

A Week in the Horn

8th August 2014

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News in Brief

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President Obama hosted the first US-Africa Summit in Washington this week (August 4-6) and announced a total of US\$37 billion in commitments aimed at increasing US economic ties with Africa. The focus of discussions were on increasing United States investment in Africa, moving beyond humanitarian aid and toward more equal economic partnerships and promoting peace and stability on the continent. (See article).

President Obama unveiled \$12 billion in new pledges from the private sector and government institutions on Tuesday to support the Power Africa initiative, which the President launched last year. This brings the total funding for the program to more than \$26 billion and is intended to make sure Africa can add 30,000 mw of additional power capacity.

President Obama on Wednesday (August 6) announced the African Peacekeeping Rapid Response Partnership which will provide US\$110 million a year over the next three to five years to partner six countries with a track record as peacekeepers (Ethiopia, Ghana, Rwanda, Senegal, Tanzania and Uganda), and develop rapid deployment forces for UN and AU missions.

President Obama announced a joint Security Governance Initiative between the US, Kenya and five other African countries on Wednesday. It will commit \$65 million for the first year providing a comprehensive approach to improving security-sector governance and capacity against terror threats. The Initiative will also assist Ghana, Mali, Niger, Nigeria and Tunisia.

US Secretary of State John Kerry met with IGAD leaders, the Presidents of Djibouti, Kenya and Uganda and Prime Minister Hailemariam of Ethiopia on Tuesday (August 5) to discuss the situation in South Sudan. (See article)

The U.S. Commerce Secretary Penny Pritzker announced this week that the US will set up 10 trade missions in Africa and expand its presence in other parts of the continent. She told the U.S.-Africa Business Forum in Washington: “Now is the time for the U.S. to do business in Africa.”

Egypt has announced plans to build a new canal of 72 kilometres (45 miles) alongside the Suez Canal with the aim of expanding trade along the fastest shipping route between Europe and Asia. The Chairman of the Suez Canal Authority, Mohab Mamish, said the total estimated cost of the project would be about US\$4 billion and 17 Egyptian companies would be involved in implementing the project under the supervision of the military.

Africans see jobs, education and security as the most important areas of concern, according to a poll conducted by ONE, an anti-poverty NGO. The poll, at the end of July in nine countries, found that security issues, followed

by education and corruption were the issues that governments should concentrate on. Trade and health were other areas of concern.

Ethiopia

In Washington, while attending the US-Africa Summit, Prime Minister Hailemariam met with US Secretary of State John Kerry who described the relationship between Ethiopia and the US as “strong and productive”, and said the US was “very, very grateful for [its] leadership most of all at a difficult time in some difficult places.” (See article)

At a panel discussion in Washington on Tuesday (August 5), Ethiopian Prime Minister Hailemariam Desalegn called on African leaders to launch climate-smart agricultural initiatives to combat the effects of climate change that affect agricultural productivity.

Prime Minister Hailemariam Desalegn and Seychelles’ President James Michel agreed on Wednesday (August 6) on the creation of a Joint Commission between their two countries following talks on the possibility of strengthening cooperation in various sectors.

Foreign Minister, Dr Tedros Adhanom, co-chairing a Forum on “Investing in Health in Africa's Future,” with US Secretary of Health and Human Services, Sylvia Burwell, in Washington, said the key to achieving an Aids-free generation in Africa was strong commitment by African leaders.

A Memorandum of Understanding between Ethiopia and the United Kingdom was signed on Friday (August 1) by Ahmed Shide, State minister of Finance and Economic Development and Julius Court, acting Head of the Department for International Development. It covers a grant of over half a billion birr “to help to improve the country's tax collection and its modernization.”

The Ethiopian Investment Agency said on Tuesday (August 5) that Middle East companies were currently involved in 179 investment projects in Ethiopia worth over US\$1 billion. 80 of the projects were in the manufacturing sector, and another 35 in the agriculture sector. Saudi Arabia had the major share of these with 86 investment projects, followed by Yemen and Egypt.

Ambassador Berhane Gebre-Christos, State Minister for Foreign Affairs, opened the meeting of Ambassadors, Consuls-General and Directors-General of the Ministry of Foreign Affairs Conference on Thursday (August 7) in Mekelle, the capital of Tigray Regional State. (See article)

State Minister of Foreign Affairs, Dr Yinager Dessie, received a copy of the credentials of newly appointed ambassador of the Kingdom of Norway to Ethiopia, Mr. Andreas Gaarder on Thursday (August 7).

The Public Health Institute has announced that Ethiopia has set up a National Committee to draw up guidelines to prevent and contain any possible outbreak of the deadly Ebola virus, currently spreading in West Africa. Ethiopian Airlines, which operates flights to West Africa, has already announced “precautions in connection with the outbreak of Ebola”.

Djibouti

Senior officials from Djibouti's Ministry of Health met with representatives from the United Nations Children's Fund (UNICEF) on Monday (August 4) to discuss efforts to improve child and maternal health, to curb traditional practices harmful to women and young children and reduce maternal, infant and child mortality.

Eritrea

According to reports from France, French border police have warned the government they no longer have the means to deal with mass arrivals of undocumented Eritreans. Police on French-Italian border have stopped 5,757 undocumented migrants since January this year, most from Eritrea. This follows a rise in numbers crossing from Africa to Italy, over 61,000 this year compared to about 8,000 and 4, 000 for the same period in 2012 and 2013.

Kenya

President Kenyatta, in Washington for the US Africa Summit, said Kenya felt abandoned by the international community in its fight against terrorism. He said “We feel the world isn't doing enough to support us in confronting the challenges we have,” adding that travel advisories warning against visits to Kenya only served to encourage those behind the terror attacks like Al Shabaab.

Kenya's President Kenyatta on Friday (August 1) witnessed the signing of a Sh42 billion contract between the Kenya Ports Authority and the China Communication Construction Company for the building of the first three berths of the new Lamu Port, one of the components of the Lamu Port-South Sudan and Ethiopia Transport (LAPSSET) corridor. (See article)

A new report entitled "Unfinished Business of Land Issues in the Coast Region" from the Swiss-based Internal Displacement Monitoring Centre highlighted violence over land rights in Kenya's coastal region. Last week President Kenyatta reversed grants of 500,000 hectares of public land to 22 people. The Cabinet Secretary for Land, Charity Ngilu, said her office would investigate land allocation and ownership in the coastal region over the past 50 years.

