municipalities. The principles and practices of revenue

generation were considered in different federations, as were the challenges of achieving the principles of equity and efficiency of managing public resources and of financing local government services. A final session looked at federalism in post-conflict countries and at examples of cooperative federalism and at resource management.

The final day's interactive panel discussion considered the problems of making federalism work for Somalia and how to create a federal culture based on a spirit of dialogue, negotiations, promotion of diversity, inclusivity and legitimacy. Other issues discussed focused on the importance of indigenous models of governance, of federalism as an example of unity in diversity, of reconciliation and of the controversial place of clans within federalism. The place of minorities and marginalized groups and the necessity of their inclusion in decision making was considered, together with concern over how far the current process remained a top-down accommodation between elites rather than an approach acceptable to all stakeholders. The place of youth and the necessity of gender mainstreaming of women in federalism was underlined. Other issues considered included the importance of economic recovery, the need for relevant legislation for an effective electoral process, power-sharing and the distribution of technical and fiscal responsibilities.

The conference sought to enhance the capacity of principal Somali stakeholders including senior government officials, political leaders, academics and others to explore the possibilities of federal governance in open discussion. It offered information sharing and the option of different models without attempting to be prescriptive or provide a single outcome. It exposed Somali stakeholders to various different federal practices, approaches and possible frameworks. It provided information on a range of options on different aspects of federal management including resource and revenue sharing formulae and mechanisms. It offered a platform for debate, discussion and possible strategies for a federal governance model that would, above all, serve the national interest of Somalia.

Ethiopia's GDP continues to rise

The Ministry of Finance and Economic Development (MoFED) has produced its annual report on the progress of the Growth and Transformation Plan (GTP), covering its 4th year (2013-2014). The five-year GTP ends next year and work on GTP 2 is already far advanced. State Minister, Dr Abraham Tekeste, in a briefing to the media at the weekend, noted that Ethiopia is one of the countries that has been showing dramatic growth in the major economic sectors and significant increase in its GDP. In the previous four years of the Growth and Transformation Plan (GTP) implementation period, the annual growth rate for GDP was 10.1%. Agriculture, Industry and Service sectors had averaged 6.6 %, 20.0%, and 10.7% annual average growth rates respectively, according to the Major Results of 2014/ 2015 GDP and other Macroeconomic Estimates, produced by the Ministry. As a result, Ethiopia's Gross Domestic Product has now reached 1.5 trillion Ethiopian birr.

Increases in investment, growth in industry, and the production, productivity and value addition in the agriculture sector, and expansion of the service industry are all factors in a country's GDP increase. They are also indicators of a growing economy and of an effective economic policy, which includes emphasis on such elements as increase in the scope of investment, the export of value added goods, expansion of the agriculture, services and industry sector, as well as the creation of an economic atmosphere that enhances the diffusion of technological and organizational innovations like the Kaizen process helping to impact on productivity and motivation as well as on quality and costs. All provide important ingredients for a growing GDP. While the basis remains expansion of agriculture, industry and service industry sectors, some developing countries [are ready] to take off.

Dr Abraham said Ethiopia during the last fiscal year (2013-2014) had registered an estimated 10.3% economic growth. Per capita income had increased from US\$558 to US\$632 over the previous fiscal year; and inflation remained in single figures. Domestic savings had reached 22.5% of GDP, and the rate of investment and export of goods and services accounted for 40.3% and 11.7% respectively. The State Minister said the industry sector had grown faster than the agriculture and service sectors, registering 21.2% annual growth, compared to agriculture (5.4%) and service (11.9%) during the past fiscal year. The overall share of agriculture in the national economy decreased from 42% in 2005 EFY to 40% in 2006; while industry showed a small rise to 14%, up from 13%. The service sector reached 46%, up from 45%. The State Minister underlined that Ethiopia's Fiscal Year 2006 (2013-2014) was the 11th consecutive year in which Ethiopia's economy grew at over 10%.

