

## **A Week in the Horn**

### **21<sup>st</sup> June 2013**

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#### **Prime Minister Hailemariam attends the G8 session on trade, transparency and tax**

Prime Minister Hailemariam Desalegn participated at the G8 Summit this week at a lunchtime session held at Lough Erne in Northern Ireland on June 18<sup>th</sup>. Prime Minister Hailemariam was one of three African leaders who participated at the Lough Erne working lunch session. Before the session he had the opportunity to interact with US President Barack Obama, the UK Prime Minister, David Cameron, IMF Director, Christine Lagarde, World Bank President Jim Yong Kim and, the UK's Deputy Prime Minister, Nick Clegg. Also present were the Presidents of Liberia and Senegal.

The session was devoted to issues related to trade, transparency and tax. The Prime Minister in his contribution to the session stressed that land deals in Africa, as with other resources, were prone to corruption. Much could be done in addressing transparency in land deals, he said but two points should be emphasized. In the first place the whole issue of land deals in Africa is about ensuring that citizens should benefit from these deals as much as they deserved to. African leaders owed it to their populations to make sure that these deals were as transparent and as legal as they should be.

Secondly, the Prime Minister pointed out that there were questions of transparency in many parts of Africa over land deals as there was little by way of credible scientific data about land, whether private or public holdings. He accentuated the importance of land registration and certification to ensure that land acquisition for private investment and public projects was done in a manner that did not compromise the interests of citizens. He said the question of transparency could only be fully addressed if African countries could have reliable cadastral maps that clearly identified occupied and unoccupied land, thereby ensuring that transfers of land were made in a predictable manner. In this regard the Prime Minister called on the developed countries to help African countries to develop the human and institutional capacity for rational and accountable utilization of their natural resources.

The other issue addressed by Prime Minister Hailemariam was the issue of tax evasion. He pointed out that many African countries had successfully increased their tax revenues in the last few years following the implementation of serious reforms. He cited the particular experience of Ethiopia which he said had managed to increase revenues significantly with the support of partners, in particular the UK government. Equally, he also stressed that there was still much more that could be done by way of improving collection of tax revenues. One of the difficulties in improving tax collection, he underlined, comes from the illegal transfer of money from Africa to Europe, to North America and today to the Middle East. To address this challenge, which he pointed out is increasing, African countries need access to information about the bank deposits of foreign and domestic businessmen and citizens concerning deposits that are made outside African jurisdiction. He pointed out that emphasis should be given to those who engage in tax fraud, whether businessmen or politicians.

Prime Minister Hailemariam expressed his appreciation of the measures taken by developed countries to track fraudulent activity, including securing access to databases in foreign banks, but he called on G8 members and other developed countries to offer similar access to African countries. He asked the G8 countries to take the lead on this matter.

At the end of the session, the Lough Erne declaration was adopted. The declaration highlights the role of private enterprise in driving growth, reducing poverty, creating jobs and prosperity for the people around the world. The declaration states the responsibilities of governments to make proper rules and promote good governance. It recognizes the importance of fair tax, increased transparency and open trade in the realization of these objectives.

The declaration enumerates a number of measures that have to be taken in restoring global growth and bringing about transparency in the management of the global economy. Inter alia, the salient points of the Declaration include:

1. Tax authorities across the world should automatically share information to fight the scourge of tax evasion.
2. Countries should change the rules that let companies shift their profits across borders to avoid taxes; multinationals should report to tax authorities what tax they pay and where.
3. Companies should know who really owns them; tax collectors and law enforcers should be able to obtain this information easily.

4. Developing countries should have the information and capacity to collect the taxes owed them; other countries have a duty to help them.
5. Extractive companies should report payments to all governments; governments should publish income from such companies.
6. Minerals should be sourced legitimately, not plundered from conflict zones.
7. Land transactions should be transparent, respecting the property rights of local communities.
8. Governments should roll back protectionism and agree new trade deals that boost jobs and growth worldwide.
9. Governments should cut wasteful bureaucracy at borders and make it easier and quicker to move goods between developing countries.
10. Governments should publish information on laws, budgets, spending, national statistics, elections and government contracts in a way that is easy to read and re-use, so that citizens can hold them to account.

Before the G8 session, Prime Minister Hailemariam met and held discussions with the Deputy Prime Minister of the United Kingdom, Nick Clegg, for a discussion on bilateral and regional issues, as well issues to be raised at the G8 lunch. The two sides appreciated their bilateral co-operation, which they agreed continued to register results that benefitted both countries.

