A Week in the Horn **27.11.2015**

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News in Brief

Africa and the African Union

President Akinwumi Adesina, President of the African Development Bank, warned African countries this week to manage their finances carefully to repay dollar debts raised in recent years. Africa's foreign currency bond issues 2000-2014 totaled US$20.5 billion, US$7.4 billion raised in 2014 alone. President Adesina was in Addis Ababa for talks with the head of the African Union Commission, Dr. Dlamini-Zuma, and Ethiopian Prime Minister Hailemariam Dessalegn.

Ethiopia

The President of the Federal Democratic of Ethiopia, Dr. Mulatu Teshome, on Thursday (November 26) appointed fifteen new ambassadors to serve in Missions abroad: Ato Amin Abdulqader; Ato Shiferaw Jarso; Ambassador Cham Ugala; Ambassador Shamebo Fitamo;. Ato Muhammad Said; Dr. Hailemichael Abera; Ato Fisseha Shawel; Ato Mustefa Deq Abduselam; Wo.Terfu Kidanemariam; Ato Dewano Kedir; Wo. Yeshi Tamirat; Ato Asfaw Dingamo; Ambassador Solomon Abebe are all appointed as Ambassadors Plenipotentiary. Two others: Ambassador Dr. Gebeyehu Ganga and Wo. Mahlet Hailu have been appointed as Ambassadors.

Prime Minister Hailemariam Dessalgen met with Dr. Shinichi Kitaoka, President of the Japan International Cooperation Agency (JICA) on Wednesday (November 25). He asked JICA to enhance the involvement of Japanese investors in Ethiopia and noted Japan's special role in developing the Kaizen philosophy in Ethiopia's industrial sector. Dr. Kitaoka said JICA planned to support Ethiopia's geothermal and industrial development and encourage participation of Japanese investors in Ethiopia.

Prime Minister Hailemariam met Akinwumi Adesina, new President of the African Development Bank, on Tuesday (November 24). Mr. Adesina welcomed Ethiopia's plans for industrial zones development and promised Bank support to help youth settle in agricultural businesses.

The 3rd Ethio-Sudan Joint Steering Committee Meeting took place in Addis Ababa on Monday (November 23). The Ethiopia delegation was headed by Dr. Debretsion Gebremichael, Coordinator of the Finance and Economic Cluster with the rank of Deputy Prime Minister and

Minister of Communication and Information Technology and the Sudanese delegation by Hassabo Mohamed Abd Elrahman, Vice-President of the Republic of Sudan. **(See article)**

Ethiopia's Foreign Minister, Dr. Tedros Adhanom took part in a debate on the theme: "Is democracy getting in the way of development?" during a visit to Ghana on Friday (November 20). African Report Magazine with the Mo Ibrahim Foundation organized the debate. **(See article)**

The Silver Jubilee of Africa Industrialization Day (AID) was celebrated in Ethiopia at a country level with a workshop and a panel discussion on the development of industrial parks in Ethiopia on Tuesday (November 24). **(See article)**

The latest World Bank report on Ethiopia - "Ethiopia's Great run: The Growth acceleration and How to Pace it" - was released on Wednesday last week (November 18). It explains the sectors behind Ethiopia's "growth acceleration", and presents policy recommendations for sustaining development. **(See article**)

The still unfinished Ethio-Djibouti railway began operations on Saturday (November 21) to help transport emergency food supplies for people in drought affected areas, following the arrival in Djibouti of the first supplies of the additional wheat purchased by the Government.**(See article)**

State Minister of Forestry, Environment and Climate Changes, Kare Chawicha, said Ethiopia has been granted US$50 million from the Green Climate Fund (GCF) for climate-resilience projects. The Green Climate Fund, based in South Korea, is a mechanism to redistribute money from the developed to the developing world.

Ireland's Minister for Development, Trade Promotion and North South Co-operation, Seán Sherlock, has announced that the Irish Government will contribute an additional €2 million to the international response to the drought in Ethiopia. This brings Ireland's total contribution to meeting the urgent needs of those affected by drought to €5.5 million this year.

The Government of Sweden signed an agreement on Wednesday last week (November 18) for 140 million SEK (US$16 million) for food aid to people "affected by the severe and ongoing drought in Ethiopia." The contribution is being made through a grant to the World Food Program (WFP).

Genzebe Dibaba was named female IAAF World Athlete of the Year for 2015 on Thursday (November 26). Genzebe after setting a world indoor 5000m record of 14:18.86, was then a world 1500m record of 3:50.07 in Monaco and taking a gold medal for 1500m in Beijing as well as a bronze medal for 5000m.

Djibouti

China’s Foreign Ministry said on Thursday (November 26) that China was in talks with Djibouti to build logistics "facilities" to support Chinese peacekeeping and anti-piracy missions. A Foreign Ministry spokesman said the facilities would provide logistics services related to fuelling, rest and reorganization of troops and food supplies. "It will help China's military further carry out its international responsibilities to safeguard global and regional peace and stability."

Kenya

President Kenyatta declared war on corruption in Kenya on Monday (November 23) and reshuffled his cabinet the next day. **(See article)**

Pope Francis, Head of the Roman Catholic Church landed in Kenya on Wednesday afternoon (November 25) on the first leg of his first visit to Africa, a visit that will include Uganda and CAR. He was received by President Kenyatta, First Lady Margaret, Deputy President William Ruto and Cardinal John Njue.

Pope Francis told Christian and Muslim leaders in Kenya on Thursday (November 26) that they had little choice but to engage in dialogue to guard against the "barbarous" Islamic extremist attacks. Religious leaders must be "prophets of peace". He said interfaith dialogue isn't a luxury or optional, but is simply "essential."

Somalia

United Nations Secretary-General Ban Ki-Moon announced the appointment of Michael Keating of the United Kingdom as his new Special Representative for Somalia and Head of the United Nations Assistance Mission in Somalia (UNSOM) to succeed Nicholas Kay who completes his assignment at the end of the year.

Prime Minister Omar Abdirashid Sharmarke on Monday (November 23) appointed Abdirashid Mohamed Ahmed to replace Abdirahman Abdi Osman as Trade and Industry Minister, and Mohamed Mursal as Electricity and Water Minister, replacing Mohamed Hassan Aden.

A five-day workshop on parliamentary functions for the members of the 89 member Galmudug Regional Assembly ended on Wednesday (November 25). It was part of the support provided to regional assemblies by AMISOM which has pledged further material and technical support to strengthen institutions of parliament in the regions.

A national conference bringing together media practitioners and senior officials from ministries of information at the federal, state and regional government levels opened on Tuesday (November 24) in Mogadishu. The Federal Minister of Information, Culture and Tourism, Mohamed Abdi Hayir, said it was a great opportunity for government, media practitioners and stakeholders to deliberate how to improve their work.

The Food and Agricultural Organization’s Managed Somalia Land and Water Information Network (SWALIM) says more than 132,000 people have been affected by floods in different parts of Somalia since 19 October. Nearly 42,000 of these were affected by the tropical cyclones Chapala and Megh in the Indian Ocean.

The head of Al-Shabaab in the Lower Shabelle region of Somalia, Abu Abdalla, has issued a strong warning to Al-Shabaab members that those who try to leave Al-Shabaab and join ISIS “will be beheaded even if you have a big beard." He said Al-Shabaab had one emir and “we'll support him in good and bad times."