Dr Abraham noted that the strategies and the strategic direction implemented for the major sectors of the economy, agriculture, industry and the service sectors, had brought about the significant economic growth and increase in the GDP. For agriculture, he said, strategies had been designed to concentrate on increasing crop production and productivity, improving natural resource conservation and utilization, enhancing disaster prevention and preparedness capacity, improving agricultural marketing and encouraging private investment in the agriculture sector. He said the sector would inevitably continue to be the major source of economic growth of the country. Equally, its contribution to the country's GDP could still be improved. During the last three fiscal years (2010/11-2012/13), the target for the sector had been put at achieving an average annual growth rate of 8.6%; it had failed to reach this, growing on average by 7% a year during this period. During the last fiscal year (2012/13), agricultural value added has registered a 7.1% percent growth rate, a major element in the overall 9.7% GDP growth that year. The Ministry's Annual Progress Report had therefore suggested that the efforts to expand best agricultural technologies and farming practices, using the extension program and scaling up existing strategies, should therefore be consolidated to enhance the productivity of smallholder farmers and sustain the rapid economic growth of the last decade.

In industry, the efforts undertaken in Micro and Small Scale Enterprise Development as well as in the medium- and large-scale manufacturing industry development played the major role in contribution to the GDP. Developments in Micro and Small Scale Enterprises included development of enterprises and job creation integrated into integrated housing construction developments, construction of new public universities, the development of the sugar industry, road construction and railway networking and construction and power generation. This went along with a massive increase in foreign and other investment, helping to mobilize a significant amount of revenue to contribute to the country's economic growth.

The service sector, which includes wholesale and retail trade, real estate and rental, transport services, hotels and restaurants and education and health services also serves as an important sources for the growth of the economy and overall development. The sector as a whole grew by 9.9% last year and accounted for 45% percent of the economy during the year.

The State Minister also pointed out some of the challenges that the country had faced during the year. According to the Annual Progress Report, this GDP growth was achieved within the parameters of tight monetary and fiscal policies, pursued in order to stabilize prices. The reforms introduced to provide for a multimodal transportation and logistics system were slow in settling down and were implemented less effectively than anticipated, slowing economic performance during the year. This GDP growth was achieved against falls in the prices of Ethiopia's major export commodities including coffee and gold, while import costs of such major imports as oil and fuel remained high. The economy was also expected to meet the requirements to achieve the Millennium Development Goals. It was a testimony to the strength of the economy that such impressive progress was made during the year.

“UNAMID's successes often overlooked” says outgoing UNAMID head

The outgoing Head of the African Union-United Nations Mission in Darfur (UNAMID), Mohamed Ibn Chambas, gave an appreciation of UNAMID's problems and achievements in an interview last week (22 October). Mr Chambas leaves UNAMID after serving for one year and six months as the African Union and United Nation's Joint Special Representative and Joint Chief Mediator in Darfur. Looking back at his time in office, he noted UNAMID's achievements in the implementation of the Mission's core mandate, the protection of civilians in Darfur and at the issues faced by the Mission in interacting with the host government. He also spoke of the efforts in bringing non-signatory movements into the peace process, his expectations about the future of Darfur's peace process and the lessons learned from the Mission's hybrid and collaborative nature.

The Mission's efforts to carry out its mandate of safeguarding and advancing the protection of civilians in Darfur was one of its major achievements, and he commended its civilian, military and police personnel for their work. Mr Chambas said casualty rates in the camps had fallen as a result of UNAMID troop patrols on a daily basis. UNAMID police were also present in these camps; civilian personnel were engaged in human rights, civil affairs and humanitarian activities. UNAMID regularly provided security to humanitarian convoys and humanitarian workers in these camps to ensure the displaced get their food rations. UNAMID was fulfilling its mandate in providing protection to the vulnerable. It had amply demonstrated its capacity, ability and determination to meet the mandate of protection of civilians. Sadly, he said, these successes were often unnoticed “when pitted against, maybe, an occasional, unfortunate incident.” He noted UNAMID was currently short of a few battalions because of delays in approvals from the Government of Sudan, but UNAMID

commanders have successfully come up with new standard operative procedures giving more flexibility in terms of deployment. Now, the two million or so displaced civilians led a “relatively secure life” in Darfur, and this, he emphasized was a defining example of the Mission’s performance. In this context, he said the major challenges facing the Mission included the severe geographic environment, poor infrastructure and bureaucratic hurdles from the government’s side posed major stumbling blocks to UNAMID successfully carrying out its roles and effectively shouldering its responsibilities.

