A Week in the Horn **25.10.2013**

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News in Brief:

African Union

The African Union Peace and Security Council on Thursday last week (October 17) urged the Sudanese government to take appropriate measures to stop the upsurge of tribal violence in Darfur, and bring to justice the perpetrators of recent attacks on members of UNAMID, the African Union United Nations Mission in Darfur.

On Monday (October 21), the African Union Peace and Security Council urged the leaders of Sudan and South Sudan to take concrete steps to address the challenges in Abyei. The Council said it would finalize arrangements for its visit to the region after the Summit. **(See article)**

Ethiopia

President Mulatu has expressed Ethiopia's keenness to boost existing ties with Israel particularly in economic sector. The President was holding talks with the Israeli Ambassador to Ethiopia, Ms. Belaynesh Zevadia.

Prime Minister Hailemariam attended the 3rd Global Green Growth Forum min Copenhagen, Denmark (October 21-22) **(See article).**

Foreign Minister Dr. Tedros met with Rosalyn Marsland, the European Special Envoy to Sudan on Tuesday (October 22) to discuss the political and humanitarian situation in Sudan, the current developments in the Abyei region and the contribution of the UN Interim Security Force for Abyei and other regional matters.

The Third Annual Conference on Climate Change and Development in Africa (CCDA-III), organized by the African Climate Policy Centre at the UNECA Conference Centre in Addis Ababa, was held this week (October 21-23) under the auspices of the Climate for Development in Africa (ClimDev-Africa) Program**. (See article)**

Egyptian, Ethiopian and Sudanese Ministers of Water Resources and Irrigation will meet in Khartoum during the first week of November to discuss the effects of the Grand Ethiopian Renaissance Dam on Sudan and Egypt.

Ethiopia and Kenya have secured the funds for a $1.26bn power line a 1,068km high-voltage transmission line with a capacity of 2,000 MW aimed at improving electricity supply and the project is set for completion in two years' time, said Ethiopia's Minister of Water and Energy, Alemayehu Tegenu, on Wednesday (October 23).

The Great Rift Valley Energy Summit was held in Addis Ababa, this week. The Minister of Water and Energy, Alemayehu Tegenu told the summit Ethiopia renewable energy wealth included an estimated 45,000MW of hydropower, 10,000MW of geothermal energy and an estimated 1.3 million MW of wind potential. Power plants under construction have a total estimated generation capacity of 8000MW.

The signing ceremony with Reykjavik Geothermal, an Icelandic company, on Thursday (October 24) launched the establishment of Corbetti Geothermal Power for geothermal development. The total cost of the power project will be 4 billion dollars.

The Ethiopian Electric Power Corporation (EEPCo) has announced that the Ashegoda Wind-Farm, the largest wind-farm in Africa, will be inaugurated on Saturday 26th October 2013.

A delegation from the Ethiopia's Somali Regional State visiting Somaliland met with senior Somaliland officials on Sunday (October 20**). (See article)**

Ethiopian Airlines has announced it will be starting flights to Singapore on December 3 with three scheduled flights a week.

A new report by Save the Children, "Lives on the Line", shows that Ethiopia and Tanzania have already met the Millennium Development Goals' targets for of reducing preventable child deaths by two-thirds.

Djibouti

The Intergovernmental Authority on Development (IGAD) announced Tuesday (October 22nd) the formation of a Sustainable Fisheries Task Force for the Horn of Africa following a workshop on "Illegal, Unregulated and Unreported (IUU) Fisheries" workshop in Djibouti attended by delegates from Djibouti, the Somali government, Puntland and Somaliland.

Eritrea

The U.N. Special Rapporteur on the situation of human rights in Eritrea, Sheila Keetharuth, told the U.N. General Assembly Third Committee, that Eritreans were subject to serious human rights abuses, including extrajudicial killings, incommunicado detention, arbitrary arrest, torture, inhumane prison conditions and indefinite national service. 2,000 and 3,000 Eritreans flee every

month despite the shoot-to-kill policy against those attempting to flee and over 300,000 had fled in the last decade.

The Eritrean Permanent Representative to the U.N., Ambassador Araya Desta, told the UN Third Committee that Eritrea did not have a "shoot-to-kill policy" for people crossing the border illegally. He denied detainees were tortured and said there are no extrajudicial killings. He said the human rights situation in Eritrea did not warrant the attention of the U.N. Human Rights Council or the Third Committee.

Eritrea is reported to have freed 81 Yemeni fishermen who had been detained by the Eritrean authorities for nearly a year and a half. The fishermen arrived back in Yemen on Thursday last week (October 17). The Yemen Government said efforts to secure the release of another 519 Yemeni fishermen arrested in Eritrea in 2012 were continuing.

Kenya

The ICC has excused Kenyan President Uhuru Kenyatta, whose trial for alleged crimes against humanity is due to start on November 12, from attending certain court sessions, a majority of the ICC judges ruled on Friday (October 18).

The Kenyan Police Service this week took delivery of United States-made bomb disposal equipment for use in anti-terror operations. The US Embassy in Nairobi said the equipment was provided under the auspices of the Department of State's Anti-Terror Assistance Program which had provided training and equipment to the KPS Bomb Disposal Unit for several years.

A report by the Kenyan National Intelligence Service has said that Al-Shabaab has a substantial presence on Garissa County along the border with Somalia, and that its intelligence and assassination wing, Amniyat, uses Garissa as a base of operations.

The Kenyan government plans to create a new website enabling whistleblowers to report tax evasion, smuggling and corrupt tax officials anonymously and will reward them with a share of any revenue it recovers as a result.

Kenyan officials caught 53 migrants without documents and two human traffickers in the Samburu County, in the northern part of Kenya, at the weekend. All were en route from Ethiopia to Nairobi where they were apparently hoped to find jobs.

Somalia

A delegation from AMISOM held a consultative meeting with Ahmed Mohamed Madobe, Leader of the Interim Jubbaland Administration, on Sunday. A Somali Federal Government delegation also visited Kismayo over the weekend. The Somali Federal Government and the Interim Jubbaland Administration on Monday (October 21) announced that the first round of the reconciliation conference will be held in Mogadishu.