Prime Minister Hailemariam thanked the UK government for its valuable development co-operation program and for its contribution to Ethiopia's protracted efforts to eradicate poverty. The two sides also noted the progress made in restoring peace and stability in Somalia and called on the international community to provide comprehensive assistance to the Government of Somalia to discharge its responsibilities. Prime Minister Hailemariam also briefed the UK's Deputy Prime Minister on Egypt's recent rhetoric over the use of the Nile waters. He highlighted the major benefits of the Grand Ethiopian Renaissance Dam for Egypt and Sudan and the findings of the report of the International Panel of Experts. He reiterated Ethiopia's readiness to discuss and the implementation of the recommendations of the International Panel of Experts, and handle the matter in a win-win formula within the spirit of dialogue and regional cooperation.

### **Dr Tedros at the Ethio-Korea Business Forum in Seoul...**

Foreign Minister Dr Tedros Adhanom arrived in Seoul on Tuesday this week (June 19<sup>th</sup>) leading a delegation of over 160 people to celebrate the 50<sup>th</sup> anniversary of the official establishment of the Ethio-South Korea diplomatic relations and participate in a four day Ethio-South Korea Business Forum (June 20<sup>th</sup>-June 23<sup>rd</sup>). The delegation includes the State Ministers of Foreign Affairs, Industry, Trade, Culture and Tourism, Science and Technology, and Education, and other senior officials and over a hundred representatives of government and private sector institutions and businesses. Jointly organized by a number of institutions from both countries, the Business Forum aims to exchange views on how to strengthen the two countries' relations in investment, trade and other related areas. Those involved in the preparation of the event include the Ministry of Foreign Affairs of the Government of the Republic of Korea, the Federation of Korean Industries, KUMO Hi-Tech Co. Ltd and Seoul Gas from the Korean side as well as Ethiopia's Ministry of Foreign Affairs, the Ethiopian Embassy in Seoul, Wafa

Marketing and Promotion Pvt. Ltd. Co, and a number of other public and private sector institutions and businesses.

The four-day Business Forum began on Thursday (June 20<sup>th</sup>) in Seoul with the attendance of several hundred representatives of the Korean government and members of the private sector. Dr Tedros addressed the opening session, underlining the importance of the Forum for showcasing the untapped investment, trade and tourism potential that exists between the private sectors of the two countries. It would also, he said, help to exchange views, discuss projects and policy matters to provide a clear picture of what Ethiopia can offer to Korean businesses as well as clarify the views and experiences of Korean investment companies in doing business in Ethiopia. It would also create an excellent opportunity for Ethiopian Academic and Research Institutions to learn more from their Korean counterparts. Ethiopia, said Dr Tedros, wanted to know more about Korean successes in human resource development, modernization of rural areas, and progress in manufacturing as well as details of Korea's successful economic transformation from an agriculture-based into a mature industrial economy.

Dr Tedros emphasized that Ethiopia had an excellent investment climate for foreign investors. He pointed out some Korean companies in Ethiopia were investing in the leather and textiles sectors, and some were beginning to move into automotive production. Dr Tedros suggested that Korean companies could benefit particularly from investment in the areas of heavy machinery assembly, automotive production, mineral exploration, agro-processing, textile and garment manufacturing as well as leather and leather products. These sectors offer immense opportunities for Korean investment in Ethiopia and would also help in technology transfer. In this context, he noted that the Ministry of Industry had finalized the setting up of the Bole-Lemi Industrial Zone for Korean Investors. He said Ethiopia was keen to see more Korean companies taking part in the various investment areas. He emphasized the benefits of Ethiopia's duty free access to the EU and US markets through EBA and AGOA respectively, and its proximity to huge Asian and Middle East markets.

Dr Tedros also said that trade cooperation between the two countries was showing a positive trend. In recent years, he said, there had been increased demand in the Korean market for Ethiopia's high value agricultural products including coffee, sesame seeds, flowers, textiles, leather and livestock. Nevertheless, despite the excellent relationship and political good will prevailing between Ethiopia and South Korea, it was important for both countries to work together to improve trade performance and expedite this. Ethiopia, he said, would like to see expanded interaction including the exchange of trade missions, business forums, the sharing of commercial information, and cooperation between relevant institutions. The recently established Korean Business Center, the Korea Trade Agency's branch office in Addis Ababa, could play a significant role in improving business interaction. Joint trade promotion through Ethiopia's Embassy could also help increase trade. He assured delegates that the Ethiopian government was fully committed to encouraging and assisting the Korean business community in every way possible to become involved in the development of Ethiopia. This would be for the mutual benefit of both countries and both business communities. Dr Tedros added that Ethiopia had a great deal to offer, and he invited his listeners to witness the real Renaissance that was currently taking place in Ethiopia.