Somalia

President Hassan Sheikh Mohamud said this week that he expected a new military drive by AMISOM and Somali National Forces against Al-Shabaab militants, "Operation Indian Ocean", would start within a few days.

The Prime Minister's Office said on Tuesday (August 5) that drought was affecting several regions including Gedo, Bakool, Hiran, Galgudud and Mudug and aid, in the form of food, water and medication, urgently needed to reach affected populations. It called on the international community and the UN to assist in implementation of its emergency plan in order to prevent any repeat of crisis of the 2011 famine, when up to 250,000 died.

Gunmen shot dead Sheikh Aden Nur Mader as he was leaving a mosque in Mogadishu after attending prayers on Friday (August 1). Sheikh Aden Mader, who was the Chairman of the Parliamentary Finance Committee, was the fifth MP to be killed this year.

IGAD Special Envoy to Somalia, Ambassador Mohamed Abdi Affey met with President Ahmed Silanyo of Somaliland on Wednesday (August 6). Foreign Minister Mohamed Bihi Yonis said discussions focused on areas of possible cooperation.

South Sudan

The fifth session of the IGAD-led Mediation Process for South Sudan, following several weeks of consultations between the IGAD Special Envoys and stakeholders, IGAD member states, and international partners, was due to open on Monday (August 4) in Addis Ababa. The SPLM/A-in-Opposition failed to appear. (See article)

Ethiopia's Prime Minister Hailemariam, Chair of IGAD, told US Secretary of State John Kerry this week that unless the parties reach an agreement at the Addis Ababa IGAD would take "punitive action" following an IGAD Heads of State meeting later this month. (See article)

The SPLM/A-in-Opposition called for restriction of the negotiations to the two warring parties after refusing to participate in the latest round of IGAD mediated talks which included other stakeholders, including representatives of civil society organizations, faith based groups, political parties and SPLM former detainees.

The Deputy Head of U.N. peacekeeping operations, Edmond Mulet, said on Wednesday this week (August 6) that the scale of humanitarian operations in South Sudan was now the largest in any single country in the world with more than one million people displaced by violence, over 400,000 fleeing the country, another 100,000 civilians sheltered in UN bases. 3.9 million people were facing alarming levels of food insecurity and up to 50,000 children were at risk of dying from acute malnutrition.

Sudan

The head of Sudan's Election Committee said this week that Sudan's next presidential and parliamentary elections will start on April 2, 2015. President Omar Al-Bashir, has not yet said whether he will stand again, but the National Congress Party is expected to win a fresh mandate. Nomination of candidates will start at the end of December, and new voter registration begins on October 28.

The US-Africa Summit in Washington

The US-Africa Summit in Washington DC (August 4-6) was an important political statement by the US and Africa that both value a deepened relationship. Nearly fifty Heads of State and Government attended summit with only the Central African Republic, Eritrea, Sudan, and Zimbabwe not invited. A few other leaders were unable to attend for various reasons. There were three broad topics for the Summit: Investing in Africa's Future; Peace and Regional Stability; and Governing for the Next Generation. Sessions were chaired by

President Obama, but much of the action took place in business and policy meetings on the fringe of the Summit. A US-Africa Business CEO summit, organized by the US Secretary of Commerce and Bloomberg Philanthropies on Tuesday (August 5) helped to highlight the potential of African markets for US corporate investors.

The US-Africa Business Forum on Tuesday, the first such gathering of African and American business leaders, focused on infrastructure, power, agriculture, finance and capital investments and information and communication technologies. It included a panel entitled "Game Plan: Shaping the Future of a Fast-Growing Continent" with the Presidents of Rwanda, Senegal, South Africa, Tanzania and Tunisia highlighted the potential to turn Africa's challenges into opportunities. Africa, of course is home to six of the world's fastest-growing economies and a rapidly expanding middle class with increased spending power.

At the Forum, President Obama, underlining the US aim to strengthen America's links with Africa, announced US\$33 billion in commitments, aimed at moving U.S. ties with Africa beyond humanitarian aid and towards more equal economic partnerships. Emphasizing the growing appeal of Africa to US businesses, much of this came from private-sector companies. Among the US\$14 billion investments from private companies were a \$5 billion investment from Coca-Cola; \$2 billion from General Electric by 2018; \$200 million across Africa by Marriott, and a \$66 million commitment by IBM to provide technology services to Ghana's Fidelity Bank. The Government said another \$12 billion had been pledged by the private sector, the Government of Sweden and the World Bank for the President's Power Africa initiative. The Power Africa initiative aims to double access to electricity in sub-Saharan Africa and the World Bank committed US\$5 billion for energy projects in Ethiopia, Ghana, Kenya, Liberia, Nigeria, and Tanzania. World Bank Group president Jim Yong Kim said "We think that the US Power Africa initiative will play an extremely important role in achieving the goal of providing electricity for Africa."

President Obama also announced \$7 billion in new government financing to promote U.S. exports to and investments in Africa including \$3 billion in financing from the U.S. Export-Import Bank aimed at supporting American exports to Africa over the next two years. The President signed an executive order on Tuesday creating an advisory committee of private sector representatives to advise the White House on ways to boost economic ties with Africa. In his closing remarks, President Obama noted that US trade with the entire African continent is no more than its trade ties with Brazil and only about one percent of U.S. exports go to sub-Saharan Africa. He said "we've got to do better, much better; I want Africans buying more American products and I want Americans buying more African products." Michael Bloomberg, former New York mayor who opened the Forum, said "We are letting Europe and China go faster than the U.S; we realize we have some catching up to do." President Obama said the US had long-term interest in the success of Africa and was not simply seeking to extract resources for its own purposes. He said "the United States is determined to be a partner in Africa's success; we don't look to Africa simply for its natural resources; we recognize Africa for its greatest resource, which is its people, their talents and their potential."