Ghana on October 24 announced plans to send 90 police officers to support AMISOM police operations in Somalia.

Twenty people died and 30 were injured when a suicide bomber detonated explosives in a restaurant in Beled Weyne, the capital of Hiiraan region, about 200 miles north of Mogadishu on Saturday (October 19). Most were innocent civilians. Al-Shabaab claimed responsibility.

A delegation led by the United Nations Special Representative to Somalia and head of the UN Assistance Mission (UNSOM) Ambassador Nicholas Kay visited Puntland on Sunday (October 20), for a two day visit. He was briefed on the preparations and timeline for the electoral process which will produce a new Puntland parliament later this year and presidential elections early in 2014.

Somaliland Foreign Minister Mr.Mohamed Biihi Yoonis on a working visit to Addis Ababa met Foreign Minister Dr. Tedros on Monday (October 21); discussions covered security and bilateral trade issues.

33 would be illegal migrants from Somaliland were handed over to Somaliland immigration officials at the Tog Wajaale Border crossing point with Ethiopia as part of the efforts to curb the illegal immigration and human trafficking.

South Sudan

The South Sudanese president Salva Kiir has condemned "senseless" the killing, by armed groups, of nearly 80 innocent civilians in Jonglei state. At least 78 others were also injured in the attack on October 20,

Sudan

President Omar al-Bashir of Sudan headed a delegation of more than fifty officials and business people to South Sudan on Tuesday, October 22 for a one day meeting with P
South Sudan President Salva Kiir . Border crossings, tgrade and oil as well as security and Abyei were among the issues raised during the meeting. **(See article)**

On Thursday (October 24) the UN Security Council called urgently on the Governments of Sudan and South Sudan to refrain from any unilateral action that could heighten tension between the two neighbouring countries or impede a solution for Abyei. Council members reiterated "their grave concern about the highly volatile situation in Abyei area".

The Ministers of Oil for the Sudan and for South Sudan met in Juba on Tuesday (October 22) and agreed to work out a work program in accordance with the agreement signed between the two sides. Sudan's Oil Minister, Dr. Al-Jaz said Sudan can buy South Sudan oil and Juba can take advantage of Sudan's refining capabilities, and stressed the importance of opening border crossings for movement of oil.

African Climate Change Conferences and preparations for COP19….

In the last decade, Africa's economic progress has been on a positive trajectory and is indeed undergoing rapid transformation. Many African countries have consciously launched economic and political transformations, and are implementing strategies and programs aimed at promoting economic growth and poverty reduction. Sustaining the momentum, however, requires confronting a number of challenges, notably climate change. Climate change, variability and associated increased risks of disaster, are an additional burden to sustainable development in Africa, as well as a threat and an impediment to achieving the Millennium Development Goals. Indeed, recent assessments have shown that the impact of climate changes are potentially disastrous for Africa, as they become increasingly severe through this century, exacerbating existing pressure points and creating new ones. Many of the changes are expected to occur earlier and to be more serious in Africa than elsewhere. In addition, the overall threat of climate change will be extreme on Africa because of the large rural population which remains highly dependent on rain-fed agriculture for food, the natural resource-based economy, and the constraints on internal trade.

The 4th Assessment Report of the Intergovernmental Panel on Climate Change, for instance, suggested increased temperatures across the continent between 0.2°C and 0.5°C per decade up to the year 2100. This change would, it says, come with more frequent storms, floods, sea level rises, heat waves or droughts. It is imperative that African countries invest in mechanisms that will provide mitigation from climate change into development strategies to avoid possible negative impacts. To achieve this, there must be a concerted effort by all key players such as climate and social scientists, development economists, policy makers and users of climate information.

For the last three years, the Conference on Climate Change and Development in Africa (CCDA) organized by the Economic Commission for Africa has become a central event to discuss climate change by scientists and policymakers. This platform welcomes debates, discussions and initiates concrete strategies in Africa's fight against the impacts of climate change. It is convened in collaboration with the African Union Commission, the African Development Bank and other key partners to foster the work plan of the Climate for Development in Africa (ClimDev-Africa). It also embraces a large number of participants including Heads of State and Government, ClimDev-Africa partners, African member State policymakers, development partners, other United Nations agencies, intergovernmental and non-governmental organizations (IGOs/NGOs), academia, practitioners, civil society organizations (CSOs) including the media, the private sector and other concerned stakeholders.

The Third Annual Conference on Climate Change and Development in Africa (CCDA-III) was held in Addis Ababa from October 21-23, under the theme " Africa on the rise: Can the opportunities from climate change spring the continent to transformative development?" More than 500 participants drawn from policymakers, academia, scientists, researchers, civil society groups, the media and the agricultural sector attended the conference. It focused on several sub-themes including: Climate Science; Data and Services for Africa's Adaptation and Mitigation; The Role of Policy in Building Africa's Resilience to Climate Change Impacts; Green Economy and Climate

Finance Opportunities in Africa; and Is the Global Climate Change Framework working for Africa?

The overall objective of CCDA-III was to provoke debate among experts and stakeholders in development policy and practice on how opportunities in climate change can enhance Africa's transformative economic growth and development agenda. Equally, it was an opportunity to debate Africa's transition to a green economy, with especial reference to clean energy access, low carbon development options, and climate finance. Of critical importance at CCDA III was a review of the relevance of the global climate change framework for Africa with reference to how Africa needs to assert its development interests and influence in the global agenda, and whether an alternative space exists for Africa to pursue its development goals.