Others who addressed the Forum included the President of the Ethiopian Chamber of Commerce and Sectoral Associations, Wro [Ms] Mulu Solomon, the Chief Executive Officer of Ethiopian Airlines, Mr Tewolde Gebremariam and various representatives of the private sector. From the Korean side speakers included senior representatives of the Federation of Korean Industries and of a number of private companies including Samsung and LG as well as representatives of the Korean Employers Federation.

### **...and the celebration of the 50<sup>th</sup> anniversary of Ethio-South Korea relations...**

On Friday, Foreign Minister Dr Tedros attended the celebration of the 50<sup>th</sup> anniversary of the establishment of diplomatic relations between Ethiopia and the Republic of Korea. Speaking at the opening of the celebration, Dr Tedros expressed his appreciation to the people and Government of the Republic of Korea that he was able to be present on this historic occasion. He said the celebration was a commemoration and a demonstration of the continuous long-standing friendly relations between the two countries. Dr Tedros remembered the Korean War of 1950-53 when Ethiopia sent 6,037 troops to fight under the UN flag for the Republic of Korea in pursuit of world peace and collective security. One hundred and twenty two were killed and another 536 were injured. He said the relationship, cemented by blood over six decades, was truly a bond between the two peoples and governments. He expressed his appreciation to the government of Korea for its pledge to train 300 descendants of Ethiopian veterans in vocational training programs. Sixty of these are already in South Korea and another 120 will come to South Korea later this year. The remaining 120 will go for the training in 2014.

Dr Tedros pointing out that Ethiopia was the only African country to participate in the Korean War, noted that Ethiopian Airlines has now become the first and the only African airline to connect Africa with Korea. He congratulated Ethiopian Airlines and the business communities of both countries on the start of the air link to Seoul. It would, he said, create a good opportunity to enhance trade, investment, tourism and people-to-people relations. He said Ethiopia hoped to further strengthen its strategic relation with the Republic of Korea, so the two countries could work hand-in-hand in addressing regional and global challenges including climate change, peace and security and development.

The Korea-Africa Cooperation Forum is a vivid example of the importance that Korea attaches to its relations with Africa as a whole; and Dr Tedros emphasized that Africa was a continent of immense opportunities and also a continent which could benefit largely from sharing Korea's development experience. Ethiopia, he added, would do everything possible to assist in helping to build a strong foundation for an effective partnership between Africa and the Republic of Korea.

Dr Tedros, noting that Ethiopia's economy was the fastest growing non-oil economy in Africa and one of the top ten fastest growing economies in the world, also gave details of the implementation of the five-year Growth and Transformation Plan. Its aim was to maintain the double digit economic growth of the last decade and transform the country. It was also directed towards achieving all the Millennium Development Goals, and the successful implementation of the plan will double the GDP of Ethiopia by the end of 2015. Dr Tedros said the focus of Ethiopia's Foreign Affairs and National Security

Policy and Strategy was economic diplomacy, encompassing promotion of business and investment, trade and tourism, securing technology and development finance. He expressed his conviction that the Republic of Korea could significantly contribute to the realization of the Growth and Transformation Plan through knowledge sharing, development finance, investment and the provision of markets for Ethiopia's products. He noted that South Korea has already been sharing its development experiences and had supported Ethiopia's green growth development strategy, and called upon the Government of Korea to improve the scope and magnitude of its development assistance. He appreciated the development assistance that the Government of the Republic of Korea had already provided and that it had designated Ethiopia as a priority country in Korea's ODA distribution.

Dr Tedros also expressed his deep appreciation for the activities of KOICA's Ethiopia Office in providing training opportunities and the services of volunteers. He said the Ethiopian Government would welcome and would encourage KOICA to expand its Country Assistance Strategy in the areas of primary education, Technical and Vocational Education Training, health, water, agriculture, rural development and renewable energy. In this regard, he hoped that the Government of Korea could allocate increased funds to KOICA, in particular as its areas of focus were very much in line with Ethiopia's social and economic programs. He also expressed his hopes for expanded and doubled economic relations in the areas of investment, trade, development cooperation, loans, capacity building and grassroots programs, to help Ethiopia to transform its economy through the Growth and Transformation Plan and cement economic relations through enhanced friendship and partnership. He emphasized Ethiopia's readiness to continue to do everything possible to ensure that the ties between the Republic of Korea and Ethiopia will continue to be strengthened and their cooperation broadened.