Other initiatives announced during the Summit included an African Peacekeeping Rapid Response Partnership with Ethiopia, Ghana, Rwanda, Senegal, Tanzania and Uganda to develop rapid response forces ready to deploy as part of United Nations or African Union missions. This will provide \$110 million a year over the next three to five years to help these countries develop support for peacekeeping forces that can be rapidly deployed to deal with militant threats and other crises. President Obama also announced a joint Security Governance Initiative between the US and Ghana, Kenya, Mali, Niger, Nigeria and Tunisia to provide \$65 million to bolster security institutions by building capacity, through increased training, training of trainers and training specialized units.

A Symposium for African Spouses "Investing in Our Future" was held in Washington on Wednesday (August 6). It brought together First Lady Michelle Obama, former first lady Mrs. Laura Bush, African first spouses from nearly 30 countries, leaders from non-governmental and non-profit organizations, private sector partners, and other leading experts. The symposium, which was also addressed by former President Bush, highlighted the important role of first spouses and focused on the impact of investments in education, health, and economic development through public-private partnerships. A series of investments totalling more than \$200 million to support programs fostering improved education, health, and economic opportunity for more than 1 million Africans was announced. These included the launch of Accelerating Children's HIV/AIDS Treatment (ACT) by the U.S. President's Emergency Plan for AIDS Relief (PEPFAR); the first ever AWEP-Women's Entrepreneurial Centres of Resources, Education, Access, and Training for Economic Empowerment (WECREATE) in sub-Saharan Africa countries; a new collaboration between Intel and USAID for Women and the Web Alliance to address the gender and Internet gap by bringing more than 600,000 young women online in Nigeria and Kenya in the next 3 years; the MasterCard Foundation announced that nearly 6,000 of the

15,000 students it has pledged to support, will be enrolled in high school and university by December 2014; and Walmart, through its Global Women's Economic Empowerment Initiative, has committed itself to train one million farmers, half of which will be women, by the end of 2016. Speakers at the symposium included Mrs. Roman Tesfaye, First Lady of Ethiopia; Mrs. Lordina Mahama, First Lady of Ghana; and Mrs. Penehupifo Pohamba, First Lady of Namibia.

During the three days, there were numerous panel discussions and meetings. Ethiopian Prime Minister Hailemariam, speaking at a panel on climate change, called on African leaders to launch climate-smart agricultural initiatives to combat the effects of climate change that affect agricultural productivity. The discussion focused on building resilience to climate change and its effects on food security and on how the United States and Africa could cooperate on this issue. The Prime Minister said the adverse effects of climate change on agriculture already meant the GDP of every nation had declined by 4%. This needed an immediate and coordinated response by governments. US Secretary of State, John Kerry, said climate smart agriculture programs could be implemented through partnership among governments, civil society, and business community. He said the US was committed to launch programs to ensure food security in Africa and combat the effects of climate change.

Prime Minister Hailemariam also held talks with US Secretary of State, John Kerry who welcomed the Prime Minister as a regional leader whom, he said, had been "enormously engaged with us on many different issues." He spoke of Ethiopia's very important help to try to move the peace processes in Sudan and South Sudan forward and said Ethiopia had been a leader in bringing countries together to try to effect a ceasefire and move the parties in South Sudan into negotiations. He said Ethiopia had been a key factor for the US in respect to the transition taking place in Somalia, for which the US was very grateful. He described the relationship between Ethiopia and the US as "strong and productive", and said the US was "very, very grateful for [Ethiopia's] leadership most of all at a difficult time in some difficult places." Prime Minister Hailemariam, who said he believed the relationship between Ethiopia and the United States was deepening, said Ethiopia was working hard to pacify the IGAD region as peace and security were the basis for all engagements, economic development and cooperation. He noted both governments were working hard to encourage US investors to invest in Ethiopia and take advantage of its peace and stability, a prerequisite for investment. He emphasized that Ethiopia was working on continental and global issues like the climate change and food security issues. He noted that the impact of climate change on the continent and specifically on the Horn of Africa was an issue on which "we have to cooperate." He noted Ethiopia was working very hard to fight terrorism and extremism, an important issue for everybody, and he thanked Secretary Kerry for his leadership in all these areas, underlining that Ethiopia was keen to continue to work closely with the US on these issues.

Ethiopian Foreign Minister, Dr Tedros Adhanom, co-chaired a Forum on Health, on the theme of "Investing in Health in Africa's Future", with US Secretary of Health and Human Services, Sylvia Burwell. It deliberated on major health issues including ways to keep the world safe and secure from infectious diseases and to deal with emerging threats. It also considered ways to utilize science and research to accelerate positive health effects and on methods to put an end to preventable maternal and child deaths. The Forum was also addressed by President Alpha Conde of Guinea; Dr Deborah Brix, US Ambassador at Large and Global AIDS coordinator; Guy Scott, Vice president of Zambia; Dr Rajiv Shah, USAID Administrator and others.

US Vice President Joseph R. Biden on Monday told African leaders there was a need to clean up the "cancer" of corruption in their governments. He said official crime hampered economic progress in Africa and, in some cases, accelerated violence and human suffering. He offered specific recommendations for tackling the problem, including establishing American-style Inspectors General within government to detect bribery and deal with illegal activities in the military, judiciaries, police and political bodies. "Corruption" he said, "is not unique to Africa, but it's a cancer....it is an affront to the dignity of its people and a direct threat to all nations' stability." It undermined and prevented "the establishment of genuine democratic systems; it stifles economic growth and scares away investment; it siphons off resources that should be used to lift people out of poverty; and it creates vulnerabilities to foreign manipulation and interference."

The focus of much of the discussions was on increasing United States investment in Africa and promoting peace and stability on the continent. In total, according to the US press, pledges of US\$37 billion in public and private investments in economic, agricultural and health development as well as security were made during the summit. It provided a forum for discussion of numerous issues such as conflicts in the Great Lakes Region, in South Sudan and Somalia, and on terrorism, as well as backstage diplomatic discussions that will yield future deals and partnerships between American companies and African nations. This was the first time the US had held such a meeting and President Obama, concluding the three-day Summit on Wednesday praised it as "an extraordinary event" that has the potential to be "a forcing mechanism for decisions and action." He

added that the gathering of U.S. officials and nearly 50 African Heads of State “will be a recurring event to hold ourselves accountable for our commitments and to sustain our momentum.” Mr Obama said he would encourage his successor, when he steps down in January 2017, to keep the US-Africa summits going. There was no joint final communiqué but there was general agreement that the event had been a success. African Union Commission Chairperson, Dr. Nkosazana Dlamini-Zuma told reporters that she had “the impression that African leaders actually enjoyed the summit, particularly interacting with business.” She told reporters: “at most of these summits you are not offered that opportunity. Leaders were saying that is what was unique about this summit.”