At the opening of the CCDA-III, the United Nations Under-Secretary-General and Executive Secretary of Economic Commission for Africa, Dr. Carlos Lopez noted that it was important to firstly convince the skeptics of climate change in Africa on just how vulnerable Africa is to climate change and underline the scientific findings and hard facts that make the impact explicit. "Africa", he said, "is trapped in global negotiations on climate change which on the whole are largely driven by global and external interests and in order to enter the solution space, Africa must firm up its own views on how to put the continents interest first.", adding that "climate change [also] offers Africa an array of incredible investment opportunities that can harvest surpluses." Dr. Lopez proposed several strategies in order to respond to the unique vulnerabilities and opportunities the continent faces and which could be used to influence negotiations and outcomes. The first was to invest in innovative renewable and clean energy sectors replacing energy sources dependent on fossil fuels, biomass and forest resources. He suggested that African countries invest in climate science, services and the production of high quality data necessary to facilitate the development of early warning systems and initiate much needed research on climate impact, vulnerability and adaptation. These were also necessary for creating a knowledge economy. He pointed out that there should be an improvement in institutional and policy capacity and that investing in expanded South-South partnerships could help risk management through sharing experiences and lessons learned. Dr. Lopez also proposed leveraging the capacity of the private sector to scale-up investment in agro processing which in return would create jobs and diversify export commodities, as well as using tourism for Africa's advantage and the world's biodiversity wealth.

Dr. Abdalla Hamdok, Deputy Executive Secretary of ECA, said that Africa's economic growth figures have grown impressively from an average of 2.1 percent in the 1990s to five percent in 2000s. He noted however that scientific evidence was clearly showing that climate change was opening up a dangerous area with increased risks of natural catastrophic impacts for both ecosystems and humankind. Dr. Hamdok concluded that as climate change was the single biggest threat that was facing humanity, it also presented a vital opportunity to create a shared vision on how the principles of enlightened self-interest and solidarity across nations could lead to sustained growth and shared opportunities for all.

Debate at the Third Annual Conference on Climate Change and Development in Africa (CCDA-III) was also informed by the conclusions of the Africa Climate Conference 2013 held (October 15-18) in Arusha, Tanzania. This adopted a statement identifying four priority areas for research in

order to address critical gaps in understanding of the African climatic system and to bridge the climate science-policy divide. These are: co-designing multi-disciplinary research for improving climate forecast skill and reliability, across different time and spatial scales; filling the climate data gap; building capacity at all levels; and mainstreaming climate services into decision making.

These conferences are being held with an eye on the next Conference of Parties (COP19) to be held in November in Warsaw, Poland, where a stronger African position will be presented. COP19 hopes to achieve a comprehensive agreement on climate change by 2015 and it will provide a real opportunity to present a coherent African voice and position to influence the debate.

…. Prime Minister Hailemariam shares Ethiopia's vision of a 'Green Economy'…

Other initiatives and meetings have been taking place elsewhere. The 3rd Global Green Growth Forum took place on October 21-22 in Copenhagen, Denmark, bringing together 450 business, public and civil society leaders committed to advancing inclusive green growth. The overall theme of the forum was improving resource efficiencies and greening the value chain, as a means of creating major growth opportunities, generating new markets and jobs, and promoting social and environmental benefits.

Addressing the plenary session of the Forum, attended by Denmark's Prime Minister Helle Thorning-Schmidt and leaders of global companies including Unilever, IKEA and Tata Group, Prime Minister Hailemariam, the Chairperson of the African Union, said that Ethiopia's vision is "simple and yet ambitious: to achieve middle-income status by 2025, while developing a climate resilient green economy". There is good reason for expecting that we can realize this vision, he added, pointing to the fact that for over ten years Ethiopia had registered an average double-digit economic growth, a growth which had been widely and equitably shared.

The Prime Minister noted that Ethiopia still had an agrarian economy, and said that with the current agricultural practices, it could not sustain current production levels let alone increase them over an extended period of time. The current practices would result in the destruction of more than half of the forest resources, he said. Therefore what was needed was 'sustainable agricultural productivity and production'. In looking to this, he cautioned against re-inventing the wheel and pointed to the imperative of leapfrogging.

He said Ethiopia decided to follow the green path of development, because as global and responsible citizens, it believed it ought to contribute to the global efforts to reduce emissions of greenhouse gas. He reminded participants that Ethiopia contributed to this end not only by reducing its national emissions but also in helping neighboring countries reduce theirs through the export of clean and renewable power. He outlined the Government's current efforts of interlinking the power grids of Ethiopia with neighboring countries including Kenya, The Sudan, South Sudan, and Djibouti.

The Prime Minister said that while Ethiopia needed to expand its agriculture it was also aware that in order to transform the economy it must realize that agriculture had its limits and hence there was a necessity for industrialization. He said Ethiopia was determined to follow the greener path of industrialization. He highlighted the importance of supporting and taking energy efficiency measures, and of exploiting clean and renewable energy sources. To cope up with the projected economic growth, the generation of power would have to increase by 14 percent per annum in Ethiopia. He admitted that government alone would not be able to get the job done, and he invited those companies present to consider investing in power generation in Ethiopia. He also outlined other important avenues for green growth such as increasing the productivity of the livestock sector.

Ethiopia launched its 'green economy strategy' nationally in November 2012 and internationally in December 2012 at the Durban climate conference. The strategy is now being elaborated further and gradually implemented with the Government designing projects and programs that will help achieve its vision. Some of the initiatives, including both power and railway projects, are already under implementation and the Government is also establishing and empowering the necessary implementing and coordinating institutions.

…as Denmark launches "Opportunity Africa" for green growth in Africa

The Government of Denmark took the opportunity to launch its growth initiative, "Opportunity Africa", at the Forum marking the occasion with a roundtable discussion, moderated by Dr. Donald Kaberuka, President of the African Development Bank. Prime Minister Hailemariam of Ethiopia, Chairperson of the African Union, participated in this discussion as a panelist. In his comments, the Prime Minister reminded the participants that not so long ago some people still characterized Africa as a hopeless continent but now these same people were prepared to state firmly that Africa was rising. This, the Prime Minister asserted, was a mere statement of fact, pointing out that "We have made progress and such progress has been a result of the various national, regional and continental reforms that we have been designing and implementing". Prime Minister Hailemariam singled out the New Partnership for Africa's Development (NEPAD) as one continent-wide initiative which now served as the basis of Africa's relationship with the global community.