Mr Chambas said he thought considerable progress had been made in bringing non-signatory movements to the peace process. When he had arrived many non-signatory movements did not want to deal with UNAMID and harbored misconceptions about UNAMID's role in Darfur. Once it was made clear that UNAMID was there to facilitate dialogue between the non-signatories and the Government in an objective, honest and transparent manner, progress was made. He said we informed the Government about our intentions and reached out to the non-signatories to assure them that the time has come to put conflict behind us and to move toward a negotiated political resolution of the crisis in Darfur. He hoped the non-signatory movements would now understand the need to explore possibilities for a negotiated ceasefire and a cessation of hostilities, and that the Government will put the conflict behind them and truly work toward this as well – and create an acceptable environment for pursuing a genuinely inclusive national dialogue to bring the Sudanese together in discussions regarding the future of their country.

He said the Donor Conference, hosted by Qatar, had played a very useful role in the quest for peace in Darfur. There had been very positive response and Qatar itself had made strong commitments for post-conflict reconstruction. At the same time, Mr Chambas noted, the Darfur Development Strategy needed peace to be implemented for the benefit of the people of Darfur.

He said his own hope, and expectation, was that peace would come to Darfur but it needed firm resolve and political will by the Government of Sudan and the rebel movements. Both needed to re-examine their approach and to return to peace negotiations under the auspices of the AU High-Level Panel working with UNAMID and others to end the conflict.

Mr Chambas emphasized that UNAMID wasn’t involved in development activities, though its mandate of protecting civilian populations in the context of conflict between rebels, Government authorities and militia groups, also included working to improve human rights, the rule of law and addressing some of the fundamental issues of marginalization in Darfur. UN development activities in Darfur, he said, were addressed by other agencies, not by UNAMID. He said that since he had been in UNAMID, ethnic conflicts, particularly inter-Arab conflicts, had been a primary cause of insecurity, leading to the displacement of many. Because of this, the AU Peace and Security Council and the UN Security Council had revised UNAMID's mandate to give it more responsibility to mediate in inter-communal conflicts by working with local- and state-level authorities.

Referring to the joint Mission, Mr Chambas said the partnership needed to be strengthened. UNAMID, he said, was a good example of the UN working with regional organizations, in this case, the African Union, to tackle a common problem. UNAMID was a good model that needed to be explored further. The AU brings its strengths to the table, especially its good relationship with Sudan; the UN had tremendous resources in terms of the deployment of the Mission.

UNAMID’s hybrid and collaborative nature helped them to draw on each other’s strength. Equally, the two organizations needed to make more effort to harmonize efforts for the successful implementation of the Mission’s core mandate, as well as pursue a comprehensive peace. He expressed his hope that the two organizations could work together in the future to tackle other African conflicts. The approach could become a global model.

Mr Chambas said the mediation efforts that he had been engaged in at UNAMID had been undertaken in collaboration with his colleagues and the Joint Mediation Support Team. The Mission was led by capable and committed staff-people who “knew Darfur and Sudan more than I could claim to have known.” They had given him commendable support in terms of political as well as mediation efforts. UNAMID, he said, was encouraged by the mandate to help bring the Sudanese together on a path of peace and support them to abandon military solutions. He expressed his hope that whatever had been achieved during his stay at UNAMID would be built upon by his successors.

[The Djibouti Government responds to Foreign Policy blog comments](#)

Two weeks ago an article on the Foreign Policy blog, (October 17) entitled China's war for Africa's hearts and minds by Mark Varga noted that China, driven by a need to secure reliable sources of raw materials, had seen its bilateral trade with Africa grow 20-fold in the past two decades, surpassing both the U.S and the EU. The article claimed much of this involved the practice of lending money to largely benefit China's own construction groups and "buying alliances and access to commodities", though it also noted that in November 2013, the Chinese Government had announced plans to invest another US\$1 trillion by 2025. It described China's approach as managing to drive a wedge between the West's historical interests in Africa and China's nascent world reach, and said it was leading to "numerous muffled conflicts." One of the examples of China's "hard power appeal", it said, could be seen in Djibouti which the article described as "a key outpost in the so-called "War on Terror", as an "important bridgehead for the European Union's Atalanta maritime operation to stymie piracy and as the recipient of "billions of dollars" as it "basked" in the favor of the White House. The article then claims that following a dispute with Dubai's maritime operator DP World over the Doraleh Container Terminal, which "involved President Ismail Omar Guelleh purging political opponents", it claims China stepped in to buy a 23.5% share of the port, signed a strategic defense agreement and began to negotiate construction of a military facility. The article claims that China's "rising influence in Djibouti" was souring relations with the West and had prompted U.S. National Security Adviser, Susan Rice to express concern over the stability of US/Djibouti bilateral relations.