IGAD threatens “punitive action” as fifth round of South Sudan talks stall

The fifth round of peace talks to end nearly eight months of conflict in South Sudan was supposed to get under way on Monday (August 4) after a break of more than a month. The focus of this round of the IGAD-led peace process is intended to finalize and sign the Cessation of Hostilities Matrix as well as discuss details of a Transitional Government of National Unity and create an enabling environment for the safe and effective delivery of humanitarian assistance. It is expected this round of the talks would consolidate and carry forward the implementation of the resolutions of the 26th Extra-Ordinary Summit Meeting of the IGAD Assembly of Heads of State and Government on June 10. Their resolutions then underlined the extreme necessity for the parties to engage meaningfully in the peace process and build on the political negotiations to enable South Sudan return to peace and rebuild its economy and its social fabric.

However, in a statement released on Tuesday (August 5), the IGAD Special Envoys for South Sudan stated that the SPLM/A-in-Opposition had failed to attend the second day of talks, even though they had “repeatedly assured the mediation of their commitment to the inclusive, multi-stakeholder roundtable peace process and the modalities for comprehensive talks.” IGAD called on the opposition to “honour its commitment to resolve the crisis” and said it expected the SPLM/A-in-Opposition negotiators “to immediately return to and fully participate in the multi-stakeholder negotiations.” IGAD called on the people of South Sudan, IGAD Member States and international partners to urge the SPLM/A-in-Opposition to return to the ongoing peace talks without further delay.

The next day, the SPLM/A-in-Opposition released a statement claiming it was ready for direct negotiation with the South Sudan Government to “expeditiously” reach a peace agreement to end the crisis. It added that since the second session of the talks, it had been engaged with the Government of South Sudan through the Security and Humanitarian sub-committee to finalize modalities of implementation of the Cessation of Hostilities Agreement. The SPLM/A-in-Opposition’s statement, however, called for restriction of the negotiations to the two warring parties, suggesting that other stakeholders could participate in a consultative manner when it came to negotiations on formation of a transitional government of national unity. It said it would not accept the presence of other groups of stakeholders, who include representatives of civil society organizations, faith based groups, political parties and SPLM former detainees, in the direct negotiations. It said it believed the participation of these stakeholders in the process leading to peace and stability was “significant”, but that “the nature of the conflict and its resolution requires that we conduct direct talks between the SPLM/A-in-Opposition and the Government of Republic of South Sudan”, as these were “the parties to the conflict and it is imperative that they thrash out the root causes of the conflict in order to expedite a peace agreement.” The SPLM/A-in-Opposition also said this round of negotiations should address all the issues under which a transitional government of national unity would be formed, adding that “without a peace agreement between the parties in conflict, there will be no Transitional Government of National Unity.”

The SPLM/A-in-Opposition statement came at a time when it had been strongly criticized at the US Africa Summit in Washington this week by both IGAD leaders and the US for its responsibility for breaking the ceasefire. IGAD has also threatened to take strong action unless real progress is made at the talks. Ethiopia’s Prime Minister Hailemariam, the Chair of IGAD, together with President Ismail Omar Guelleh of Djibouti, President Kenyatta of Kenya and President Museveni of Uganda met with US Secretary of State John Kerry to discuss the South Sudan situation. Prime Minister Hailemariam emphasized that IGAD leaders agreed that the war had to stop and stop very, very quickly. The region had come a long way to sort out the problem and would stand together to resolve it. IGAD, he said, had put forward a comprehensive solution involving the establishment of a government of transitional national unity. Both parties now had to agree to this proposal which IGAD had put in place after studying all the circumstances. If they did not, said Prime Minister Hailemariam, the region would take strong, indeed punitive, action immediately after convening the next meeting of IGAD Heads of State and Government which would be held in Addis Ababa later this month. The region was determined that this humanitarian catastrophe must stop and would take firm and positive action unless the two parties implemented IGAD’s proposals.

The U.S. Secretary of State also criticized the SPLM/A-in-Opposition over its breaches of the ceasefire. He emphasized the crisis was made all the more urgent by the growing risk of famine in South Sudan. He said Dr Riek Machar and his forces were responsible for ceasefire violations and they would face consequences if they did not return to the negotiating table, adding "[Dr. Machar] needs to understand the importance of living by the agreements." Mr. Kerry urged progress on both sides and underlined that "there is unanimous agreement that this war must end and must end now." He welcomed the planned meeting of IGAD leaders in Addis Ababa to decide on the specific actions they are prepared to take in an effort to guarantee that the conflict in South Sudan ends and the fact that IGAD was prepared to issue a final ultimatum to the parties to come to the table. The United Nations Security Council is also visiting South Sudan next week to underline that there is no other alternative than the IGAD plan that is now on the table. Secretary Kerry said the United States was fully supportive of this and would do everything possible to make a difference. He applauded the IGAD initiative to find an African solution and to take the leadership.

Both parties to the conflict, of course, signed the Cessation of Hostilities Agreement on January 23, and they both renewed the Agreement on May 6, May 9 and June 10, and have made repeated pledges to end the crisis. The situation, however, has not improved, indeed it has deteriorated, making it an absolute necessity to abandon mere rhetoric and deliver real commitment to save the people of South Sudan from the political and humanitarian catastrophe that threatens them and to save the nation from the impending danger of state collapse. The disinclination of the parties to real, inclusive and meaningful peace negotiations have given insecurity, further attacks and humanitarian crisis a free rein across the whole country. Alarming levels of food insecurity, the displacement of people, the humanitarian crisis and other impediments have continued to increase and affect the lives of millions. The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) estimated on Thursday last week (July 24) that 1.1 million people have been internally displaced by the fighting and another 425,000 have fled as refugees to neighbouring countries. OCHA says up to 3.8 million people will need urgent assistance by the end of this year.