The Prime Minister outlined four main strategies for turning African renaissance into "inclusive and green growth". First, he said: "the private sector is not coming for charity. It is coming to make a profit. We, the African leaders, are cognizant of the need to create a favorable and conducive environment for it. We have to create a productive political economy and take control of rent-seeking avenues and actors". And the Prime Minister asserted that these measures are being taken. Africa, he said, is growing simply because there reforms were taking place. The Prime Minister admitted that there was still room for improvement and strongly advised on the need for continuing and strengthening such reform measures.

Secondly, he noted that African countries needed to find the optimal public and private mix of policies. "We believe that in Africa markets are riddled with failures as a result of which the private sector will not be willing and/or able to invest. In these circumstances, governments

should not simply be standing idly by. They should correct these imperfections which may not necessarily be found in Europe". He pointed out that the African states could play important roles in the infrastructure development necessary for attracting private investment. As an example, the Prime Minister noted Ethiopia's vision to become a middle-income green economy by 2025. He said that it needed US$150 billion to realize this vision. He said he shared the realistic belief of his government that it alone would not be able to mobilize the required financial resources and it therefore needed to engage the private sector.

The Prime Minister also said it would be inequitable to overlook the role of agriculture in Africa. This sector makes a significant contribution to the continental economy and to the employment of people. He also emphasized strongly that agriculture policies should overlook small-holder agriculture. And while it was also important to expand agriculture both in advance and during the transformation of economies, the Prime Minister also underlined that the growth should be 'green'. He pointed out that agriculture was one of the pillars of the green economy strategy of Ethiopia. This decision emanated, among others, from the realization that the current pace of expansion of agricultural land was not sustainable. In conclusion he also underlined the importance of being prepared to adopt newer and green technologies.

Dr. Kaberuka, the President of the African Development Bank, highlighted the fact that Africa was emerging as a global growth pole and many countries in Africa were registering impressive rate of growth. He also noted that the frontrunners among them, including Ethiopia, were non-oil producing. He stressed that economic growth and economic transformation were two different things. Economic growth, he said, expands the size of the economy and transformation changes its structure. Dr. Kaberuka stated that African states needed to engage both in economic growth and transformation. In growing and transforming our economies, he warned, government should be cognizant of the ecological footprint, which in some cases appears, he added, upon closer scrutiny could be rather bigger than originally thought.

The Danish Minister for Trade and European Affairs, Mr. Nick Hækkerup, revealed that 'opportunity' represented what was closest to his heart as a social democrat and as a politician. He said inequality always existed but equally the hope for the future lay in the existence of 'opportunity'. The Minister outlined the important roles of free enterprises, trade and green growth, and underlined that the "Opportunity Africa" initiative was the Danish way of creating and spreading opportunity in order to minimize inequality.

Overall the initiative will support inclusive and green growth in Africa. 'Opportunity Africa' will have three constituent elements: foreign policy, development co-operation, and trade and investment. On foreign policy, the Danish government will support "intensified economic diplomacy at the regional and sub-regional level in Africa, at the level of foreign ministers, to promote implementation of reforms in support of green and inclusive growth, supplementing the significant efforts already underway in a number of African countries". For development assistance, it was announced that in 2013 and 2014 the Danish government will "invest 3.9 Billion Danish Kroner in growth in Africa, mainly through bilateral development co-operation with priority countries". Finally, Denmark announced that it will work "to enhance commercial 'win-win'-cooperation between Danish and African private sector partners." Danish companies

will offer important support for green solutions in such sectors as water, energy, agriculture and the environment, support which will match with the current demands in many African markets.

The Danish Minister of Development Cooperation, Christian Friis Bach, reminded participants that if this meeting had been held ten years ago it would probably have been dubbed 'Challenge Africa'. The Minister said Denmark was ready to support the ambitious goal that Africa has set for itself - that is green and inclusive growth. "Whenever I travel throughout Africa, the Danish companies are standing right behind me.", he said. "Whenever we have meetings with the African ambassadors in Copenhagen, the Danish companies are coming because they know that Africa is on the move. This is where the future opportunities are and where business can be made: the Danish pension funds say that their most valuable investments are in Africa".

'Opportunity Africa' will use innovative financing and partnership to create synergy between investment, trade and development in the African continent, the Minister of Development Cooperation observed. He stressed that development goals cannot be reached with public money alone, but public money must be used to leverage significantly more, three or even ten times more from private investment. "This, we can do, by taking the risks which prevent private investors and pension funds from investing." The Minister reminded participants at the round table discussion that Denmark was also behind several projects which were assisting Africa including the Sustainable Energy for Africa program of the African Development Bank. Mr. Bach concluded by quoting Prime Minister Hailemariam: "Green growth is also the way to higher growth".

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President Omar Al-Bashir and President Salva Kiir meet in Juba

President of the Republic of Sudan, Omar Al-Bashir, paid a one-day official visit to Juba at the invitation of President Salve Kiir on Tuesday (October 22). He was accompanied by a high-level delegation of more than 50 people including the Minister at the Presidency, Lt. General Bakri Hassan Salih; Foreign Minister Ali Karti; Defence Minister, Lt. General Abdul Rahim Mohammed Hussein; Interior Minister, Engineer Ibrahim Mahmoud; NISS Director, Lt. General Mohammed Atta Al-Mawla; Petroleum Minister, Dr. Awad Al-Jaz; Trade Minister, Osman Omer Al-Sharif; Federal Rule Minister, Hassabu Mohammed Abdul Rahman; the Chief of the Sudanese Negotiating Team, State Minister at the Ministry of Finance, Magdi Hassan Yassin; and the Central Bank of Sudan Deputy Governor, Dr. Badr Addeen Mahmoud.

There were expectations that the high-level visit would demonstrate the strong intention of both parties to make a considerable breakthrough and enter into further understandings over various issues. According to the South Sudan Foreign Minister, Barnaba Marial Benjamin, "Abyei is one of the top items on the table," adding that opening up border posts to allow traders and residents to cross the new frontier, security and oil issues were also on the agenda. Sudan's Foreign Minister, Ali Karti, however, said President Al-Bashir's visit mainly aimed at underscoring what

had already been agreed upon by the two countries, especially the issue of the zero border line that paves way for establishing a secure and demilitarized area on the border.