Puntland officials said on Monday that Somali pirates hijacked an Iranian fishing vessel with 15 crew members on Sunday (November 22) off the city of Eyl. Oceans Beyond Piracy in Nairobi said there had been three other unsuccessful sea attacks by Somali pirates in the past week.

In partnership with EUCAP Nestor, Operation Atalanta German warship, FGS Erfurt, has carried out two days of maritime training with the Somaliland Coast Guard in the Gulf of Aden.

South Sudan

The United States, Norway and the United Kingdom (the Troika) have expressed “deep concern” over the delay to form a transitional government of national unity in South Sudan. In a press statement on Thursday (November 26), the Troika said “We urge South Sudan’s leaders to establish the transitional government now and recommit to the timeline of the agreement, or the peace process will unravel,”

Festus Mogae, the Chairman of the Joint Monitoring and Evaluation Commission (JMEC) announced this week that the first meeting of the JMEC will be held in Juba on Friday (November 27).

The United Nations warned this week that the deteriorating humanitarian situation in South Sudan means that over 7 million people are at risk of starvation, almost 70% of the population. In addition an unprecedented malaria outbreak is affecting nearly all the states in South Sudan.

Sudan

Sudan’s President Omer Hassan al-Bashir reiterated on Monday (November 23) that U.S. sanctions deprived his country of debt relief and prevented it attracting foreign investments as well as obstructing exports and imports.

The Head of the African Union High Level Implementation Panel (AUHIP), Thabo Mbeki, on Tuesday (November 24) suspended talks between the Sudanese government and rebel delegations on a cessation of hostilities and humanitarian access. Mr. Mbeki expressed hopes that the current round of talks had allowed both sides to lay down the base for resumption of talks on outstanding issues.

Mr. Mbeki, Head of the African Union High Level Implementation Panel, has said the preparatory meeting for the National Dialogue Conference is scheduled for December 7 and the dialogue committee (7+7) and the Sudanese parties would participate.

The Sudanese minister of Water Resources and Electricity Moatez Moussa said on Monday (November 23) that the next meeting of the Tripartite Technical Meeting between Egypt, Ethiopia and Sudan, scheduled this week in Khartoum , had been postponed to a later date at the request of the Cairo Government. Egypt wants to merge this meeting with a separate one of the three Foreign Ministers.

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Foreign Minister Dr. Tedros debates democracy and development in Ghana

Foreign Minister, Dr. Tedros Adhanom took part in a debate on the theme: "Is democracy getting in the way of development?" during a visit to Ghana on Friday (November 20). The debate was organized by the African Report Magazine in partnership with the Mo Ibrahim Foundation. Among those participating in addition to Dr. Tedros and Mo Ibrahim, founder of the Mo Ibrahim Foundation were Dr. Carlos Lopes, Executive Secretary of the United Nations Economic Commission for Africa; Jay Naidoo, Chair, Partnership Council of the Global Alliance for Improved Nutrition; and the debate was launched with an opening speech by Ghana's President Mr. John Dramani Mahama. The debate was vigorous and wide-ranging with both sides of the argument having supporters.

In his contribution, Dr. Tedros stressed the need for both democracy and development. He noted that Ethiopia was trying to achieve the twin objectives of sustainable development and ensure the prevalence of democracy. He stressed that Ethiopia wouldn't "succumb to this chicken and egg argument," emphasizing that "we believe that both democracy and development are desirable goals." He mentioned that there was a need to democratize, not because of its impact on development but rather because its basic principles were important and acceptable to all human beings. Dr. Tedros said that in countries like Ethiopia where multidimensional diversity was a reality democracy is not merely an alternative; it was the only option on the table. It was the only way to bring about unity in diversity and stability and create tolerance amongst the diverse ethno-linguistic and religious interests. He also noted that for countries like Ethiopia pursuing the developmental mode of political economy, democracy was a fundamental necessity to get citizens to rally behind the country's development agenda. He underlined his argument that developmental states need democracy by saying: "Development helps the consolidation of democracy; democracy in turn helps fostering economic development." Dr. Tedros concluded by emphasizing the country's twin objective of achieving both democracy and development by borrowing a phrase from General Wojciech Jaruzelski of Poland: "Bread without democracy is bitter, but democracy without bread is fragile".

At another event organized by the Mo Ibrahim Foundation regarding African Urban Dynamics on Saturday (November 21) in Accra, Dr. Tedros also participated a discussion under the theme of "Financial Autonomy and Political Balance". Other high-profile speakers included Ian Goldin, Vice- Chair of the Oxford Martin Commission for Future Generations, Donald Kaberuka, former president of African Development Bank and Dr. Carlos Lopes.

Dr. Tedros gave an account of the Ethiopian Government's keenness to pursue an urbanization strategy and speedy economic growth that would create equitable access for city dwellers regardless of their economic statutes. He said the Government had been carrying out a series of projects to achieve this, including facilitating small scale business opportunities, capacity building training for public services, local economic development and good governance for local administrations, housing, investment, energy options and the building of higher institutions. Dr. Tedros said that although Ethiopia was rich in resources like land and manpower, it had a deficit in capital. This remained the major challenge in carrying out successful urbanization policies in the country. In order to overcome this, the Government had been working hard to achieve a governance system that could mobilize the nation around the vision of achieving a middle income country. It had reached consensus on its Growth and Transformation Plans I and II. Dr. Tedros also noted that power decentralization allowed cities and the federal regional states to collect their own taxes and strengthen their financial capabilities. He said that infrastructural construction and facilitation of the transportation system was expediting the movement of capital goods and people. This coupled with high growth of population had increased the urbanization process and led to substantial urban growth. He concluded by pointing out that industrialization was a major key to achieve a manageable and balanced urbanization process.

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Ethio-Sudan Joint Steering Committee meets in Addis Ababa

The second Ethio-Sudan Joint Steering Committee Meeting took place at the beginning of this week in Addis Ababa. The delegations which included senior government officials from both sides were headed by Dr. Debretsion Gebremichael, Coordinator of the Finance and Economic cluster with the rank of Deputy Prime Minister and Minister of Communication and Information Technology for Ethiopia and Hassabo Mohamed Abd Elrahman, Vice President of the Republic of Sudan. Before the steering committee meeting on Monday, a joint technical committee met to consider the agenda of the Second High level Ethio-Sudan Joint Steering committee over the weekend (November 21-23). The Sudanese technical committee delegation was led by Dr. Abdel-Rahman Dirar, State Minister of Finance and Economic Planning of Sudan while the Ethiopian technical committee delegations was led by Dr. Mebrahtu Meles, State Minister of Industry and Fitsum Arega Director General of the Ethiopian Investment Commission. The two sides adopted a number of items covering Free Zones (FZ) and Special Economic Zones (SEZ), trade, customs issues, investment, banking, transport and industry.