#### **.....and holds bilateral meetings with Korean officials**

Dr Tedros Adhanom held a meeting on Thursday [20<sup>th</sup>] with Mr Yun Byung-Se, Foreign Minister of the Republic of Korea. Discussions covered bilateral and regional issues of mutual interest. Mr Byung-Se said the Government and people of Korea "will never forget the sacrifices" of Ethiopians who lost their lives fighting in support of Korea. He expressed his government's readiness to further strengthen the existing excellent relations in bilateral and global issues. Dr Tedros welcomed Korea's determination to maintain Ethiopia as a top development cooperation partner. He underlined the unique and historical relations between the two countries and requested that the Korean Foreign Minister encourage Korean businesses to invest more in Ethiopia. They agreed the commencement of Ethiopian Airlines' direct flights to Korea would help consolidate government-to-government, people-to-people and private-sector-to-private sector relations and create stronger economic, political and social ties. Dr Tedros appreciated the concessional loans from Korea's EXIM Bank for infrastructure development and said he was ready to work with his counterpart to facilitate expedited materialization and disbursement. Feasibility studies for the Mojo-Awasa Express Road Project (US\$600 million) and the Gore-Tepi Road Project (US\$75-100 million) have been completed and the projects presented to the Korean side for possible co-financing with the African Development Bank and the Korean Exim Bank. Mr Byung-Se expressed his readiness to facilitate communications with the EXIM Bank and any other stakeholders. He expressed his desire to visit Ethiopia in the near future.

Dr Tedros also met with the President of the Korean International Cooperation Agency (KOICA), Mr Kim Yuung-Mok. Dr Tedros congratulated Mr Kim Young-Mok for his appointment as President of KOICA and expressed his hope that the assistance given by KOICA to Ethiopia will continue and grow during his tenure. Dr Tedros welcomed the signing of a Framework Agreement on development and other economic cooperation. He said that there was a lot that Ethiopia could gain from the development experience of Korea, particularly in terms of capacity building, human resource development, rural development and modernization. He singled out seven on-going projects run by KOICA in the health, education and agriculture sectors and said these would contribute to the transfer of South Korean advanced technology to Ethiopia. He welcomed Korea's commitment to sign agreements later this month to begin another seven projects. He said prioritized sectors being identified by both KOICA and Ethiopia's GTP were compatible. He urged KOICA to double its commitment to further strengthen support to Ethiopia's development endeavors. The "Small Scale Irrigation, Development of the Agriculture Water and Saemaul Undong Model Village projects", for example, were among the on-going environmental friendly projects undertaken by Korean Rural Community Cooperation, and they were in line with the priorities of the Ethiopian Government. Dr Tedros expressed his hope to see these projects expanded. He also noted that the Knowledge Sharing Program of 2012, focused on leather and footwear industries as well as E-governance and IT technology in public service delivery, contribute extensively to learning from Korea's development experience. He said Ethiopia was ready to work together to make cooperation on training demand driven and in line with the Growth and Transformation Plan.

Other meetings have been held with businessmen, including the President of Samsung C&T, Mr Kim Young Mok, and on Thursday (June 20<sup>th</sup>) with a 14-person delegation headed by the Vice-President of the Federation of Korean Industry, Mr Seung Cheul Lee. Mr Lee expressed his Government's appreciation of Ethiopia's development efforts including infrastructure and electrification, pointing out these laid the foundation for more cooperation. Korea, he said, now considers Ethiopia as an optimum business destination, and said the government was ready to support Ethiopia's planning, designing and implementation of development projects. Dr Tedros, citing Ethiopia's huge and growing domestic market, expressed Ethiopia's desire to learn from Korea's transformation from a nation with per capita income of only US\$79 only a few decades ago to the current level as one of the world's fastest growing economies with a per capita income of tens of thousands of dollars.

### **A joint Ethiopia-Egyptian statement after talks between their Foreign Ministers...**

At the beginning of this week, Ethiopia's Minister of Foreign Affairs, Dr Tedros Adhanom and the Minister of Foreign Affairs of the Arab Republic Egypt, Mohamed Kamel Amr, met and held discussions. Following their talks a joint press statement was issued.

"The Minister of Foreign Affairs of the Arab Republic of Egypt, Mohamed Kamel Amr and the Minister of Foreign Affairs of the Federal Democratic Republic of Ethiopia, Dr Tedros Adhanom met in Addis Ababa on Tuesday 18<sup>th</sup> June 2013.

“The two ministers reiterated their commitment to strengthen their bilateral relations and coordinate their efforts to reach an understanding regarding all outstanding issues between both countries in a manner of trust and openness, building on the positive developments of their relations. Both ministers underlined their desire to deepen their dialogue on a range of challenges that face the African continent in general and the Nile Basin region in particular.