US-Ethiopia Business and Investment Fora in Texas and California

Senior Ethiopian government officials and representatives of the US and Ethiopian private sectors came together last week to look for business opportunities and strengthen US-Ethiopia economic relations. Two events were organized in Houston, Texas and Los Angeles, California with the aim of facilitating business links, encouraging US businesses to look closely at the potential and conditions for investment in Ethiopia, and expanding economic, trade and business relations to the level of the excellent existing political and diplomatic cooperation. The two US-Ethiopia Business and Investment Fora were held in Houston (July 30) and in Los Angeles (August 1) under the themes of "Fostering Private Sector partnership for Economic Development" and "Strategic Partnership for Economic Development". Both occasions marked new beginnings and commitments by both sides to strengthen economic and business ties.

Dr. Mulatu Teshome, President of the Federal Democratic Republic of Ethiopia led a large Ethiopian delegation which included Foreign Minister, Dr. Tedros Adhanom, and other Ministers, Ethiopia's Ambassador to the United States, Ambassador Girma Birru and other senior government officials as well as seventy five representatives of Ethiopia's private sector. At the first event in Houston, the 4th Ethio-US Business Forum, President Dr. Mulatu emphasized the need to replicate the exemplary political and social relations that exist between the US and Ethiopia in the economic arena. He called upon the US investors to come to Ethiopia and see the various investment potentials and opportunities for themselves. President Mulatu assured the US business community that the Ethiopian government was fully committed to assist them in every way possible. Senator Rodney Ellis, on behalf of the state of Texas, welcomed the Ethiopian delegation and said the occasion would further strengthen the cultural and business relations between Ethiopia and Houston. He noted that the real work to further strengthen the business and economic relations of the two sides would begin after the conference.

Foreign Minister, Dr. Tedros acknowledged the generosity, love and affection that two prominent Texans had shown the people of Ethiopia: George W. Bush and the late Congressman Mickey Leland. A panel discussion on Doing Business in Ethiopia took a detailed look at the investment opportunities and the business environment. After the question and answer session, Foreign Minister, Dr. Tedros, called on US investors to come to Ethiopia, a land of opportunity, and promised to give them all support necessary for investment in Ethiopia.

The Mayor of Houston, Annise D. Parker, described the event as an opportunity to create a strong relationship as well as acknowledge existing ties and opportunities. She stressed the need to strengthen cultural ties. Texas' Secretary of State, Nandita Berry, and Houston Airports' Aviation Director, Mario C. Diaz, also underlined the need to further strengthen economic relations between the two countries; and Mr. Diaz said that as

international connections were increasing steadily, he hoped to see direct flights between Houston and Addis Ababa taking place before long.

At a similar event in Los Angeles, the first of its kind on the west coast of the United States, Ambassador Girma welcomed participants. Congressman John Garamendi welcomed the delegation and underlined that the US paid a great deal of attention to its relations with Ethiopia in order to deal with the different challenges that the Horn of Africa and the world in general was facing. He emphasized that Ethiopia offered enormous investment opportunities in various sectors including agriculture, energy and many other areas that could benefit investors.

President Dr. Mulatu in a keynote speech noted that the current forum was being held at a time when US investment flows into Ethiopia were beginning to show promising trends. He said that President Obama's Power Africa Initiative would open up the huge potential of Africa and Ethiopia and accelerate private investment in the energy sector. The president hoped that the forum in addition to the opening of the US Trade Office would foster US private sector investment. He explained the opportunities that existed in agro-industries, rail and road developments and the energy sector as well as other areas; and invited all investors to visit Ethiopia.

At both Los Angeles and Houston, Mr. Zemedeneh Negatu from Ernst and Young, Ethiopia, made presentations on investing in Ethiopia, detailing the overall economic picture of the country and giving a clear picture of Ethiopia's investment climate that inspired the participants in both cities. He also detailed the ten most important reasons why investors should consider Ethiopia for investment. He highlighted the fact that Ethiopia was the second most populous country in Africa as well as the safest country on the continent. It had double digit economic growth for over a decade. Despite being land-locked, it had a substantial shipping line, operating out of Djibouti. Ethiopian Airlines was a highly regarded, modern and profitable airline with an efficient cargo service. He also reminded participants that Ethiopia had recently been rated by the three largest credit rating agencies for the first time earlier this year and had received a satisfactory B/B+ rating.

At the panel discussion in Los Angeles, moderated by Dr. Tedros, participants heard from current investors who were prepared to share positive experiences as well as any challenges they faced investing in Ethiopia. Most of the pioneer fund managers and investors who began investing in Ethiopia when it was considered high risk were quick to note the rewards had been huge. They noted that the President Obama Power Africa and AGOA initiatives were two key US government initiatives that investors could exploit when doing business in Ethiopia. Government officials from the Investment Office and Privatization Agency assured investors that the government is determined and ready to work with all investors and explained the many tax holiday options available for those investing in key priority sectors. Participants raised a number of questions including the participation of women in the economy and on ways to find strategic partners inside Ethiopia. They also heard speeches on hydropower politics and the Nile. The Forum ended with a session with government ministers and directorates from six key investment areas including tourism, agro industries, manufacturing and energy.

At both the Houston and Los Angeles fora the turnout was much greater than expected with nearly 400 participants representing different US companies participating at Houston, and more than 300 in Los Angeles. Following the meetings, the number of US investors who showed interest in doing business in Ethiopia underlined the success of the events.

Apart from the two business fora, Foreign Minister Dr. Tedros and other Ministers and government officials also held meetings with large numbers of the Ethiopian Diaspora residing in Houston and Los Angeles and in other cities in Texas and California. Dr. Tedros thanked members of the Diaspora for their invaluable support at the meetings. He briefed the Diaspora on the current socio-economic and political developments in Ethiopia and underlined that the concerted efforts of Ethiopians in Ethiopia and abroad as well as those of the Government were vital to achieve the vision of reaching a middle income level within a shortest possible time. He also extended his appreciation for their initiatives and the efforts the Diaspora have been making to support development activities in Ethiopia. He promised the members of the Diaspora that the government would provide more assistance to their efforts to take part in the country's developments. He also called on the Diaspora to promote Ethiopia's investment opportunities in their areas of residence. He noted that there was a government plan to facilitate internship opportunities and visits for young Ethiopian Diaspora members to give them more information about their country. He said these initiatives could create a strong link between the homeland and the Diaspora and it should encourage Diaspora members to be directly involved in different activities in Ethiopia.