The joint communiqué, read by the Secretary General of the Government of South Sudan, Abdun Agau, said “President Bashir’s reciprocal visit underscores a strong political will by the two leaders to work closely to create a conducive climate for the two countries to prosper economically and to live side by side in sustainable peace and stability” and added that “The meetings were frank, cordial and fruitful. President Al-Bashir himself described the meeting as "fruitful", adding that both leaders will now "make sure all the outstanding issues are implemented". President Kiir said "we are ready to go the extra mile to make peace with Sudan," and the South Sudan Foreign Minister, Barnaba Marial Benjamin, noted that the meeting was about "building relationships between our countries and to strengthen our ties".

The Summit agreed to expedite the identification of the Zero Line to create the Safe Demilitarized Border Zone (SDBZ) according to the security arrangements of the September 2012 Cooperation Agreements; and agreed that the SDBZ should be set up before mid-November. Both countries, under the security arrangements, are required to withdraw all their troops from a 10-mile wide safe demilitarized zone along their borders to be patrolled by international forces. Ali Karti, Foreign Minister of Sudan described this as most important issue the two sides agreed on was determining November as the date for reaching the agreement on the zero line for the SDBZ. The two sides, the communiqué noted, have also agreed to expedite procedures for opening border crossings between the two countries once the zero line has been identified and expressed satisfaction over progress made with regard to the oil flow and export. The two parties signed an agreement according to which the diplomatic special and official passports holders are exempted from entry visas in both countries and this was hailed as a step towards easing the movements of citizens of the two countries. They also agreed to expedite procedures for the opening of border crossings between the two countries once the zero line has been identified; and to immediately start coordination between the two countries with the aim of establishing an integrated Border Management Mechanism to facilitate movement of people and goods and regulate other shared benefits. In mid-December 2013 a Conference of the Border States of Sudan and South Sudan for all the border states in both countries will be organized with the objective of consolidating the principle of soft borders and facilitating exchange of experience and capacity building at the level of local government institutions. According to the joint communiqué, the two sides also agreed that both should cease support and harboring rebel movements in each other territories, which has been a major cause of past skirmishes between them. Mr. Karti said this had “removed much suspicion and security concerns, especially with regard to refraining from support and harboring rebels.”

The two presidents agreed to expedite the operationalization of the work of the Joint Committee on the oil monitoring and exportation, enhance cooperation between the two central banks and banking sector to facilitate payments and coordinate monetary and banking supervision policies and direct the central banks in the two countries to serve as facilitators for trade, transfers, pensions and business activities. The two sides expressed satisfaction over the progress made with regard to the flowing and export of oil and they also agreed to continue to exert joint efforts

to achieve debt relief, the lifting of economic sanctions and the enhancement of development in both countries.

On Abyei, the joint communiqué only affirmed the importance of speeding up the establishment of the Abyei administration with the two Presidents agreeing "to expedite the establishment of Abyei Administration, the Legislative assembly, and Police organs. The government of Sudan did agree to pay the 2 percent share of oil revenue produced in the Abyei area, as well as arrears, to the Abyei Administration.

The day before the Summit, the AU Peace and Security Council of the African Union at a meeting on Monday (October 21) discussed the situation in the Abyei Area and appealed to the two Heads of State to seize the opportunity of the Summit to take concrete steps to address the challenges there. It reiterated its earlier communiqués and press statements on the issue of Abyei, including its acceptance of the proposal submitted by the AU High-Level Implementation Panel on 21 September 2012, for a referendum, describing it as a fair, equitable and workable solution to the dispute between the two countries. It also reiterated the need for expeditious implementation of the Agreement on the Temporary Administrative and Security Arrangements for the Abyei Area of 20 June 2011; the facilitation of rapid and safe return of refugees and the peaceful migration of nomadic pastoralists during the coming dry season; full demilitarization of the Abyei Area, including the withdrawal of the police force stationed in Diffra and its replacement by the Abyei Area Police Service; as well as the mobilization of assistance for Abyei and the implementation of the commitment to provide 2% of oil revenue originating from Abyei for the development of the Area. It stressed the urgency of establishing the Abyei Area Referendum Commission, including the review and adoption of a revised referendum law in line with the AUHIP Proposal and the submission by the two countries of the list of their nominees to the AUHIP. It urgently appealed to the two parties to refrain from any unilateral action and statement that may impede progress towards the search for a lasting solution. It said it would finalize the arrangements for its impending visit to Abyei after the Summit.

The United Nations Secretary-General Ban ki-Moon welcomed the outcome of the two leaders' summit, especially their intention to expedite the establishment of the Abyei administration, Abyei council and Abyei police service. He also welcomed their decision to accelerate the full establishment of the Safe Demilitarized Border Zone (SDBZ) by mid-November. At the same time Mr. Ban called on both countries to urgently resume their consultations on the implementation of the 2012 African Union High-Level Implementation Panel proposal to determine the final status of Abyei, and called on Abyei community leaders to refrain from any unilateral initiatives which could increase tensions in the Abyei area.

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The IMF: Ethiopia's growth is impressive, and poverty reduction significant

Ethiopia's economic performance over the past decade has been impressive in its growth rate, averaging 10 percent for the last ten years, and more significantly it has also seen included a dramatic decline in the proportion of people living in absolute poverty. Equally important, the

broad-based approach adopted has also provided for sustainability with new development sectors, including horticulture, construction and leather and footwear manufacturing, emerging alongside traditionally strong areas.

This description of Ethiopia's development was largely mirrored by the IMF's report on the annual Article IV Consultations the Fund holds with member countries. In its report of the discussions on Ethiopia's economic development and policies, the Fund held that the Government's policy of massively investing in key areas necessary for building the foundations of growth had positive results in the economy, and was instrumental for the years of successive growth. The report states "Ethiopia's public sector-led development strategy has contributed to considerable poverty reduction and progress toward achieving the Millennium Development Goals (MDGs) as envisaged under the authorities' Growth and Transformational Plan (GTP)." It further affirms that the strategy "has provided an important impetus to growth."