“With regard to the Grand Ethiopian Renaissance Dam, both ministers agreed, as per the Terms of Reference of the International Panel of Experts, to immediately initiate consultations among Egypt, Ethiopia and Sudan, on how to move forward with the implementation of its recommendations, including the recommended studies to be conducted. In this regard, the Minister of Foreign Affairs of Ethiopia welcomed the Egyptian initiative to begin consultations amongst the Water Resources and Foreign Ministers of the three countries, at the technical and political levels, to ensure the implementation of the above-mentioned recommendations.

“The Egyptian Foreign Minister expressed Egypt’s concerns regarding the possible effects of the Grand Ethiopian Renaissance Dam on Egypt’s water use. The Ethiopian Foreign Minister, on his part, assured his Egyptian counterpart that the Grand Ethiopian Renaissance Dam, which will be used for power generation purposes, is being built in a way that addresses Egypt’s water security concerns. In such context, both Ministers agreed to take into account the developmental interests of Ethiopia as well as the water security concerns of downstream countries.

“Both Ministers, in a spirit of brotherly relations and mutual understanding, agreed to embark on consultations at the technical and political levels, with the participation of the Republic of the Sudan, to implement in a speedy manner the International Panel of Experts’ recommendations. In this context, the Minister of Foreign Affairs of Ethiopia reiterated Ethiopia’s previous position, which is committed to a win-win approach as the basis for future cooperation.

“At the end of their consultation, both sides agreed to exert the maximum effort to strengthen the bilateral relations between the Arab Republic of Egypt and the Federal Democratic Republic of Ethiopia. Both ministers stressed the need to continue the dialogue and communication with each other in order to follow up on the outcome of this meeting. In this context, the Minister of Foreign Affairs of Ethiopia accepted the invitation by the Minister of Foreign Affairs of Egypt to visit Cairo in the near future.”

### **..State Minister, Ambassador Berhane Gebrechristos briefs the Diplomatic Corps**

On Wednesday this week, Ambassador Berhane, State Minister of Foreign Affairs, briefed the Diplomatic Corps on the meeting between Dr Tedros and Egypt’s Foreign Minister and on Ethiopia’s position on the Nile and the Grand Ethiopian Renaissance Dam. Ambassador Berhane explained how the Government of Ethiopia was committed to ensuring mutual benefit from the project among the three countries: Ethiopia, Sudan and Egypt. Ethiopia had, on its own initiative invited in good faith and in a transparent manner the two downstream countries, Egypt and Sudan, to form a Tripartite International Panel of Experts, to share all the available information on the on-going Grand Ethiopian Renaissance Dam (GERD) project. The aim was to build confidence and



trust and work together to address some of the concerns of the two downstream countries. This step to foster cooperation and build confidence among the three countries reinforced Ethiopia's contribution to enhance transparent consultation on the use of the shared waters. Ambassador Berhane pointed out that nowhere else had such efforts been made and the final International Panel report had put this on record, underlining its appreciation of the initiative.

The Ministers of Water Affairs of the three countries had agreed to form an International Panel of Experts. This was made up of ten members, two experts each from Egypt, Ethiopia and Sudan and four international experts. The Ministers had also agreed on terms of reference and rules of procedure. The former stated that the mandate of the Panel was to review the available study documents of the GERD to identify the benefits that would accrue to all three countries and potential impact on the two downstream countries, identify possible gaps and recommend further actions or studies that might require action by the Government of Ethiopia or jointly by the three countries, and to submit a final report to the respective Governments for consideration.

The International Panel of Experts submitted its final report of its deliberations to the respective Governments on May 31<sup>st</sup>, covering the benefits of the GERD to the three countries, the potential impact on the two downstream countries and recommendations to the respective Governments on some concerns that might need to be addressed during the on-going construction of the GERD.

Ambassador Berhane told the members of the Diplomatic Corps that the main findings of the report: that the GERD project was being undertaken in line with internationally acceptable design criteria and standards; that significant benefits will accrue to all the three basin countries; and that the project would not have a significant impact on the two downstream countries. **The report noted that benefits for the three countries would include: the provision of clean energy in the Nile basin and the region as a whole; the storage at the GERD will provide a new source of water for the system; regulation by the GERD saves significant water from overbank flow and floodplain loss; sediment reduction will be highly beneficial to infrastructures downstream, extending the useful life of dams in Sudan and Egypt significantly; substantial dredging costs will be saved in Sudan, and frequent flooding in Sudan will be sharply reduced as a result of the GERD.** Beyond all this, Ambassador Berhane noted the Grand Ethiopian Renaissance Dam is a special project, financed by the Government and peoples of Ethiopia. It is something that is deeply rooted in the hearts and minds of all Ethiopians; its construction will continue without interruption.