Ethiopian Diaspora members welcomed the overall socio-economic and political developments taking place in Ethiopia and promised to do what they could to change Ethiopia for the better. They also expressed their

interest in promoting Ethiopia's investment potential. Members of the Diaspora, who expressed great interest in investing in agro-industries, in education and other sectors, requested a more frequent exchange of information with government officials so they could get reliable information to assist in various areas. They also asked for details on ways to contribute to support the Grand Ethiopian Renaissance Dam Project (GERD) and buy Dam bonds as well as on the housing scheme for the Diaspora. Government officials, who also briefed the meetings on the opportunities available to members of the Diaspora when they invest in Ethiopia, said procedural arrangements were being finalized to allow members of the Diaspora in the US to contribute to the GERD, and Dr. Tedros said a draft directive was being prepared to organize the housing issue.

Meeting of Ethiopian Ambassadors and Directors-General of Ministry of Foreign Affairs...

A meeting of Ethiopian Ambassadors, Consuls-General and Directors-Generals opened on Thursday (August 7) in Mekelle, capital of Tigray Regional State. It was to discuss efforts to build a democratic and developmental system, review the steps taken by the Foreign Ministry last year to expedite economic growth, identify priorities for national renewal over the next year, deliberate on possible threats and challenges to Ethiopia's pursuit of peace, development and democracy as well as exchange experiences to help to raise the diplomatic service to new heights. The Conference was opened by State Minister of Foreign Affairs, Ambassador Berhane Gebre-Christos, with Dr. Shiferaw Tekele-Mariam, Minister of Federal Affairs. Participants included Ethiopia's Ambassadors and Consuls-General serving abroad and Director-Generals of the Ministry of Foreign Affairs.

Opening the Conference, Ambassador Berhane Gebre-Christos said it was a milestone in providing a forward-looking, comprehensive and cohesive diplomatic framework to conduct practical and pragmatic economic, political and diplomatic cooperation and partnership with the outside world. This would cement sustainable peace, stability and development within a sphere of true democracy. He said the Conference would deliberate on impediments to a democratic and developmental path and how to handle these. He said the Conference was critical for implementation of Ethiopia's foreign policy goals and objectives with the aim of fighting poverty and promoting a democratic culture to celebrate unity in diversity. He said the discussions and presentations would be instrumental in putting in place an efficient and effective cooperative foreign policy in the modern globalized world.

Dr. Shiferaw spoke on the challenges and successes of building a democratic and developmental state in Ethiopia. He said this was providing economic, social and political progress and the struggle against underdevelopment and poverty had helped the nation become a champion of economic, social and political stability. Green economic development activities were changing the lives of the rural poor. Gains were being made in food security, agriculture and infrastructure. This had opened a new era of mutually beneficial engagement with international investors and business persons. Ethiopia was becoming a new hub for FDI inflows in Africa. With recognition of the significance of foreign policy objectives and goals for internal problems and threats, Ethiopia's journey to build a democratic and developmental state created fertile ground for revamped cooperation and fruitful partnership with neighbouring countries in Africa and beyond. Cooperation and mutual advancement were the cornerstones of Ethiopia's foreign policy, he said, and Ethiopia's diplomacy can create a conducive environment for peace and to strengthen efforts for integrated development in the region. Cooperative diplomacy also provided the basis for Ethiopia to build partnerships for the creation of an integrated, stable and peaceful Africa as well as voicing the common concerns of the continent for green development, sustainable transformation and durable peace.

Dr. Shiferaw noted the detrimental effects of chauvinism, narrow-mindedness and violent extremism for the peace, stability, security and democracy of the country. He said the people and their leaders must continue to sustain the current pattern of impressive economic growth, translate the goals of good governance into concrete results and take the time and effort to consolidate institutions acknowledging peoples' rights to development, democracy and human rights. He said religious extremism, chauvinism and narrow-minded provincialism posed great challenges to the country's march towards one economic and political union. These were rooted in a rent-seeking mentality which tried to maximize exclusive interests through the guise of safeguarding the rights of a particular community. He said these threats were mutually reinforcing and aimed to disrupt development and dismantle the social fabric of society. He emphasized the urgent necessity to deal with these issues to secure the survival and renaissance of Ethiopia as well as advance the common interests of its nations, nationalities and peoples. The promotion of rapid economic development, good governance, democracy and human rights, and government accountability and transparency was, therefore, a fundamental driving force to produce a successful democratic and developmental system that prevents maximization of political and personal interests at the expense of the broader society.

Dr. Shiferaw called on the Ambassadors and Consuls-General to shoulder the shared responsibility of informing foreign governments, the public and Ethiopian Diaspora communities about the achievements and

day-to-day developmental activities of the country. It was their responsibility to make these people partners, friends and supporters of Ethiopia's pursuit of steady progress and transformation in all areas of development. This, he said, would give new vigour and additional impetus to help Ethiopia develop in all areas and achieve middle income country status by 2025.

Subsequent discussion considered how to keep pace with the urgent demands and aspirations of the people for development and democratization. Ethiopia is an exemplary model of growing economic revitalization and political stability. Its infrastructural development, economic growth and growing attraction for FDI inflow signified the country's transformation from famine and underdevelopment. At the same time, despite the Government's commitment to good governance, accountability and transparency, there was a resurgence of narrow nationalism, chauvinism and extremism as a result of the reappearance of rent-seeking. It was necessary to consolidate institutional infrastructural development to build a democratic and developmental economy and root out the causes of narrow nationalism and chauvinism. There was a need to draw up a blueprint to ensure the people were the vanguard of a democratic and developmental political and economic path. Concerted and joint coordination was necessary to move beyond the successes achieved so far. It was important that Ethiopian missions engage proactively with Ethiopian Diaspora communities and encourage participation in technological and knowledge transfer, institutional and human development and technical assistance and investment.