As far as the issue of Free Zones (FZ) and Special Economic Zones (SEZ) were concerned, the two parties reiterated the intention of the leadership of the two countries for joint cooperation on economic integration through development of common border areas. The Ethiopian side also presented a draft road-map for a feasibility study to facilitate discussion. The two countries agreed that they should establish a project office within two months in Addis Ababa under the Ministry of Industry and designate joint experts. They would also allocate a sufficient budget to run the project office, and conduct a feasibility study on the development of joint special economic zones or corridors. They also agreed to conduct a joint feasibility study with the help of consultants in order to determine the objectives, suitable areas of cooperation and location for these zones. The Sudanese delegation requested Ethiopia to identify and propose a consultant.

With trade such an integral element of the agreements reached as well as of the agenda items considered by both the Joint Technical and Steering Committees, the ratification process of the Trade, Economic and Technical Agreement has yet to be finalized. However, both sides agreed to follow up the process of ratification and to exchange the instrument of ratification as soon as it was completed. Both sides also agreed to finalize the amended Preferential Trade Agreement and make this ready for signature during the 3rd High Level Joint Commission meeting to be held in Addis Ababa. Both sides agreed to exchange lists of sensitive goods within two months through diplomatic channels and to hold a joint trade committee meeting after the exchange of these lists. The Sudanese delegation agreed to send feedback within three months on the border trade study which has been conducted by the Ethiopian side. In this context, both sides underlined their party's great interest to facilitate a joint meeting of the business communities to enhance business-to-business relations. They proposed a meeting to be held on the sidelines of the High Level Joint Commission meeting in Addis Ababa.

The third area of major concern was custom issues. Both sides expressed their commitment to strengthen their joint sub-committees dealing with customs and agreed to conduct their next meeting in the second week of January in Khartoum. Both sides reported that they had exchanged their respective proposals on the draft protocol on the rule of origin with the aim of settling differences on the modalities of issuance of certificates of origin and criteria. They recognized the issuing authority should have full competency in implementing the agreement. The issuing authority of a certificate of origin should be a competent government agency. The Sudan would inform Ethiopia within two months which agency this should be; Ethiopia confirmed its issuing authority would be Ethiopian Revenue and Customs Authority. Both sides agreed that discussion on the criteria for preparation of the rule of origin should be finalized at the next customs meeting.

Investment was another major area of discussion. The two sides expressed their willingness and commitment to encourage the implementation of previously agreed activities and reiterated their commitment to further strengthen mutual cooperation in this area. Ethiopia proposed the Sudanese Investment Authority should make an experience-sharing visit to Ethiopia to see the operation of the one-stop-investment-shop in Addis Ababa. They agreed to continue experience-sharing programs in accordance with the action plan-2016 signed on November 23. The Sudanese side requested legal recognition and registration of the Sudanese Business Association organized by Sudanese investors in Ethiopia. Ethiopia noted that there were similar associations of foreign business communities which would also like to be registered but none had been registered due to lack of the required legal provisions. In order to deal with this, a new draft regulation is being prepared. Requests for registration of business associations will be addressed as soon as this regulation has been approved. The Sudanese delegation also raised some question of difficulties relating to the allocation of land for Sudanese investors in Ethiopia. Ethiopia explained that the allocation of land was being addressed by the development of industrial parks. Sudanese investors could utilize existing parks and even develop their own industrial park. Both sides agreed to activate the joint Business Council to strengthen the role of the private sector for investment; they agreed to organize an investment forum in Addis Ababa in March 2016 or during the next meeting of the High Level Joint Commission.

The two sides noted that they had exchanged a list of names to conduct a study on banking arrangements and agreed to expedite the work of this joint working group. They recalled that the working group had been given the mandate to study and report on money transfer modalities by utilizing different options. These included using the COMESA payment system, REPSS, either with Sudanese Pounds or Ethiopian Birr; opening accounts in each other's banks and /or opening a branch of Commercial Bank of Ethiopia in Khartoum. The Ethiopian delegation explained that Ethiopia's policy was to reserve banking business for Ethiopian nationals only. Three Sudanese commercial banks, the Omdurman National Bank, Tadamun Islamic Bank and Sudanese Islamic Bank, have opened correspondent banking relationships with the Commercial Bank of Ethiopia and the two sides agreed that both sides could use these accounts to settle payment issues.

Last but not least item on the agenda was transport and industry. The two delegations outlined their respective performance in the areas of land transport, port utilization, road construction, railway rehabilitation and construction. They expressed concern over the slow implementation process. The Sudan delegation expressed Sudan's readiness to provide a port service to Ethiopian customers with minimum port service fees. The Ethiopian side said it appreciated the offer and requested efforts to make the port corridor as competitive as possible in a holistic manner including construction and maintenance of the roads, especially the segment connecting Gadaref to Lukdi. Ethiopia proposed supplying finished leather to Sudanese factories involved in the production of leather goods; the Sudanese side agreed to facilitate this. The two delegations also agreed to terms for Ethio-Sudan collaboration in areas of joint investment programs of manufacturing for their mutual benefit.

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President Kenyatta of Kenya declares war on corruption

In a State of the Nation speech on Monday this week (November 23), President Uhuru Kenyatta announced a major crackdown on corruption. He said he believed that corruption had become a standing threat to Kenya's national security. The President said: "the bribe accepted by an official can lead to successful terrorist attacks that kill Kenyans. It can let a criminal off the hook for them to return to crime and harming Kenyans. Terrorism itself is a national security threat. The damage to our economy puts millions of lives at peril and undermines our very aspirations as a nation. I am therefore declaring with immediate effect corruption as a national security threat. I direct all security agencies, the Ethics and Anti- Corruption Commission, the Asset Recovery Agency and the Financial Reporting Centre to take cognizance of this. The only way we will make it to Vision 2030 and Beyond as a prosperous, secure and dignified Kenya is for us to relentlessly fight the evils that are Abuse of Office, Fraud, Bribery and Wastage." He added: "We will win this fight. We will make it expensive for anyone stealing from Kenyans and denying them education, health, security, infrastructure, water and other service" and he called on "every Kenyan to be the eyes, ears, and voice of this redoubled national effort."

The President announced series of measures which, he said, aimed to get rid of corruption. They included a Bribery Bill would penalize those who gave bribes or inducements to public officials and any failure by the commercial sector to prevent bribery. The Government had signed Mutual Legal Aid agreements with a number of countries to identify and deal with illicit wealth acquired in Kenya and it was planning to enact whistle-blower protection legislation that would ensure that those who come forward with information on corrupt practices were protected. He called upon Kenyan technology innovators to develop accessible technology to allow citizens and customers to report bribe demands, inordinate service delays and corrupt practices in Government departments. He urged religious leaders to declare corruption a sin against God and humanity and said the Government would introduce compulsory and continuous ethics and integrity training across all levels of public service.

Other measures included the requirement that every company seeking to work with government both at national or county level would have to sign an approved Business Code of Ethics and any business that failed to comply with the Code would be disqualified from doing business with government for not less than 5 years and the information made public. This would apply to the business and to its directors. The private sector is to spearhead a national values campaign that will target corruption as being shameful and dishonorable. Senior officials must exhibit the highest standard of ethical behavior, he said, and lead by example. Penalties would be introduced in performance contracts, tying each department and agency to timelines. Any banks that break anti money laundering laws and regulations will lose their banking licenses and the directors and senior officials would be pursued relentlessly, individually and collectively. All staff working in the Kenya Revenue Authority, the Customs and Immigration departments would undergo integrity and competency vetting by an independent multi agency vetting mechanism.