Ambassador Berhane pointed out that the Government had taken the initiative for the project under the leadership and guidance of the late Prime Minister Meles, firmly believing that the GERD would benefit all three countries. He stressed that the Sudan Government had, of course, now fully confirmed that it believed the project would be of real benefit to Sudan. Ethiopia believes, and has been working on this basis, that the interests of Sudan, Ethiopia and Egypt are compatible. Ethiopia is fully aware of the level of Egyptian dependency on the Nile water and the sensitivity of the Egyptian people on the issue. In return it expects Egyptians to understand that Ethiopia has the right to use its resources. The Ambassador added that Ethiopia believed that if there is sufficient political will to enable all the Nile basin states to manage and use the river

with a sense of mutual benefit, and in an inclusive manner, then there is enough for all the riparian countries and even more. Ethiopia, said Ambassador Berhane, sees the Nile as a bridge to further economic integration and cooperation, supporting Pan-Africanism and the African Renaissance, rather than creating mistrust. In this respect, Ambassador Berhane thanked the Diplomatic Corps and partner countries for their support for Ethiopia`s internationally accepted and principled efforts. Ethiopia would, he emphasized, continue to ensure and foster transparency, adequate understanding and mutual confidence among the three countries over the GERD.

Referring to the meeting of the two Foreign Ministers, Ambassador Berhane said the discussions were held in a spirit of friendly relations and mutual understanding. It was very constructive that they agreed to embark on consultations at political and technical levels with the participation of Sudan to implement recommendations of the International Panel as soon as possible. In addition, both countries had agreed to work cooperatively and to implement the recommendations made by the International Panel and conduct further consultations. The friendly spirit of the talks was appreciated by both sides.

Regarding the Comprehensive Framework Agreement which was ratified by the Ethiopian Parliament on Thursday (June 13<sup>th</sup>), Ambassador Berhane pointed out that Ethiopia had delayed this procedure for a year at the request of Egypt until Egypt had an elected Government. It had done so willingly in the interests of cooperation and mutual benefit. He pointed out that the Framework Agreement had been signed by Ethiopia, Uganda, Kenya, Tanzania, Burundi, and Rwanda in 2009, and Egypt, of course, is still in negotiation over it. There was, of course, no relationship between the GERD project and the Comprehensive Framework Agreement, which is a multilateral agreement in which all the riparian countries should be involved. Ethiopia has ratified it, as the agreement is crucial to ensure eventual equitable utilization of the Basin`s natural resources. He said Ethiopia believed the other countries will now ratify the Agreement shortly, and it still hoped Sudan and Egypt will follow the example of the other riparian states.

### **The Diaspora Conference 2013 comes to an end**

At the beginning of the week, a fund-raising gala for the Diaspora Conference 2013 was held at the Hilton Hotel, in the presence of Foreign Minister, Dr Tedros Adhanom, State Minister Dawao Kedir and more than five hundred members of the Diaspora. The event marked the conclusion of the weeklong program for the Diaspora and the launching of the new Diaspora Policy.

Dr Tedros, opening the Gala, focused on raising the awareness of the majority of the Diaspora around the world and encouraging their meaningful participation in the development of a prosperous Ethiopia. He noted the importance of rallying the Diaspora behind the Great Ethiopian Renaissance Dam as a flagship project of the nation. He said that the contribution made for the Dam so far amounted to around US\$20 million. This compared to the US\$2 billion remittance annual inflow to Ethiopia. Dr Tedros said this showed that effective mobilization could increase the participation of the Diaspora in the construction of the Dam.

Dr Tedros added that Ethiopia was undergoing changes that will lead to a complete socio-economic transformation, and “the Diaspora needs to take part in this historic milieu.” He said there were a few voices within the Diaspora engaged in what he called futile attempts to stand in the way of the country’s development, under the pretext of opposing the ruling party. He pointed out that **opposing the construction of the GERD was not opposing the ruling party; it was opposing the development of the country.** He called on the Diaspora to work hard in engaging fellow members in this great national project and raise their voices to silence the few who opposed development and indeed Ethiopia itself.