In response to questions on equitable development of all the regions, Dr. Shiferaw said all areas of the country had been the recipient of various mega investment projects, tourism, foreign capital flows, and social development activities. He said Ethiopian representatives in foreign missions should promote national efforts for the building of a developmental and democratic political economy with solid facts. Diplomats should be ready to cultivate the democratic and developmental principles and build institutions to combat chauvinism, narrow nationalism, and violent extremism. The people of Ethiopia were tolerant and peaceful, he said, but rent-seeking behaviour threatened to spoil their trust with each other. He urged the Ambassadors and Consuls-General to help the Diaspora see the reality in Ethiopia and turn it into a key partner and agent of economic diplomacy, to contribute to national progress and complete the nation's modernization. Ambassadors should, he said, work to make Ethiopian missions advocates and centres of Ethiopia's development efforts.

...and participants attend the International Diaspora Festival in Mekelle

The Ambassadors and Consuls-General earlier attended the International Diaspora Festival being held in Mekelle, capital of the Regional State of Tigray. The Festival focused on issues connected with the pace of Ethiopia's developmental progress and rejuvenation, the key enablers of investment and businesses, the need to work jointly and with cooperation to extend economic growth, ways to expedite Diaspora engagement in technology and knowledge transfer, investment, trade and tourism, and the successes and challenges in implementation of the Growth and Transformation Plan. The Festival offered an opportunity for the Ambassadors and Consuls-General as well as Diaspora communities to visit historical and cultural sites in Tigray as well as industrial and other developmental projects. It also aimed to turn the "brain drain" into a "brain gain", with the members of the Diaspora acting as a bridge for mutual development between Ethiopia and other countries and helping to provide an accurate image of Ethiopia, as well as fostering coordination and exchanges between local people and members of the Diaspora in areas of practical cooperation to advance development goals and objectives.

A two day Symposium, which concluded on Sunday (August 3) provided both the Ambassadors and members of the Diaspora with details of the country and the region's coordinated, comprehensive and balanced growth and transformation in the spheres of health, education, investment and good governance. The Symposium covered the promising economic, social and political trajectory of the region in particular and the nation in general. Ato Abay Woldu, Chief Administrator of the Tigray Regional State, noted that engagement of investors and business people from the Diaspora in agriculture, industry, construction, hotels and tourism showed steady growth, and now amounted to 1.7 billion birr. He told the meeting that the engagement of the Diaspora at the regional level in some 255 development projects had so far created more than 5, 000 jobs. The Symposium included presentations on Diaspora participation in the fields of human resource development, institutional capacity building, technology and knowledge transfer, all of which are key drivers of the region's role in the progress towards Ethiopia's renaissance. Participants also had the opportunity to consider the successes and challenges of the performance of the Growth and Transformation Plan. Abraham Gebremedhin, Head of the Tigray Diaspora Office, emphasized the significance of the Symposium in opening a new era of sustainable, comprehensive and collaborative engagement between the Diaspora and the Regional Government.

Following the two-day Symposium, the Ambassadors and Consuls-General, headed by Ambassador Berhane Gebre-Christos, State Minister for Foreign Affairs, visited some of the region's development investment projects as well as historical and religious sites in and around Mekelle. Development and investment projects included the Ashegoda Wind-Farm and the Tekezze Hydropower Dam, the Sheba Shoe Factory, Messobo Cement Factory, the Abraha Atsibiha Water Conservation Project, the Lemlem Food Complex Factory, Mesfin Industrial Engineering Plc., and United Metal Plc. The historic sites included the giant granite obelisks of Aksum, the Abraha Atsibiha Monastery and the Al Najashi Mosque.

At the Water Conservation project at Abraha Atsibiha kebele on Tuesday (August 5), Ambassador Berhane Gebre-Christos noted that the Government's agricultural policies and strategies were bringing about successful green development in Ethiopia. The green development agenda of the Abraha Atsibiha kebele and the practical transformation of the environment in Tigray Regional State were an indication of Ethiopia's firm attachment to the global agenda of building green economy with the view to sustainably improve the lives of millions in harmony with the ecology and of its commitment to these policies. Ambassador Berhane noted that poverty, frequent droughts, and desertification had been the defining characteristic of the region. However, the commitment to ecological and environmental protection projects as well as green economic development, combined with the active participation of communities in modern agricultural practices over the last decade, had helped the region to achieve an effective way to realize sustainable development. Representatives from the local communities also briefed the Ambassadors on the results of the water conservation projects and other new agricultural technologies.

The International Diaspora Festival concluded on Wednesday with colourful cultural and musical performances. Members of the Diaspora, following visits to the region's demonstrations of development and to the various tourist attractions, welcomed these results of the close engagement of the people and local leaders. The Festival was seen by regional Diaspora officials, members of the Diaspora and the Ambassadors as a platform from which to launch an integrated phase of cooperation and coordination for development. It was an opportunity for members of the Diaspora communities to explore potential areas of investment and business as well as identify opportunities being created in the region. The Regional Government made it clear it was ready to collaborate in development activities to help the Federal Government encourage members of the Diaspora become one of the basic drivers of development in Ethiopia. Ethiopia values the opportunities to share experience and knowledge with the Diaspora and welcomes the remittances they provide. It also values the critical role that members of the Diaspora can play in explaining Ethiopia to the world and making the outside world a partner for Ethiopia's modernization. The Festival was a useful opportunity to share views on how to chart the way to achieve continued progress and how to reinforce this to consolidate efforts to expand poverty eradication.

Consultative meeting on the Lamu Port-South Sudan and Ethiopia Transport corridor

President Uhuru Kenyatta hosted a consultative meeting last week (July 31) to discuss the Lamu Port-South Sudan and Ethiopia Transport corridor project (LAPSSET). Ethiopian Prime Minister Hailemariam Desalegn, South Sudanese President Salva Kiir and Uganda's President Yoweri Museveni joined President Kenyatta at State House to explore financing options for the LAPSSET project. According to President Kenyatta the seven major components of the project require an estimated budget of US\$24.5 Billion, of which Lamu Port with its 32 projected berths will cost US\$3.1 Billion. He said after the meeting that "with the large sums involved, it was clear to us that a joint approach that is innovative will be required for implementation," adding that the leaders "explored the complexities of shortening the period between project conceptualization and the realization of a sustainable financial model that will deliver implementation."