The Government's determination to continue along the lines of the current set of policies was also considered as effective by the report. It projects that the robust growth rate will be maintained for the remaining period of the GTP which runs from 2010-2015. While the report admitted that the Government's statistical methodology has shown a considerable improvement and that the IMF staff has consequently "reverted to using official statistics," it remains the case that the IMF's assessment of past growth rate and its projection for future performance are still lower than the Ethiopian Government's estimates.

The significantly positive improvement in the rate of inflation was also one of the areas noted as encouraging by the Fund: "inflation declined from the peak of 40 percent in July 2011 to around 7 percent in June 2013, lower than initially projected by staff," states the report. The current lower level of inflation, it said, was in large measure due to the Government's fiscal discipline and the effectiveness of the monetary policies put in place to curb what was a very high inflation rate. This "sound mix of policies" seems to have prompted the Fund to draw the conclusion that inflation would "remain in single digit over the medium term."

The report also endorsed the long-held Government position that the developmental state model of economic growth is the ideal approach to bring widespread improvements in basic economic indicators. In what the report referred to as "a dramatic drop in the national poverty rate", Government's policies aimed at poverty reduction have been hugely successful. The report emphasized "based on the Human Development Index (HDI), Ethiopia has been successful in translating economic growth into higher living standards for its citizens and has outperformed many sub-Saharan African countries and a number of non-African countries." The report credited the substantial proportion of "pro-poor spending that has averaged more than 12 percent of GDP over the past decade" for improving living standards. It further reflects on the Government's stance regarding the effectiveness of its public sector-led strategy, saying "improvements in nonmonetary measures, such as primary schooling and life expectancy have been particularly impressive."

Confirming the Ethiopian Government's commitment regarding economic justice and ensuring an even and equitable distribution of the country's gains in economic development, the report

strongly appreciated the falling state of income inequality. Comparing Ethiopia with other African countries, the report stated that "it is one of the most egalitarian with a Gini Coefficient of 33.6 and it has consistently maintained this distribution in the last ten years", and added that "Ethiopia stands out among comparable African countries regarding relatively even income distribution."

The Ethiopian Government's primary objective of its development agenda has been significant reduction in the prevalence of poverty. It is fair to say that over the past ten years Ethiopia's economic growth has been particularly effective in reducing the incidence of poverty and in providing basic services for an unprecedented large proportion of the Ethiopian people. The IMF report's observations and conclusions are a testament to the effectiveness of the country's policies.

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The 9th Biennial U.S.-Africa Business Summit in Chicago

The 9th Biennial U.S.-Africa Business Summit was held in Chicago from October 8th to 11. Organized by the Corporate Council on Africa, the summit brought together a large number of delegates and participants from many African countries as well as the United States. The main goal of the summit was to strengthen the relationship between the US and Africa in specific selected thematic areas and introduce US companies to the opportunities Africa offered, and also to create a forum in which African governments, US government officials and private companies were able to discuss and exchange views with the aim of establishing a solid partnership. The most promising opportunities for US companies to engage in investment in Africa were identified as: Agribusiness, Energy, Health, Infrastructure, Security and Information Technology.

A 56 member Ethiopian delegation to participate in the summit was led by the State Minister for Foreign Affairs, Dawano Kedir, and the delegation included Minister of the Cabinet in the Prime Minister's Office, Ato Eshetu Desse; the Director General for the Privatization and Public Enterprise Agency, Ato Beyene Gebremeskel; and the Director General of the Ethiopia Investment Agency, Ato Fitsum Arega as well as representatives of the Ethiopian private sector and public enterprises.

Speaking at the opening session, Corporate Council on Africa Board Director, Mr. Paul Hinks, emphasized that this year's summit was poised to be a great success, offering numerous networking opportunities and information-rich plenary sessions and additional workshops. CCA President and CEO, Mr. Stephen Hayes, underlining the importance of private sector development said that ''over the course of 20 years, the nature and depth of global relationships with Africa have changed. The role of aid has diminished and the importance of the private sector in development has increasingly been recognized, albeit still begrudgingly in some countries. Nevertheless, if Africa is to develop, its countries must develop a stable middle class, and that means there must be an active and vibrant private sector.''
The summit program also provided panel discussions on the selected topics of agribusiness, infrastructure, health, security, energy, capacity building and finance and ICT as well as a

Summit Exposition, Business to Business match-making program and Doing Business programs for eight different African countries.

The 'Doing Business in Ethiopia' program took place on Thursday, October 10.The Ethiopian Ambassador to the US, Ambassador Girma Birru welcomed participants and an opening speech was also made by the guest of honor, Ato Dewano Kedir the State Minister for Foreign Affairs. Presentations on investment potential and opportunities in Ethiopia were made by the Director of Ethiopian Investment Agency, Ato Fitsum, and by Earnest and Young Consulting's Executive Director, Ato Zemedeneh Nigatu. The Director General for the Privatization and Public Enterprise Agency, Ato Beyene Gebremeskel also made a presentation on the opportunities available in the privatization area. The presentations were followed by discussions and questions from the representatives of the 35 US companies which participated in the 'Doing Business in Ethiopia' occasion. During the event, a signing ceremony was held between Ethiopian Airlines and Boeing under which Ethiopian Airlines will be doubling its output of Wire Harnesses for Boeing.

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African Union Contact Group to talk to the Security Council about the ICC

The Extraordinary Summit of Heads of State and Government of the African Union held in Addis Ababa two weeks ago (October 12) to consider Africa's relationship with the International Criminal Court (ICC) decided, *inter alia*, to set up a Contact Group of the Executive Council to undertake consultations with members of the United Nations Security Council. This was to cover all aspects of the AU's relationship with the ICC, including the question of deferral of the Kenyan and the Sudan cases and obtain Security Council feedback before the beginning of the trial of President Kenyatta of Kenya, due to start on November 12.

The Contact Group, led by the Chairperson of the Executive Council, Dr. Tedros Adhanom Ghebreyesus, Ethiopia's Minister for Foreign Affairs of Ethiopia, is composed of five members, one from each region of the continent, and also Kenya. Burundi, Mauritania, Namibia, Senegal and Uganda were chosen to represent their respective regions. They will be travelling to New York this weekend to meet members of the Security Council, and starting on Monday October 28 they are scheduled to meet with the UN Secretary-General, the President of the Security Council, the President of the United Nations General Assembly, and members of the UN Security Council as well as the President of the Assembly of State Parties to the Rome Statute.