The President said he would lead a national coordinated effort bringing together Parliament, the Judiciary, the Criminal Investigation Department, the Department of Public Prosecutions, the Ethics and Anti-corruption Commission, the Asset Recovery Agency and the Financial Reporting Centre to reverse the incentives that lead to corruption, close the loopholes dishonest officials use to steal, and tighten our legislation work to improve investigations and prosecutions. He also said the Chief of Staff and Head of Public Service would now report to him personally on a weekly basis on progress in implementing the measures he had announced.

The President’s decision to crack down on corruption comes after a report on government's finances by Kenya's Auditor- General, Edward Ouko, earlier in the year. According to the report, only 3.8 percent of government revenue had been fairly recorded. A quarter of the state's US$16 billion budget for 2013-2014 could not be properly accounted for; nearly a fifth of financial statements from government ministries were "misleading," and some US $600 million could not be accounted for at all. Early this month, it was also revealed that the Ministry of Devolution and Planning had been grossly overspending and mismanaging government funds. There have also been allegations that trafficking in charcoal produced in Somalia and in sugar smuggling have involved a trading network that provided Al-Shabaab terrorists with its largest source of income. “Black and White: Kenya’s Criminal Racket in Somalia,” was the title of a report released on November 11 by Journalists for Justice in Nairobi. Among other things the report estimated that 150,000 tons of illicit sugar entered Kenya via the Somali port of Kismayo each year with about 230 trucks leaving Kismayo for Kenya each week. The Government denounced the report as “intellectual dishonesty masquerading as research” and undermining efforts to stabilize Somalia.

A day after the Journalists for Justice report was published, a dozen Ambassadors and Heads of Missions in Kenya, including the US and the UK, issued a joint statement on November 12 saying that “As strong and committed international partners of Kenya, we share the concern of Kenyans at the ongoing problem of corruption. We agree with President Kenyatta that corruption threatens the country's economic growth, the provision of government services, and security. It deters investment and costs jobs. Corruption is undermining Kenya's future.” They promised to step up efforts to prevent illegal funds leaving the country. The statement said: “Building integrity and a culture that prevents corruption must be a priority for Kenya's leaders, but it is also the responsibility of every Kenyan. Government officials, opposition politicians, the judiciary, civil society, business, faith leaders, and citizens alike must make clear they will not tolerate corruption. And all must take appropriate action to end it.”

The day after he announced the crackdown on corruption, the President reshuffled the cabinet announcing that the changes were necessary for effective service delivery. The number of ministries was increased from 19 to 20 and the number of state departments increased from 26 to 41, meaning that 15 new Permanent Secretaries were appointed. The President said had realized that some ministries were “too large and difficult to administer” and that is why he had decided to set up more State departments to help “address the deficiencies”. Among the Cabinet Secretaries who retained their positions were Henry Rotich (Treasury), Joseph Nkaissery (Interior), Amina Mohammed (Foreign Affairs) and Raychelle Omamo (Defence). A former MP Mwangi Kiunjuri was appointed to replace Anne Waiguru who resigned on Saturday as Devolution and Planning Cabinet Secretary. New appointments were made to the Ministries of Lands, Transport, Agriculture, Labor and Energy, replacing five Cabinet Secretaries who had been suspended over corruption allegations. Two have since been charged in court, while three others were cleared of some allegations by the Director of Public Prosecutions but still faced some further issues. The new appointees include a Senator and a sitting MP as well as the CEO of Nairobi Hospital, the managing director of Kenya Seed, and a former Google executive. Similarly, among the new Principal Secretary appointments are a number of former private sector executives. Among the appointments are the former head of Human Resources at McKinsey, the CEO at Trade Mark East Africa, the previous CEO of the Kenya Commercial Bank Sudan, and an advisor to Rwandan President Kagame on infrastructure.

The president said the changes were designed to fulfill four key objectives: enhance the efficiency of public officers through fast-tracking adoption of technology; ensure accountability of public officials in the discharge of their duties and giving more power to accounting officers to have oversight of public expenditure; guarantee accessibility of public officers by reducing size of their responsibilities; and review the effectiveness of government projects, to ensure that only those projects with direct social economic impact for citizens made it through to implementation. He asked the National Assembly to fast-track the vetting of Cabinet Secretaries and Principle Secretaries to ensure that those nominated to the positions are able to take up the positions as soon as possible.

In a speech following his meeting with Pope Francis on Wednesday, President Kenyatta asked the Holy Father to pray for him as he launched the attack on corruption, acknowledging that it was a challenge that was negatively impacting on the country’s economy. “Civil society, media and leaders from across our political social spectrum have come together and made their views known and in the hearts of every Kenyan we know that we must win this war…it is up to me to lead it and Holy Father, I ask for your prayers,” said the President. He said it was important that the country set the highest levels of integrity, inclusivity and peace if the country was to grow, adding that "We want to combat the vices of corruption which sacrifice people and our environment in pursuit of illegal profit and misdirect resources, sow hatred and divide the people." He reiterated the Government's commitment to fighting corruption saying all efforts had now been put in place to deal with it.

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The World Bank: "Ethiopia's great Run: Growth acceleration and how to pace it"

The latest World Bank report on Ethiopia - "Ethiopia's Great run: The Growth acceleration and How to Pace it" - was released last week. The report is in two major sections, "Explaining Growth", dealing with its finding on the sectors which are behind Ethiopia's "growth acceleration", and, secondly, "Sustaining growth" presenting policy recommendations on how this development can be sustained.

Overall, the 166 page report explains that services and the agriculture sector were the main contributors to the country's accelerated growth. It also notes the growth was driven by substantial public infrastructure investment and supported by a conducive external environment. Addressing development expectations and sustaining this growth the report presents policy recommendations, the main ones of which are to include continuing sustainable financial infrastructure investment, supporting the private sector through credit markets, and tapping into the growth potential of modernizing the policy framework. The World Bank Group's lead economist for Ethiopia, Lars Christian Moller, in introducing the report said "Ethiopia began to see accelerated economic progress in 1992 and it shifted to an even higher gear in 2004, pulling millions of people out of poverty and leading to improvements in other areas like improved life expectancy and reduced child and infant mortality." Mr. Moller, who was also the lead author of the report also emphasized that "to continue the impressive run, Ethiopia needs to continue its reform efforts to further strengthen its growth foundations"

Among the major findings of the report were that services and agriculture largely contributed to the growth with, initially, agriculture being the main contributor but aided by the recent construction boom the services sector had taken over as a major driver. Services now contributed 5.4% to the GDP growth rate, followed by agriculture at 3.6%. The country witnessed accelerated growth as the service sector began to rise. The report identifies the shift of workers from agriculture to service and construction contributing to a quarter of Ethiopia's per capita growth from 2005 to 2013.This was also complemented by a marked increase in the share of working-age population, the so-called demographic dividend, to which can be attributed up to 13% of per capita growth from 2005 to 2013. Rapid growth in the agriculture sector also contributed significantly toward poverty alleviation. The report calculates each percent of agriculture growth reduced poverty by 0.9%. Growth in yields also averaged about 7% per year while the country registered a 2.7% annual increase overall in cultivated land.