Dr Ababi, head of the Ethiopian Diaspora Association, read out a four-point Declaration of the 1,500 Diaspora members who attended the launch of the new Diaspora Policy. This notes that the Diaspora Community had produced this Declaration in recognition of the strategic role of the GERD for the development of the nation. It also underlined that the Declaration was an act of solidarity for the new Diaspora Policy which had great potential to mobilize the Diaspora in the development of the country. The declaration stated:

- We, the members of the Diaspora, shall act as Ambassadors of our country to show to Ethiopians living abroad, friends of Ethiopia and other partners the true image of Ethiopia and the development progress it is making through the Growth and Transformation Plan.
- In an effort to make all possible contributions to the GERD, we members of the Diaspora announce the launch of the 10 dollar per person per year initiative. Accordingly we will do our level best to mobilize fellow Ethiopians to be part of this scheme.
- We, members of the Diaspora, who came to attend the 2013 Diaspora Conference hereby promise to bear witness to our fellow Ethiopians abroad of what we saw in Ethiopia since our arrival. We shall strive to encourage fellow Ethiopian Diaspora members take part in the holistic development endeavours of their nation.
- Convinced that the GERD is our national project and with our strong commitment to see it finalized and operational, we hereby affirm our readiness to stand by our government in all positions it may take to bring the project to completion.

Following the reading of the declaration, members of the Diaspora pledged more than US\$130,000 for the construction of the GERD. Members of the Diaspora took the floor underlining the need to work closely to support the efforts of the government. As one member remarked “we are the Ambassadors of our country and we should organize our fellow Ethiopians without even needing support of our embassies”. The event ended with a colourful cultural music show to which Dr Tedros and members of the Diaspora contributed.

## News in Brief

### Ethiopia

The G8 Summit, under UK chairmanship, was held in Northern Ireland on Monday and Tuesday (June 17<sup>th</sup> -18<sup>th</sup>) this week. Among those attending from Africa were Ethiopia's Prime Minister Hailemariam, the Chair of the African Union, Dr Dlamini-Zuma, Chairperson of the AU Commission, and the Presidents of Liberia and Senegal. (See article)

The four-day Ethio-Korea Business Forum began on Thursday (June 20<sup>th</sup>) in Seoul with Foreign Minister, Dr Tedros, leading a 160 strong Ethiopian delegation. The delegation will also attend celebrations of the 50<sup>th</sup> anniversary of the official establishment of Ethio-South Korea diplomatic relations. (See article)

Before leaving China at the weekend after his five-day official visit, Prime Minister Hailemariam met China's President Xi Jinping as well Zhang Dejing, Chairman of the Standing Committee of the National People's Congress.

Foreign Minister, Dr Tedros held talks with Egypt's Foreign Minister Mohamed Kamel Amr at the beginning of the week. A joint press statement was issued on Tuesday (June 18<sup>th</sup>) (See article)

State Minister for Foreign Affairs, Ambassador Berhane Gebrechristos, briefed members of the diplomatic corps in Addis Ababa on Wednesday (June 19<sup>th</sup>) on the meetings held between Foreign Minister Dr Tedros and Mr Mohamed Kamel Amr, Foreign Minister of Egypt earlier in the week. (See article)

The Export-Import Bank of India last week approved a \$300 million worth of line of credit to Ethiopia, to be used for the construction of a railway line linking Asaita in the Afar Regional State to the new port being built at Tajourah in Djibouti.

The new Diaspora policy was launched on Saturday (June 15<sup>th</sup>) by Deputy Prime Minister Demeke Mekonnen and by Foreign Minister, Dr Tedros, addressing a meeting of Diaspora delegations from around the world. The policy aims to protect and preserve the rights and privileges of the Diaspora in the countries where they reside, and institutionalize their relationship and facilitate engagement in Ethiopia's democratization processes and development. (See article)

State Minister Ambassador Berhane Gebrechristos received the credentials of Ambassador Saleh M.A Sahboun, the Ambassador of the League of Arab States to the Federal Democratic Republic of Ethiopia and Permanent Representative to the African Union and UNECA on Monday (June 17<sup>th</sup>), expressing his belief that the appointment of an ambassador for the Arab League will strengthen the historical, cultural and economic relationship between Ethiopia and the League of Arab States.

The World Bank Ethiopia Office released a report on Tuesday (June 18<sup>th</sup>) acknowledging that Ethiopia had the capability to achieve its target of becoming a middle income country by 2020, though the report said that private sector investment was lagging behind the public sector.

State Minister Ambassador Berhane Gebrechristos on Thursday (June 20<sup>th</sup>) received the credentials of Mr Faustin Yao, the newly appointed Representative of the United Nations Population Fund (UNFPA).

## **Djibouti**

The Djibouti Government signed several accords with a Yemeni delegation over the weekend, covering maritime issues, illegal weapons, human trafficking and smuggling. Discussions also covered the formation of a joint committee to address issues of maritime security.

Djibouti signed two agreements worth \$6 million with the United Nations Development Program on Monday (June 17<sup>th</sup>), one to evaluate the recently completed National Initiative for Social Development; the other for support to microcredit agencies to encourage small businesses and other income-generating activities.