President Kenyatta also said they had sought to learn from the African Development Bank's Africa50 Infrastructure Fund approach, and to investigate how their joint efforts might be able to help "make a compelling business case to private sector players." The leaders said their discussion was also informed by consideration of the US-Africa Leaders Summit that was going to take place the following week as this would "allow them a chance to engage with American investors on the LAPSSET project." President Kenyatta said this would be a continuation of similar discussions that "are being held with investors from across the Middle East and the Indian Ocean Rim." The four leaders also dwelt on the need for regional peace and security which were necessary to provide the conditions necessary to implement LAPSSET project and other projects which would deliver the full benefit of growth and development for the region.

Following the consultative meeting, it was announced on Friday (August 1) that a consortium of Chinese contractors led by the China Communications Construction Company (CCCC) had been awarded the first contract for LAPSSET to cover the construction of the first three berths at Lamu Port. President Kenyatta said the commencement of the project will have tremendous impact on the course of Kenya's development as well

as make the country the most attractive transport and logistics hub in the region. It also reinforced the government's "resolve to make infrastructure a key facilitator of our social and economic development," he said. The President said that "the construction of the first three berths [at Lamu] will present a strong case and trigger participation of the private sector in construction of the remaining 29 berths and other components of the corridor."

The construction of the first three berths at Lamu will cost the Kenyan Government KSh. 42 billion, and it has already set aside KSh. 4.45 Billion to allow for immediate commencement of construction works. This also includes funds for compensation of people whose property or land has been affected by the project, and the President announced that he had directed the Ministry responsible for Land to complete the necessary process of compensation as soon as possible. The President also noted that various community development works in Lamu County were underway to ensure that the local population, especially the youth, benefitted properly from the project. Enhancement of skill training were being given to youth community members recruited from the area to ensure the country and "indeed the people of Lamu have the requisite capacity to participate in the development and operation of the corridor," he said. In order to realize the full benefits of the project, the President also announced that he had directed the implementing agency, the Kenya Ports Authority, to ensure the port project was completed within the envisaged timeframe and costs.

President Kenyatta said that a comprehensive feasibility study for the development of the LAPSSET Corridor and the first three berths at Lamu Port was completed in 2011. This indicated that the Port of Lamu would be handling approximately 24 million tons of cargo per annum by year 2030. He said that in addition to its cargo handling capacity, "the geographical location of Lamu provides a naturally deep and sheltered harbour that will require minimal dredging to receive large post panamax vessels." He said that among the national benefits of the LAPSSET Corridor, would be the development of the much needed transport infrastructure to harness the recent discoveries of mineral resources including oil, coal and gas. The project, would, he said provide for economic prosperity of the northern and eastern parts the country.

With respect to the regional benefits of LAPSSET, President Kenyatta emphasized that among the key drivers of the project was "its importance to regional integration by linking Kenya with its neighbouring countries of Uganda, South Sudan and Ethiopia." The building of the three berths at Lamu, he said, "will send a strong message to our neighbours of Kenya's commitment to regional trade facilitation and integration." He said he had directed the Ministry of Transport and Infrastructure to finalize the inter-governmental agreement for the development and operation of the transport corridor with South Sudan.

On 1 April 2013, Kenya's government announced the setting up of a government agency, the Lamu Port-South Sudan Transport Development Authority to manage all this on behalf of the Kenyan government. The Authority was given the mandate to plan, coordinate and sequence LAPSSET Corridor projects in collaboration with implementing ministries and agencies; implement relevant government decisions and resolutions; mobilize funds using a variety of resources including government, donor loans, infrastructure bonds and private finance; promote the use of the LAPSSET Corridor for the transport of goods and people; and provide a forum for all stakeholders. It will manage the development of all project components: Lamu Port at Manda Bay (32 Berths); 1,600 kilometres of Standard Gauge Railway Line from Lamu - Isiolo - Juba - Addis Ababa; 1,700km of highways from Lamu - Isiolo - Juba - Addis Ababa; International Airports at Lamu, Isiolo, and Lokichokio; Resort Cities at Lamu, Isiolo and Lake Turkana; and service infrastructure projects including the High Grand Falls Multipurpose Dam to produce 500mw of power and provide water for Lamu city and port; fibre optic cable links; and other investments in commercial and manufacturing sectors along LAPSSET Corridor. The infrastructure is also expected to spur growth of other sectors of the economy within the Corridor, particularly development of agricultural value chains from the establishment of mega irrigation schemes.

Originally, the plan was for a Crude Oil Pipeline from Lamu to Isiolo and to Nakodok/Nadapal in South Sudan, a Product Oil Pipeline from Isiolo - Moyale - Addis Ababa and a Merchant Oil Refinery at Isiolo. Now, following the discoveries of oil in Uganda and Kenya, a tripartite Heads of State Infrastructure Summit in Uganda in February this year agreed that Kenya should proceed with the expression of interest for the development of a crude oil pipeline between Lamu and Lokichar oil fields as well as prepare for the construction of connecting lines from the Lake Albert oil fields in Uganda and oil fields in South Sudan.

At the original launching ceremony of the project in March 2012, the then President of Kenya, President Kibaki, who thanked the World Bank, the African Development Bank and the Africa Union for their support and singled out China for being "extremely supportive", said the project would provide "the landlocked countries of our region with a direct and dependable route to the sea" and help connect "the entire east and central Africa region to international markets." The project could be expected to play a critical role in enhancing the

economic livelihood of over 167 million people in the region and would also generate massive employment opportunities, said President Kibaki.

The late Prime Minister of Ethiopia, Meles Zenawi, said at the launching ceremony said that Ethiopia looked forward to extending its cooperation to make sure the project came to full fruition. He called the launch an historic occasion and expressed optimism that it would drive the collective development of Kenya, Ethiopia and South Sudan forward. LAPSSET, he said, would add credence to Kenya's position as a gateway to East and Central Africa. It would link the economies of the four states and also bring their peoples together. President Salva Kiir congratulated President Kibaki and the people of Kenya for the realization of a dream to spur regional economic integration. It would create economic opportunities and enhance national and regional stability. For South Sudan, he said, "it is a vision whereby in the future you will be able to board people and freight cargo in the morning in Juba and be in Lamu that same afternoon."