Another major factor has been public infrastructure investment which has proved a key structural driver of growth. With the country enjoying a long spell of relative peace, the Government has been able to prioritize capital spending over consumption within the budget. The report notes that in an analysis of 124 countries over four decades, Ethiopia was among the fastest 20% in infrastructure growth over the past decade.

The report also provides a number of policy recommendations which it identifies as key elements to sustain high growth. The first of these is that private investments will have a key role to sustain further growth, and in order to do this they need to be supported through credit markets. According to six different survey instruments, the report says, access to credit is mentioned as one of the three top constraints on the private sector and this is indeed more binding than infrastructure concerns. Providing more credit for private companies would, therefore, arguably help the Ethiopian economy. The report suggests the Government could institute two specific policy reforms. One would be to continue the existing system but to direct more credit toward private firms compared to public infrastructure projects. The second is to gradually liberalize interest rates to better reflect the demand and supply for savings and credit.

The report also says alternative sources for financing infrastructure projects needs to be identified. It says that with Ethiopia having the third largest infrastructure deficit in Africa and infrastructure being one of the most important drivers of economic growth, the country needs new mechanisms to finance infrastructure. There is a danger that past financing options could have an impact on other areas, possibly crowding out the private sector in the debt markets. The Government should consider other financing mechanisms including raising tax revenues, increasing private sector involvement, and improving public investment management.

The other major recommendation is for a "need to tap into the growth potential of reforms." The report says that if Ethiopia can catch up with its peers in Sub-Saharan Africa in terms of financial modernization, its per capita GDP growth rate would increase by 1.9% per year. Ethiopia has so far modernized its merchandise trade, but the country could also reap significant rewards by reforming the service sector. In doing so, it could benefit from the lessons of other countries and tailor the reforms to its own circumstances. The report also proposes a series of indicators that would monitor the trade-offs that might occur while implementing the current growth strategy. These could provide early warnings for policy makers and help initiate reform efforts to sustain higher growth where appropriate or necessary.

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The World Food Program increases its budget for aid to Ethiopia

Earlier this month the Executive Board of the United Nations World Food Program increased its budget for assistance to Ethiopia by US$131 million. In May this year, the Executive Board approved the budget for Protracted Relief and Recovery Operations (PRRO-Ethiopia 200712) covering the period from July 2015 to June 2018. The PRRO aims to provide short-term food assistance to vulnerable households in periods of acute emergency stress, and addressing moderate acute malnutrition among children under 5 and pregnant and lactating women; support the Government's Productive Safety Net Program (PSNP), which includes phased transition to long-term relief beneficiaries in PSNP 4; and prevent chronic malnutrition among children under 2 and pregnant and lactating women. The agreed budget in May 2015 was US$1.04 billion. The increase agreed on November 11 means the total now becomes US$1.17 billion.

The increase came in response to assessments made jointly with Government and the humanitarian community in the last two or three months showing that the onset of El Nino has caused severe blow to agricultural production and aggravated shortage of water and feed for animals in some parts of Ethiopia. The *belg rain*s failed in many *belg* producing areas; while the *meher* rains have been erratic and insufficient in many parts of the country. The El Nino forecast for 2015 is expected to be one of the strongest on record, and experts consider being the worst drought to have struck Ethiopia for many years.

During the last major drought of 2010-11 in the Horn of Africa, Ethiopia came out largely unscathed because of the early warning systems, disaster risk management system and the Productive Safety Net Program systems it had installed under committed and prepared political leadership. This time the Government has developed a comprehensive national disaster management policy with a Disaster Prevention and Preparedness Commission to provide an integrated national disaster management structure which includes an Emergency Food Security Reserve Administration; the National Disaster Prevention and Preparedness Fund; the National Early Warning Committee; and the Crisis Management Group.

With this structure, the Government has been doing everything possible to see no life is lost during this El Nino phenomenon and the drought crisis. Starting months ago, it positioned food from the national reserve in places that are being affected by the El Nino. To avoid destabilizing local markets, the Government arranged to purchase 600,000 tons of wheat from the international market and an additional 400,000 tons has been ordered. The shipment of over 200,000 tons has already arrived in Djibouti. So far, the Government has allocated 6 billion *birr*. Prime Minister Hailemariam Dessalegn and other senior government officials, from both he Federal Government and the Regional States have been touring affected areas and assessing situations first hand. Deputy Prime Minister Demeke Mekonnen chairs a committee which meets weekly to assess the ongoing situation and take appropriate actions as and when required.

Ethiopia is a member of the WFP Executive Board, and the Embassy of Ethiopia in Rome briefed the Executive Board on the Government actions to control the effects of the drought created by the El Nino effect. The Embassy expressed its appreciation, on behalf of the people and Government of Ethiopia, to the WFP for preparing and approving the budget increase proposal. It also thanked the development partners of Ethiopia for their continuous, generous support. The Embassy emphasized that Ethiopia had managed to bring the situation under control by using domestic resources, but pointed out that these resources were, of course, diverted to relief at the cost of development activities in general and agricultural development in particular. It noted that at present the majority of the population lived in rural areas and were still dependent on rain-fed agriculture. Resources that are being sued for emergency relief could have been used to develop surface and underground water for irrigated-agriculture among other development activities. It also noted the national food reserve would need to be replenished, and that Ethiopia was currently hosting over 730,000 refugees, mostly from South Sudan, Somalia and Eritrea.

The Government's leadership role has been welcomed and appreciated at the international level. United Nations Under-Secretary-General and Emergency Relief Coordinator, Stephen O'Brien who spoke on the global humanitarian crisis as a guest speaker at the opening of the WFP Executive Board Session on November 9, thanked the Government for the way it was handling the El Nino-caused drought. Referring to the situation in Ethiopia, he also requested the WFP and others to assist Ethiopia. WFP Executive Director Ertharin Cousin, WFP Regional Director for Eastern and Southern Africa Valeri Guarneri and WFP Ethiopia country Director John Aylieff all expressed their appreciation of the Government's leadership and its actions taking.

This week, John Graham, Country Director of Save the Children for Ethiopia, noted that it was only after the smaller *belg* rains failed that an El Niño weather pattern was declared. That pattern is now predicted to be the strongest on record. The failure of the *belg* rains meant that the planting season was limited and when the stronger *meher* rains between July and September were poor too, in some areas for the first time since 1984, the alarm bells sounded. He said that as a result the rate of severe malnutrition was increasing rapidly, particularly among children, and more than 350,000 expecting to need lifesaving therapeutic treatment this year.

The Ethiopian Government, he said, had responded resoundingly, unlocking US$268.8 million in funding and showing real leadership. It expected to be able to handle most of the impact of the emergency itself, but aid agencies were helping. Save the Children, he noted, was on the ground in 101 of 142 of the worst-affected districts providing support including food, water, medicine and nutrition supplements for children suffering from malnutrition. Equally, there were now predictions that up to 15 million Ethiopians will need food aid by the beginning of next year. The Government had revised up its emergency funding appeal from US$331.7 million in August to US$839.9 million for the end of 2015. Mr. Graham noted that the request for had come at a difficult time: with other large-scale humanitarian crises in Syria, Iraq, Yemen, Nepal and South Sudan. But, he said, we cannot turn our backs; this drought is forecast to be the strongest in Ethiopia in 30 years. He said funding commitments from international donors were still worryingly low: the international community must heed the warning and act urgently.