This is the first such occasion for an AU delegation to engage the UN Security Council directly on the issue of Africa's relationship with the International Criminal Court, though over the last seven years the AU Assembly of Heads of State and Government of the African Union has adopted several decisions calling on the UN Security Council to address Africa's concerns about the Court. Unfortunately, these repeated calls by the African Union have neither been heard nor acted upon.

The Assembly has consistently argued that the search for justice, which it had repeatedly endorsed, should be conducted in a manner that does not jeopardize efforts aimed at bringing

about lasting peace and reconciliation in specific cases. It is in this context that the African Union took a strong stand over the Kenyan and Sudanese cases, requesting that ICC should not handle the cases merely on a simplistic victim/suspect level. It raised serious concerns that, unless these two cases were handled properly through a mixture of political and legal remedies, they would have wider ramifications for the peace and security of the states concerned, for the region and indeed for the continent as a whole.

Under Article 24 of the UN Charter, the UN Security Council has the primary responsibility for the maintenance of international peace and security. In accordance with Article 16 of the Rome Statute, the Council is also empowered to defer investigation or prosecution for twelve months under a resolution adopted under Chapter VII of the UN Charter. It is on this basis that the African Union Contact Group will be discussing the issues with members of the UN Security Council, among others. It is looking for a favorable response to the AU's request for deferral of the Kenyan and Sudanese cases.

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Prime Minister's explanations to Parliament on foreign policy issues

Two weeks ago, Prime Minister Hailemariam Desalegn gave a detailed exposition of Government policies in the Parliamentary debate on the President speech opening the new session, answering questions from MPs. Some of this we covered last week; this week we detail some of the points the Prime Minister made on Ethiopia's foreign policy objectives and goals.

Illegal human trafficking is an issue that has been raising growing international concern and its negative impact has been increasingly felt in all segments of the society. Protecting victims of illegal trafficking from abuse has become a major concern of Ethiopian missions especially in Middle East and in neighboring countries. Responding to a question about government's plans to deal with this problem, the Prime Minister pointed out that a national committee was established two years ago. It is headed by Deputy Prime Minister, Demeke Mekonnen, and is conducting a number of activities to create awareness among youth and the women in particular about the dangers of illegal trafficking. The Prime Minister said combating illegal trafficking also needed accompanying measures of empowering woman and creating jobs, the Government was also focusing on expanding Small and Micro Enterprises (SMEs) in urban areas and creating off-farm jobs by facilitating credit facilities to rural communities. It was also expanding the capacity and operations of law enforcement to find and punish illegal traffickers and protect citizens from falling into their traps. He said, however, that these measures could only bring changes over a longer time span. Citing a case in which some people had left for South Africa after taking loans given for SME's, he said bringing about changes in attitude was crucial. He detailed the Government's plans to suspend the export of labor for some time to Saudi Arabia and to the Gulf States to make sure that those seeking to travel to Saudi Arabia were well equipped with the necessary skills to ensure that they were well paid and were not abused by their employers. The Ministry of Foreign Affairs formally announced the suspension on Thursday (October 24). Equally, the Prime Minister stressed, the problem with illegal trafficking and the horrific abuse that some victims had undergone, could only be addressed by eradicating poverty. He said" when

Ethiopia started working to achieve the MDGs, 52% percent of the population was below poverty line. Now we have reduced the figure to 26%." He added that the Government would continue to further reduce poverty and this would have a real impact on the incidence of illegal trafficking.

With reference to the Great Ethiopian Renaissance Dam (GERD), the Prime Minister acknowledged that the National Secretariat for Public Mobilization for GERD, although it has been working well, had fallen short of fully collecting all the pledges made by the public. He said that "the most important thing in that regard is that the public's willingness to support the project is unwavering and a failure in mobilizing it can only be attributed to our side." He affirmed that major efforts will be carried out this year to provide more effective collection of pledges and efforts be made to encourage others, including farmers and business men, to contribute to the flagship project.

Speaking about Foreign Direct Investment, the Prime Minister noted that Ethiopia was becoming a prime choice to foreign investors. He noted that a "4 billion dollar deal was due to be signed for geothermal energy generation, the first of its kind in Africa in regard to the size of the investment". It was in fact signed this week. He also added that a number of multinationals, including H&M of Switzerland, Uniliver of UK and Walmart of US were opening representative offices here to work with Ethiopian companies. "Korean giants like Samsung and LG have embarked on building training centers not only to do business but also to help in capacity building of our youth," he said.

In relation to the participation of the Diaspora in development, the Prime Minister detailed the Government's objectives, challenging the motion proposed by the opposition criticizing the participation of the Diaspora, especially Ethiopian-born foreign citizens, in the Government's housing program. The Prime Minister explained that increasing remittances from the Diaspora was not the central objective of increasing their participation. He said utilizing the diverse expertise and skill of the Diaspora especially in technology transfer was the main interest as the Government was struggling to bring prosperity to the nation through rapid and continuous economic growth. He cited the example of 300 doctors and medical personnel from the Diaspora were working to establish a hospital in Ethiopia and the tremendous benefit this would bring in tertiary healthcare. This didn't mean that the Diaspora were not contributing to foreign currency through remittances, but it underlined that there was rather an emphasis on how to mobilize the Diaspora and engage it in meaningful way to encourage its potential in developing the country. He noted that in the 2006 fiscal year, mobilizing the Diaspora would be one of the major preoccupations of the Government. Participation of the Diaspora in the housing scheme should be viewed in light of this bigger goal of their mobilization.

The Prime Minister also referred to religious fanaticism and to the threat of Al-Shabaab. He underlined that the Government was fully prepared to take legal measures against those who push for a political agenda veiled under the cloak of religion. He detailed the national, regional and international nature of the menace of extremism and terrorism. In reference to the resolve to fight Al-Shabaab, the Prime Minister noted that all the IGAD members were in agreement that Al-Shabaab was a common enemy and had resolved fight it together. In this context he noted

that the African Union has decided to add to the number of troops serving under AMISOM in order to increase pressure on the organization.