The World Bank has contributed US\$6 million for Djibouti to further its geothermal potential. The funds will support Djibouti in assessing the commercial viability of the geothermal resource in the Fiale Caldera area within the Lake Assal region.

## **Eritrea**

President Isaias Afwerki on Wednesday (June 19<sup>th</sup>) held talks with a Rwandan delegation led by Joseph Karemera, member of the Executive Committee of the Rwandan Patriotic Front and Chairman of the Country's Assembly who delivered a message from Rwanda's President Kagame concerning bilateral, regional and international issues.

200 Eritrean refugees and asylum seekers gathered in Tel Aviv's Levinsky Park on Wednesday evening to honor the victims of autocrat Isaias Afwerki, Eritrea's president since 1993.

## **Kenya**

Construction work on the 1,068km long Kenya-Ethiopia transmission line project will begin in September 2013. The cost of the project is estimated at a US\$1.26bn, and funding will be coming from the African Development Bank (\$338m), the World Bank (\$684m), Kenya (\$88m) and Ethiopia (\$32m).

The International Criminal Court has ruled that Kenya's Deputy President, William Rut, does not have to physically present in court except on nine instances, including the entire opening and closing statements of all parties and participants, and when victims present their views in person during the trial. The trial is due to start September 10.

The World Bank's latest Kenya Economic Update report says Kenya has underperformed in comparison with Tanzania, Rwanda and Uganda as well as Sub-Saharan Africa as a whole because of internal shocks, lack of natural resources and economic fundamentals including a low saving culture, infrastructure bottlenecks and problems in the business environment.

## Somalia

There was general condemnation of an Al-Shabaab suicide bombing and the attack on the new UN offices in Mogadishu on Wednesday (June 19<sup>th</sup>). The UN Security Council, describing the attack as an outrage, said terrorist acts will not lessen the Council's resolve to support Somalia's transition to peace and stability; members reiterated their willingness to take action against those who threaten the peace, stability or security of Somalia. Nine people died as well as all seven terrorists.

In its weekly meeting, the Council of Ministers, chaired by Prime Minister Abdi Farah Shirdon, endorsed the appointment of five new Ambassadors in support of the government's effort to strengthen diplomatic relations. Former Interior Minister and Deputy Prime Minister, Ahmed Abdisalam Adan, was appointed to be the new Somali Ambassador to Ethiopia, whilst the current Ambassador, Said Yusuf Nur, is reappointed from Ethiopia to Tanzania.

At least 15 people, including four foreigners, were killed in an assault by militant Islamists on a UN office in the Somali capital, Mogadishu. The gun-battle inside the office lasted for more than an hour.

Heavy fighting took place, Friday, between rival factions of Somalia's militant Islamist group al-Shabaab near the key coastal town of Brava. Six militants, including two foreigners, were killed in the gun-battle at dawn.

## Sudan

President Al-Bashir of Sudan returned to Khartoum after a three-day visit to Eritrea aimed at enhancing bilateral relations and border security between Sudan and Eritrea. Sudan Foreign Minister, Ali Karti, said the talks had resulted in agreement over establishing free zones on the Sudanese Eritrean border as well as extending the highway linking Sudan and Eritrea from Karora to Port Sudan.

Ethiopia's Ambassador to Khartoum, Ambassador Abadi Zemo, told the Sudanese press on Thursday last week that the implementation of the Grand Ethiopian Renaissance Dam Project for electricity energy production was linked to the development of Ethiopia and would provide benefits for several neighboring countries including Sudan.

Sudan's Ministry of Foreign Affairs announced that Sudan has informed the African Union High Level Implementation Panel it does not object to AUHIP's latest proposals for solving the problems facing the implementation of the cooperation agreements between Sudan and South Sudan. Under these representatives from the Joint Border Verification and Monitoring Mission will participate in the process of identifying the baseline which began on Tuesday (June 18<sup>th</sup>) and will continue for six weeks.

## South Sudan

South Sudan's Minister of Water Resources and Irrigation, Paul Mayom Akec, on Tuesday (June 18<sup>th</sup>) described construction of a dam by Ethiopia on the Nile as its "legitimate right".

South Sudan has formally been admitted as the newest member of the United Nations Food and Agricultural Organization at the organization's current conference in Rome. Betty Achan Ogwaro, South Sudan's Minister for Agriculture, Forestry and Rural Development, said South Sudan's membership to FAO, signals a new era of partnership.

South Sudan's President Salva Kiir suspended two federal ministers, the Minister of Cabinet Affairs, Deng Alor Kuol and the Minister of Finance and Economic Planning, Kosti Manibe Ngai, from their duties and lifted their immunity on Tuesday (June 18<sup>th</sup>).

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