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The 1st Ethio-Belgium Trade and Investment Mission to Ethiopia

The first ever Belgian Trade and Investment Mission visited Ethiopia on Thursday last week (November 19) and participated in a trade and Investment Forum in Addis Ababa as well as held a number of network meetings with Ethiopian officials and business people. The Forum was attended by senior Government Officials from both countries as well as representatives of more than 60 Belgian companies and an equal number from Ethiopian companies and invited guests. Among those attending were Ambassador Taye Atseke-sellassie, State Minister of Foreign Affairs; Ambassador Didier Nagant, Ambassador of Belgium to Ethiopia; Maurice Vermeesch, Vice-Chairman and Head of the Eastern Africa Chapter of Chamber of Commerce of Belgium to Africa, Caribbean and the Pacific; and Fitsum Arega, Director General of Ethiopian Investment Commission.

Ambassador Taye Atseke-sellassie, who welcomed participants, underlined the strong and excellent bilateral ties between Ethiopia and Belgium, stressed the potential for partnership in Ethiopia's Second Growth and Transformation Plan (GTP II), and outlined the reasons to invest in Ethiopia as well as the wide range of sectors available for partnership including infrastructure projects, human capital development, entrepreneurship and business growth. He thanked the

CEOs and representatives of the sixty or so Belgian companies for showing interest in doing business in Ethiopia.

Ambassador Taye underlined that the peoples and governments of both countries were pleased with the excellent long-standing relations between Ethiopia and Belgium that had continued since the establishment of diplomatic relations over a century ago. He noted that Ethiopia was grateful for the Belgian Government’s support for projects in Ethiopia either directly or through multi-lateral organizations, and said that the various on-going bilateral initiatives, such this trade mission, would certainly help improve economic, trade and investment ties between the two countries significantly. Ambassador Taye said he was “confident that through bilateral initiatives, consultation and occasions of this kind, we can transform our relationship from one that has been “characterized in the past as one-sided assistance into a more substantive business and investment partnership.” The State Minister drew attention to the nexus between assistance and investment. He said there was a notion that foreign assistance and foreign direct investment were complementary sources of ‘development capital’. This was a view widely shared among governments and international agencies and it might well be true - if properly used and implemented. Yet what was more important, he said, was encouraging high-level participation of a strengthened partnership between Ethiopia and Belgium.

Ambassador Taye noted that foreign assistance, wisely used for example for public infrastructure projects, for human capital development and entrepreneurship and business growth would raise productivity. It would also bring in significant private investment involvement. This would provide for far-reaching growth and development in Ethiopia and also be advantageous for Belgium. Ambassador Taye encouraged the Belgian government to enhance its program of support for infrastructure projects and do more to make financing available to Belgian firms which were interested to do business in Ethiopia.

Ambassador Taye listed some of the excellent reasons for investing in Ethiopia. He mentioned that Ethiopia was a country that was changing and developing, substantially and rapidly. He also noted the Government’s firm commitment to support development and democracy. He spoke of the road map for development laid down in the second Growth and Transformation Plan (GTP II). The GTP II, he said, detailed “extensive infrastructure development plans notably in energy, mining, road, and railway sectors.” It additionally “placed major emphasis on the manufacturing sector, particularly in textiles and garments.” Ambassador Taye also detailed some of Ethiopia’s distinct investment advantages with its large and trainable labor pool, its significant provision of incentive packages and a transparent investment regime. These, said Ambassador Taye, provided strong reasons for businesses to become involved in Ethiopia.

Ambassador Didier Nagant, Ambassador of Belgium to Ethiopia, emphasized that this was the first ever Belgium trade mission to Ethiopia. Companies from various sectors, including construction, technology and agro-business, had come with the intention of starting investment in Ethiopia. The Ambassador noted that Belgium was one of the most important partners of Ethiopia, politically as well as economically and socially; indeed Belgium was the third largest recipient of Ethiopian exports in Europe. Ambassador Nagant described Ethiopia as an important emerging country in Africa and Belgium, he said, is at the heart of Europe. As two strategic countries in their respective continents, they should and could work further to strengthen their partnership and boost investment and trade. Ambassador Nagant emphasized the Belgium government wanted Belgian companies to invest in Ethiopia and encouraged them to do so.

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Ethiopia's Industrial Park Developments

This year was the Silver Jubilee of Africa Industrialization Day, organized by the African Union Commission, the United Nation Economic Commission for Africa and the United Nations Industrial Development Organization. Africa Industrialization Day falls on November 20 and has been commemorated annually since 1990 at continental and country levels. Ethiopia held a workshop and panel discussions on Tuesday (November 24) at the Hilton Hotel in Addis Ababa. The theme of the day was "Small and Medium Enterprises for Poverty Education and Job Creation for Women and Youth" and the occasion was accompanied by a training Workshop for "Women in Agro-Industrial Small and Medium size Enterprises" (November 23 -25). In Ethiopia, the occasion included a workshop on "Sharing experiences on the development of industrial parks in Ethiopia" and a panel discussion on "Achievements, Opportunities and Challenges in Industrial Park Development".

The workshop was organized by the Ministry of Industry, the Ministry of Finance and Economic Cooperation, and the Industrial Park Development Corporation (IPDC) in cooperation with the Chinese Embassy in Ethiopia and UNIDO Regional Office in Ethiopia. The aim was to bring private and public industrial park development stakeholders to take stock of achievements, opportunities, and challenges facing industrial park development in Ethiopia, mobilize commitment of the International community to the industrialization endeavor of Africa, and share experiences in industrial Park development. Opening the workshop State Minister of Finance and Economic Cooperation, Ahmed Shide, noted the Government has invested significantly in the development of industrial zones. He stressed that sharing new ideas and experiences on development of Industrial Parks is crucial. Mr. Jean Bakole, Regional Director of UNIDO, noted that the industrialization process of Ethiopia and African countries should embrace the inclusion of women as a top-priority. Noting China's experience in the development of industrial zones, Mr. Bakole said that Ethiopia had adopted an industrial policy that encouraged investors' involvement in industrial park development. He also called for inclusive, equitable and sustainable growth to sustain Ethiopia's economic development. Mr. La Yifan, Ambassador of China to Ethiopia, listed the necessary steps rapidly growing countries like Ethiopia needed to do to increase Foreign Direct Investment for the development of industrial parks in Ethiopia; among them, he said, were improving custom clearance and processing of visas.

Mr. Tadesse Haile, State Minister of Industry, said Ethiopia had been able to attract quality investments and score a modest increase of industry from 10.3% in 2010 to 15.6% at the end of the GTP I; and GTP II planned to increase the manufacturing sector's annual growth to 24%. He said human and institutional capacity building, technical cooperation and sharing new working areas would enhance flexibility in industrial development. Dr. Arkebe Oqubay, Special Advisor to the Prime Minister with the rank of Minister, said every country has to build in industrial parks in a way that could fit its peculiar condition and its industrial policy. He said the

Government planned to invest US$5 billion for industrial parks that would cover textile, leather, agro-processing and other labor intensive factories. Transforming the agriculture, boosting export earning and enhancing the manufacturing sector share of the GDP were pillars of the industrial park development in Ethiopia, Dr. Arkebe said.