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Ethiopian delegation concludes a visit to Somaliland

A delegation from Ethiopia's Somali Regional State concluded a visit in Somaliland on Sunday (October 20). The delegation, headed by the executive officer of the Somali People's Democratic party of Ethiopia, Mr. Ahmed Mohamed Shukri, included the Regional Minister of Agriculture and Livestock Development Mr. Abdirizaq Ali Bashe, Presidential Advisor Abdirizaq Botaan, and Minister-at-large Mr. Mohammed Farah. It celebrated Eid-Ul-Adha at the Masjid Jama'a in Hargeisa in the presence of President Ahmed Mahmud Silanyo and thousands of Hargeisa residents. A Somaliland delegation led by the Minister of Information Mr. Abdilahi Mohammed Dahir had earlier joined in festivities marking Eid-ul- Fitr in Jijiga, the capital of the Somali Regional State. The Minister, who welcomed the delegation on arrival, said the people and Government of Ethiopia were important allies for the people of Somaliland and the visit was "a step in the right direction" partaking in celebrations of an Islamic holy day and for the discussions that would take place to enhance relations.

During its week-long visit, the delegation had talks with senior Somaliland officials from a number of institutions including the Office of Presidency, Ministry of Foreign Affairs and the Ministry of Interior. These discussions were made as part of the agreement between the Government of Ethiopia and Somaliland to hold regular meetings, exchange views and put in place workable directions to help strengthen the overall cooperation between the two sides which already includes extradition of criminals and trade links. Further negotiations are continuing to sign a more comprehensive trade agreement.

The discussions covered the current security situation in the region and along the common border. Both sides agreed to maintain a frequent exchange of visits and convening of regular meetings at all levels to exchange information, evaluate performance and make plans for security issues on the basis of current and future situations on the ground. An understanding has been reached to convene joint security and police meetings as quickly as possible when required. Other security matters discussed include the importance of exercising maximum vigilance against the dangers of infiltration by common enemies who try to damage Somaliland and infiltrate into Ethiopia for terrorist purposes. The delegation which noted the reliable and coordinated security arrangements that had been put in place to ensure the peaceful celebration of the Ethiopian Peoples, Nations and Nationalities day in Jigjiga, also briefed the Somaliland authorities on arrangements that still needed collaboration and on the need to keep the public informed and aware. Jijiga is hosting the celebrations for the Eighth Nations, Nationalities and Peoples' Day for the first time on Hidar 29 2006 (December 8, 2013). The celebration also marks the 19th anniversary of the ratification of the FDRE constitution in 1994. Regional State President, Abdi Mohammed, says preparations are progressing according to plan, with construction of roads, hotels, meeting halls and a stadium to accommodate the thousands of participants expected to arrive from all over the country.

The delegation also provided briefings on the evidence available of Eritrea's continuation of its anti-Ethiopian activities and plots, pointing out that the regime in Eritrea is still infiltrating extremist forces it has trained into Somaliland and other parts of Somalia. These elements are trying to organize themselves in Somaliland before crossing into Ethiopia to carry out terrorist activities. They also provide support to members of Al-Shabaab and other extremist elements. These have been seriously weakened but they are still striving to revive themselves again. The Ethiopian delegation emphasized Ethiopia's strong capacity to contain and eliminate any major threat of disruption at an early stage but it also pointed out the importance of continuously following up all leads, fully exchanging information and of taking coordinated measures as necessary.

The delegation also met with members of Ethiopian Somali community residing in Hargeisa to discuss ways of addressing their difficulties and of encouraging and supporting them to be fully part of their country's development and renaissance. The Consulate General's Office in Hargeisa is, of course, always ready to render all possible support and facilitation to the Ethiopian community in Somaliland. It is now planning to launch a series of meetings and discussion sessions with Ethiopian communities in and around Hargeisa and follow this with similar meetings in other parts of Somaliland as part of the efforts to address challenges and mobilize active participation in support of Ethiopia's stability and development.

Members of the delegation also exchanged views with the staff of Ethiopia's Consulate General in Hargeisa on the outcome of their discussions and on the agreed-upon future direction for cooperation. Ethiopia's Consul General in Somaliland, Brigadier-General Berhe Tesfaye, underlined the strong cooperation that existed between Ethiopia and Somaliland on issues of security, infrastructure, trade and investment as well as in other political and social areas including education and health. He also emphasized Ethiopia's readiness to transform the relation into a strategic partnership as the Prime Minister noted earlier in the year. General Berhe said Ethiopia has always supported efforts aimed at ensuring mutual peace, stability and prosperity in the region in Somaliland as well as elsewhere; it had provided, and continued to provide, capacity building and other security and political support to Somaliland and its people. He appreciated the broadening of people-to-people as well as government-to-government relations with both sides committed to mutual understanding and meaningful engagement. Ethiopia, he said, was the first country which had an office to provide services including visas. The aim was to consolidate social bonds between both peoples and help the free movement of the people of Somaliland. The commencement of direct Ethiopian Airlines flights to Hargeisa came from Ethiopia's strong desire to help connect Somaliland with Ethiopia and other parts of the world. The General noted that hundreds of higher education scholarships, including those to Jigjiga University, were provided to Somaliland students every year. This, he said, contributed to cordial relations

He noted Ethiopia had consistently advocated and encouraged the international community to support the peaceful settlement of any outstanding internal issues on the one hand as well as consider special arrangements of the provision of development support to areas with relative peace and stability like Somaliland in such a way to ensure mutual accountability. It was a very

welcome development to see international community's endorsement of a Special Arrangement for Somaliland (SSA) in a meeting held recently in Brussels. The arrangement will pave the way for the international community to support the Somaliland National Development Plan through the Somaliland Development Bank. This was established in 2012 with support of the UK and Denmark, and is now operational. The implementation of the promises made under the Special Arrangement for Somaliland will be of great importance in improving social services in the country.