This article promoted a reply from the Government of Djibouti a few days later (on October 24) when it sent a response to the Foreign Policy blog. This notes that Djibouti has strong relationships with a wide range of governments and international organizations in matters relating to economic and social development and regional security. This includes various partnerships with different countries and organizations, including the U.S., EU and GCC nations, Japan and China, and international organizations such as NATO, the World Bank and the U.N. It points out that Djibouti has had diplomatic ties with China for 35 years and it is natural that the country continued to build up its relationship with the world's second largest economy in recent years. China is an important investor in Djibouti and across the region, and as well as investing in key infrastructure and other sectors such as energy and agriculture, it has committed to support a number of the country's education and healthcare development initiatives. The response notes that China has deployed anti-piracy task forces to the Gulf of Aden since 2008; that Susan Rice thanked the Djibouti Government in March this year for its efforts in countering terrorism and piracy and responding to humanitarian emergencies. President Obama reiterated this message when he met President Guelleh in May, focusing particularly on Djibouti's role in supporting the Somali government.

The reply also notes that the Government of Djibouti is committed to continuing to work with a wide range of international partners to attract inward investment and maintain regional stability. Indeed, Djibouti currently hosts the US base at Camp Lemonier, the only US base in Africa, French forces and Japan's first overseas naval military base as part of its participation in anti-piracy operations. It is an important maintenance and resupply base for many countries' escort ships for the anti-piracy operations in the Indian Ocean and the Gulf of Aden, including the ships of China's escort fleet. Japan has donated two patrol boats to Djibouti. In February, Djibouti signed a security and defense strategic partnership agreement with China. China will enhance the operational capacities of the Djiboutian armed forces and according to Defense Minister Hassan Houffaneh provide "assistance with surveillance, including radar, and more training through the provision of additional places at China's military training centers and colleges in the aviation, maritime, armaments, logistics and engineering sectors"

The Government statement notes that the International Election Observer Mission, which included representatives from the African Union, declared the presidential election in 2011 were peaceful, fair and transparent. It also points out that in 2012, the opposition in Djibouti won local elections for the first time and they currently control two of the three municipal councils in the city of Djibouti. Parliamentary elections in February 2013 marked a new milestone in the strengthening of Djibouti's democracy, with the introduction of a **semi-proportional electoral system** to ensure broader political representation. Four international observation missions as well as the major Western embassies, including those of the U.S. and France, all concluded that the elections were peaceful, free and fair. It also points out that negotiations are going on with the opposition to encourage them to take up their seats in parliament and participate fully in the democratic system.

The Government statement also referred to issues relating to the Doraleh Container Terminal. It notes that in 2002, it created the Djibouti Port and Free Zone Authority (DPFZA) to oversee and supervise all port facilities.

The next year, a Djiboutian businessman, Abdourahman Boreh, was appointed Chairman of the DPFZA. He held this position until 2008 and during his time as Chairman, the statement says, he “obtained significant shareholdings in several of the projects; awarded construction, security, and other service contracts on these projects to companies he owned; and demanded commissions from other individuals and companies involved in the projects.” The statement says Mr Boreh left the country to avoid tax liabilities but was later convicted in Djibouti for tax evasion, fraudulent insolvency, and related criminal offences. The Government subsequently launched a wider investigation which it says revealed evidence indicating that DP World paid bribes and gave other financial incentives to Mr Boreh while he was negotiating the Doraleh Container Terminal Concession Agreement with DP World. The resulting agreement unfairly favored DP World. The Government of Djibouti sought to resolve the matter through direct discussions but negotiations broke down, leaving it with no choice but to request arbitration to rescind the Concession Agreement and related project documents on grounds of illegality and corruption. This arbitration process is ongoing. Pending the outcome of the arbitration, being heard in London, DP World is continuing to run the port facility. The statement also added that Mr Boreh was never, as claimed, a political figure nor a real presidential candidate; with dual Djibouti and French nationality, he was ineligible for election.