Other speakers included Mr. Li Yuan, Deputy Director General of China Association of Development Zones who focused on China's experiences of development of industrial zones; and the World Bank's Ethiopian Office Private Sector Development Specialist, Mrs. Sindu Fanuel, who underlined the value of industrial park development to employment, skill upgrading and resolving economic problems. She noted that giving fiscal incentives, creating links to the market, and following a decentralized approach to the investors was important.

Another of the sessions to celebrate Africa Industrialization Day was a panel discussion on "Achievements, Opportunities and Challenges in Industrial Park Development". This was chaired by Dr. Arkebe Oqubay, Special Advisor to the Prime Minister. The first speaker was Fransciso Carreras, Head of Cooperation for the EU delegation to Ethiopia who reiterated the EU's keen interest in Ethiopia's industrialization and its commitment to support this. The EU, he said, considered Ethiopia as a business partner as it is the destination for 30% of Ethiopia's exports and is the origin of 17% of Ethiopia's imports. EU companies in Ethiopia, with more than US2$billion of capital, have created 200,000 jobs in Ethiopia. Mr. Carreras noted that industrial parks were instrumental in realizing economic transition including, for example, job creation, increasing the tax base and attracting foreign direct investment. They also generated competitive advantages and fostered interaction between local and foreign companies encouraging technology transfer. He said Ethiopia's development of industrial park should take into consideration flexibility and responsiveness to the demands of companies, seriously engaging companies from the design stage. He stressed that location was important with most EU member states having parks near borders or in places that made export of products easy. He also underlined the importance of efficient and responsible management for optimal and sustainable use of resources, inclusiveness, attractive business climate and coordination with the academic and business community as important factors.

The Chief Representative of JICA in Ethiopia, Jin Kimiyaki, noted that JICA was working with the Ethiopian government in three areas to hasten industrialization by promoting the KAIZEN philosophy to boost productivity, working on export promotion programs and conducting high level industrial policy dialogue. He said Japan's view of success in industrial park development was fundamentally similar to success in other businesses. Like other businesses, industrial parks could face political, global market and other business risks and so their development should be seen within the necessary framework of business success." Japanese investors, he said, placed a high premium on quality infrastructure and wanted they had an uninterrupted power supply and efficient logistics, as well as an attractive business climate.

Dejene Tezera, Unit Chief in Agribusiness Development of UNIDO discussed Inclusive and Sustainable Industrial Development in the light of the Sustainable Development Goals aim to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (goal nine). ICSID had four pillars, to ensure benefit from industrial growth, prosperity shared among all elements of society, a higher level of industrialization and broader economic and social progress within an environmentally sustainable framework. UNIDO has selected Ethiopia and Senegal for its pilot ICSID program in Africa. In Ethiopia, he said, agro-industrial parks, which are part of that ICSID program, would be launched in four regional states. UNIDO aims to expand the ICSID program on the basis of scaling up best practices. This could provide far-reaching benefits in creating jobs, reducing post-harvest loses, stimulating rural growth, improving food security and reducing rural-urban migration. He cautioned that low agricultural productivity, poor infrastructure and difficulty of ensuring smooth cross financing were major challenges. Equally, low value addition was a major challenge that required transformative action to revolutionize industrialization in Africa.

Yusuf Aydeniz, President of Ayka Addis, Turkish garment enterprise described his company's experience and the general investment climate in Ethiopia. He said the investment framework and policy were the main reasons that brought Ayka Addis to Ethiopia. The company now employed over 8,000 employees, the majority being women, and was a leading exporter of garments to Europe and other markets. He called on companies to take advantage of Ethiopia's labor competitiveness, right policy mix and committed support from government to invest in light manufacturing industries. Jiao Yongshun, General Manger of the Eastern Industrial Zone said it currently included 36 enterprises with US$187 million and its expansion program aimed to increase the investment volume to US$800 million and raise the number of employees from near 7,000 to 20,000. Dr Arkebe hailed the Eastern Industrial Zone as the most successful among those supported by Chinese Government in Africa. Mr. Li Jilulin, General Manager of CCECC, the Chinese company currently engaged in building the Ethio-Djibouti railway, spoke about the company's plan to build the Dire Dawa Industrial zone and the ongoing construction of the Hawassa industrial zone which is expected to be completed in 6-9 months time.

Amare Asegedom, Deputy CEO of Industrial Zones Development Corporation gave a presentation on industrial and special economic zone development in Ethiopia. The IZDC aims to build 2 million sq.mt. of factory sheds and create 200,000 jobs annually. To achieve this ambitious target, he said, industrial parks will be developed in Bishoftu, Bole Lemi, Mekelle, Hawassa, Adama, Jimma and Bahr Dar in the coming ten years. The IZDC aims to encourage more private investment and public private partnerships. Availability of credit lines and cheap labor costs will incentivize private investment in industrial park development. The Corporation was working a national master plan for industrial park development to identify further areas suitable for park development. He said the industrial parks maintain high labor and construction standards and emphasized that the Hawssa industrial park was placing a high premium on eco-standards, being built with zero liquid and sludge waste.

The moderator, Dr Arkebe, emphasized that Ethiopia would leave no stone unturned to attract investment in industrial parks. He noted the generous incentive package that includes cheap lease fee land provision, duty free import of capital goods and a tax break up to 15 years. Ethiopia wanted to see investment by big companies that would attract smaller companies to follow. The industrial parks, he stressed, are meant to attract light manufacturing industries that produce tradable export commodities in a labor intensive manner. Concluding the session, he said park development was not an end in itself but means to the broader goal of achieving industrialization. He said efficient execution was as important as planning and as having a committed government.

Industrial parks should also be linked domestic companies, universities and research institutions to enhance industrialization across the continent.

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The critical importance of COP 21 for climate change and Ethiopia's INDC

From November 30 to December 11, the Conference of Parties, COP21, takes place in Paris. Its importance for the international political response to climate change cannot be over-estimated. 145 Heads of State and Government are expected to attend the conference and it is anticipated to attract close to 50,000 participants including 25,000 official delegates from government, intergovernmental organizations, UN agencies, NGOs and civil society. It was with the 1992 Rio Earth Summit that the climate change began to attract a global political response with the adoption of the UN Framework on Climate Change (UNFCCC). Subsequently, the UNFCC set out the first annual Conference of Parties (COP) along with the aim to stabilize atmospheric concentration of greenhouse gases. The first annual COP, to review the implementation process, took place in Berlin in 1995. The Kyoto Protocol was adopted at COP3; COP11 produced the Montreal Action Plan; COP15 in Copenhagen failed to provide an agreement to succeed the Kyoto Protocol; the Green Climate Fund was created at COP17 in Durban.

The Paris Conference (COP 21) aims to produce an agreement to come into effect in 2020, empowering all countries to act to prevent average global temperatures rising above 2 degrees Celsius and to implement the many opportunities that arise from the necessary global transformation to clean and sustainable development. The UNFCC report, a summary of the outcome of the Pre-COP meeting held earlier this month (November 8-10), has revealed some indication of what form this agreement might take and what major areas will be raised. The report included key messages from the 4 working groups covering equity and differentiation, ambition, post-2020 finance, and pre-2020 action and support. The first of these, 'equity and differentiation' covered Common But Differentiated Responsibilities and Respective Capabilities (CBDRRC) including countries' preparation, maintenance and update on their contributions; 'ambition' covered temperature goals, and a global stock take on mitigation, adaptation and Means of Implementation (MOI); the aide-mémoire on 'post-2020 finance' states that the US$100 billion goal should be seen as a floor for the post-2020 period; and that developed countries should continue to lead. Other key messages in the report were the importance of predictability for planning, the central role of public finance, the necessity that the Financial Mechanism of the Convention will serve the agreement, and that a signal to global economy is needed to shift investment flows.

'Mitigation' and 'ambition' are among the most important elements of the Pre-COP meeting as these elements provide the information of countries' preparation, maintenance and update on their contribution towards the temperature goal as well as a global stock-take on mitigation, adaptation and means of implementation (MOI) via the Intended National Determined Contributions (INDC). Most countries have, as requested, now submitted their Intended National Determined Contribution for the Conference. These are the primary means through which governments are communicating how they will cut emissions in the post-2020 period. The success of the Paris agreement will, to a considerable degree, depend on the level of ambition reflected in the INDCs, how INDCs are treated in the final agreement and above all on whether the Paris agreement establishes a robust system to encourage and expand ambition in the post-2020 period. The concept of the INDC was first brought out at COP19 in Warsaw in November 2013. Many NGOs and civil society groups want to INDCs transformed into legally-binding mitigation commitments under the 2015 agreement. They would like to see this incorporated in the Paris Agreement and provide a way that allows for ambitions to be expanded in the future.

Approximately 100 of the INDCs contain an adaptation component, with water resources, agriculture, health, ecosystems and forestry sectors registering highest concern. A few also provided projected adaptation costs for different mitigation scenarios, thus reaffirming that adaptation needs to depend on mitigation ambition. Some INDCs include an unconditional mitigation component along with conditional ones, dependent on the provision of means of implementation. Some also identify domestic measures to support implementation, such as market-based mechanisms, increased budgetary support, public-private partnerships, green procurement programs, pricing and taxation reform or improved green credit mechanisms.

Ethiopia was one of the first countries to submit its Intended National Determined Contribution (INDC) in June this year. This makes an ambitious commitment to curb its greenhouse gas emissions between now and 2030. The Ethiopian INDC has been developed through an inclusive process and aligned with the national development plan plus the Climate Resilient Green Economy Vision and strategy of the country. Ethiopia intends to limit its net greenhouse gas (GHG) emissions to 145MT CO_2 e or lower in 2030 that is a 64% reduction from the 'business-as-usual' conventional economic growth which would more than double by 2030. The INDC figure is a mitigation scenario including explicit steps to combat greenhouse gas emissions; one example to help achieve the country's Green Economy Strategy that the INDC mentions is carbon credit selling. This is a major development and it is an impressive target, not least because Ethiopia contributes only 0.3% of global emissions.

Ethiopia's INDC emphasizes the extensive adaptation planning process taking place and the necessary medium- and long-term actions to reduce vulnerability in key priority areas relating to drought, floods, and other cross-cutting interventions. These include capacity building to cope with the spread of diseases; strengthening water resource management, and developing insurance that can support farmers and herders in times of disaster. The adaptation component also notes that to achieve its long-term goal, action will be needed to identify capacity gaps and build capacity to mainstream adaptation into all public and private development initiatives. It also notes that the response requires participation of the entire population which also means increasing status of women, welfare of children, and the well-being of the elderly, disabled, and environmental refugees. The Ministry of Environment and Forest will, according to INDC, organize monitoring and evaluation of these adaptation plans which are subjected to consultative dialogues to review their implementation. The country will also remove fossil fuel subsidies to enable enhanced generation and use of clean and renewable energy. If Ethiopia's contribution is fully implemented, it would reduce per capita emissions to 1.1 TCO2e by 2030 which exceeds expectations for both fairness and ambition while contributing towards the achievement of the objective of the Convention.

Other challenges include the impact that climate change-driven drought could have an impact on the country's hydropower developments. Under current policies future electricity demand will be met with renewable sources of energy which can also include solar and wind power, and will keep emissions from the electricity sector constant. Ethiopia's largest contributions to future greenhouse gas emissions will be agriculture and the industry sector along with forestry as a consequence of deforestation and degradation. The majority of the population currently still relies on biomass for energy needs. This puts high pressure on forests, where emissions from deforestation have increased significantly over recent decades. This can be tackled via REDD (Reducing Emissions from Deforestation and Forest Degradation) initiatives. In fact, Ethiopia has already put in place the second-largest afforestation and reforestation program in the world which, in fact, requires greater commitment.

While pin-pointing the means of implementation, Ethiopia's INDC also asserts the necessity of predictable, sustainable and reliable support in the form of finance, capacity building and technology transfer. For instance, the required estimated expenditure for the implementation of its Green Economy Strategy by 2030 is US$150 billion. It is a huge amount of money. It will, therefore, require significant capital investment. Some of this will come from domestic resources but some will require international support. Indeed, implementation of the INDC is conditional on gaining sufficient support in terms of finance, technology transfer and capacity building. Ethiopia's mitigation efforts are focused primarily on the forestry sector and Ethiopia intends to use international carbon credits to meet its target.

Ethiopia's INDC is notably transparent and also includes robust accounting rules for both the land sector and market mechanisms to strengthen tracking. It provides clear data to explain its and also highlights synergies between low-carbon development and resilience. Indeed, it has been described as setting an excellent example for developing countries, and as establishing itself as a leader that the rest of the world can follow in its commitment towards a low-carbon economy

Whatever the expectations for Paris are, the necessity is that agreement must be commensurate with the challenge of avoiding dangerous climate change. There has been a spectacular growth in solar and wind power; renewable resources are now the world's second largest source of electricity behind coal. At the same time coal and other fossil fuel use continues to rise at an alarming rate. Indeed, the consequences of climate change appear to be deteriorating faster than expected. Climate-related shocks have increased with the 2011 drought in the Horn of Africa, Hurricane Sandy in 2012, Typhoon Haiyan in 2013 and now the latest El Nino phenomenon. It is true awareness has increased and many negotiators at COP 21 will want to see a flexible deal under which pledges can be increased without changing the agreement itself. Emission targets are now on the table but the possible forms for progressive carbon taxation on high emitters to fund global adaptation efforts may generate a lot of discussion, and disagreement.

Finance will remain an issue. At Copenhagen there was a commitment to mobilize US$100bn per year by 2020, together with the Fast Start Finance pledge of $30billion. Over the past six years the money has been slow to appear. Adaptation finance has been neglected, and finance will be needed to seal any deal. The two most critical factors to determine whether Paris sufficiently helps those on the frontline of the impact of climate change will be whether there is enough finance in the deal for Least Developed and poorer countries; and secondly on the strength of the mechanisms to keep the goal of 1.5°C, or 2°C, or even increase targets after 2020, and keep these within reach when the INDCs and the new agreement take effect.